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BUREAU OF NAVIGATION

BULLETIN



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PUBLISHED FOR THE PURPOSE OF DISSEMINATING
GENERAL INFORMATION OF PROBABLE INTEREST TO
THE SERVICE.



SILVER LIFE-SAVING MEDALS.

The Secretary of the Treasury has awarded Silver Life-Saving Medals to the following-named enlisted men:

BRYAN, James W., Carpenter's Mate 1c, U.S.N., for bravely rescuing a shipmate from drowning.

HEWITT, Ernest C., M.M.2c, U.S.N., for bravely rescuing a shipmate from drowning.

PAPSONS, Paul, Seaman 1c, U.S.N., for bravely rescuing a man from drowning.

SOUZA, Edwin E., Torpedoman 2c, U.S.N., for bravely rescuing a shipmate from drowning.

STRIEGLER, Herman F., Electrician's Mate 3c, U.S.N., for bravely rescuing a shipmate from drowning.

WARE, William J., Y. 2c, U.S.N., for bravely rescuing a shipmate from drowning.

SPONSOR FOR U.S.S. RALPH TALBOT.

The Secretary of the Navy has designated Mrs. Mary Talbot, of 133 Pleasant Street, South Weymouth, Mass., as sponsor for the U.S.S. RALPH TALBOT (DD390), named in honor of her son, the late Second Lieutenant Ralph Talbot, U. S. Marine Corps.

The U.S.S. RALPH TALBOT (DD390) probably will be launched at the Navy Yard, Boston, Mass., the latter part of 1936, but no definite date has as yet been set.

The U.S.S. RALPH TALBOT (DD390) was authorized by the Vinson-Trammell Bill, Act of Congress, March 27, 1934.

BUREAU DESIRES PHOTOGRAPHS.

It is requested that all officers of the rank of Rear Admiral and Captain furnish the Bureau of Navigation with a recent, uncopyrighted photograph of themselves. The picture should show the individual in uniform and should preferably be not smaller than 3" x 4".

These pictures are desired in order that the Department may have them available for press release as occasion may arise.

ASIATIC VACANCIES.

Volunteers have been slated for all prospective vacancies on the Asiatic Station in 1936 except the following, for which requests will be considered:

March - 1 Commander (Captain of Yard, Cavite) - shore duty
1 Lieutenant Commander

April - 1 Lieutenant Commander

May - 1 Lieutenant Commander

June - 1 Lieutenant Commander (Asiatic Communication Officer, Cavite) - shore duty

July - 3 Commanders
2 Lieutenants

September - 1 Commander
1 Lieutenant Commander

October - 1 Lieutenant

November - 1 Lieutenant

December - 4 Commanders
1 Lieutenant Commander
1 Lieutenant

Officers on the promotion lists for Commander and Lieutenant Commander will be considered for vacancies in those respective grades whether or not their numbers have been made.

Officers already at sea who apply for duty on the Asiatic Station will be expected to complete a full tour on the Asiatic Station.

Attention is invited to the two shore billets for which volunteers are desired; one Commander for duty as Captain of the Yard, Cavite, and one Lieutenant Commander for duty as Asiatic Communication Officer, Cavite. For the latter billet technical training in radio communications is desirable but not essential.

CANDIDATES FOR MIDSHIPMAN - AGE REQUIREMENTS.

Attention of all officers is called to the law which specifically provides that all candidates for midshipman must be not less than sixteen nor more than twenty years of age on 1 April of the year of entrance to the Naval Academy.

Care should be taken not to encourage or authorize any enlisted man to try for appointment to the Naval Academy if he will reach his twentieth birthday before 1 April of the year he desires to enter the Naval Academy.

PERMANENCY AND TURNOVER OF PERSONNEL.

Attention is invited to BuNav. Bulletin No. 215, page 4, and to BuNav. letter Nav-61-IB; P16-1/MM(322), of 16 October 1934.

The above references contain certain data pertinent to permanency and the turnover of personnel for the fiscal year 1934. These figures, having been reduced to a common denominator, are now re-submitted to the service together with certain other data for the year 1935 and estimates for 1936 and 1937.

Considering the Navy as a whole, turnover is deemed to exist when a man's services are permanently lost, thereby requiring replacement. For the individual ship, turnover exists when a man is detached and is not re-ordered to duty in the same ship within forty-eight hours.

As set forth in the references, only certain representative combatant surface vessels were considered. Apportionment of the various types of transfers among these vessels is remarkably uniform.

There were in the Navy in fiscal year 1934:

At beginning of year.....	79,206 men
At end of year.....	80,312 men
Average strength for the year.....	78,260 men

From this, it is evident that no appreciable error is introduced by making all comparisons to a percentage basis as if the Navy had been maintained at a constant strength of 78,260 men throughout the year.

Turnover, considering the Navy as a whole:

Enlistments expired.....	18,527
Percentage failed to re-enlist.....	(x) 4,239
Losses through failure to re-enlist.....	4,428
Losses all other causes.....	(+) 6,039
Losses all causes.....	10,467

Percentage = $\frac{10,467}{78,260} = 13.37\%$

Overall turnover of the whole Navy was 13.37%; i.e., for every 100 men in the Navy, 13.37 left the service for one cause or another. Using the representative combatant ships, by actual count 78.63% of the average number of men assigned to a ship left her during the year. Assuming that the losses for "all causes" were uniform throughout the Navy, out of the 78.63% who left each ship, 13.37% were losses incidental to the overall turnover of the Navy. Therefore, 78.63% minus 13.37 or 65.26% left the ship for other reasons.

However, inasmuch as the losses due to medical survey are included in the transfers to hospitals and are therefore included in "other reasons" and amounts to 1.16% of the average strength of the Navy, the figure should be 78.63 minus 13.37 plus 1.16 or 66.42%, made up as follows:

To New Construction.....	5.88%
To Service Schools.....	2.50%
To Asiatic Station.....	5.41%
To Other Ships.....	20.78%
To Shore Duty.....	11.84%
To Hospitals (includes losses by medical survey).....	17.20%
*To Miscellaneous Duty.....	2.81%
Remaining on board.....	21.37%
Losses for all causes (except medical survey).....	12.21%
	<u>100.00%</u>

*"Miscellaneous" includes such duty as Target Repair, Patrol, To and from Staffs, Shifting of Staffs with Flags, Athletic Fields, etc.

Using the known data for the fiscal year 1935, together with estimates for 1936 and 1937, certain computations are made in regard to overall permanency of personnel during these years and the composition of the enlisted strength of the Navy at the end of 1937.

Of the 80,312 men who were in the Navy at the beginning of the fiscal year 1935, there remained at the end of the year 89 2/3%, and at the end of 1936 and 1937 respectively, there will remain 74 3/4% and 60 1/4%. Although at the end of 1937 only 39 3/4% of these old men will have been lost, the size of the Navy will have increased to 100,000, so that the percentage composition at that time will be:

- 49% who have had more than 3 years' service;
- 12% who have had less than 3 but more than 2 years' service; and
- 40% who have been in the service less than 2 years.

While the overall permanency for 1935 was 89 2/3%, with 72,033 of the original 80,312 remaining in service, there had been during that year 102,639 transfers. This figure includes such multiple entries as transfers to and from schools and hospitals, and transfer for further transfer; even so, it is no less surprising when it is realized that the maximum number of men in the service at any time during that year was 82,830. Although a large number of transfers is unavoidable under our system of procurement and distribution, the number quoted for 1935 is excessive.

One-half of this number was made up of transfers from ships. Some of these have been divided into classes as follows:

Battleships.....	573	men	per	ship	per	year
Heavy Cruisers.....	404	"	"	"	"	"
Light Cruisers.....	334	"	"	"	"	"
Destroyers.....	76	"	"	"	"	"

The transfers from one class of ships, the Light Cruisers, are typical of all classes, and fall naturally into certain important groups:

To Asiatic Station.....	17	men	per	ship	per	year
To shore duty.....	24	"	"	"	"	"
For discharge other than on own ship.....	25	"	"	"	"	"
To new construction.....	22	"	"	"	"	"
To hospitals.....	81	"	"	"	"	"
To other ships.....	120	"	"	"	"	"

It should be noted that considerably more than half of the total transfers are to other ships and to hospitals. In this connection the total loss of time in hospitals, hospital ships, and on the sick list on board ships amounts to the surprising figure of 800,000 man days per year, which has the effect of reducing the effective strength of the Navy by more than 2100 men per year.

In the fiscal year 1935, we finished the year with about 90 percent of the men we started with, in 1934 - 86.63 percent. Neglecting transfers, the condition as to permanency is satisfactory. When transfers are considered, the condition is quite otherwise.

Besides excessive shuffling of personnel, we have other imperfections. Much time is needlessly lost in effecting necessary transfers. Indirectly time is also lost when a man spends weeks or months at school being trained in a specialty and is then assigned to a billet in some other kind of work.

Some of the faults enumerated are among the inherent disadvantages of decentralized distribution and control of personnel. Such a system was adopted in the conviction that it reduces the volume of correspondence and permits quicker action than could be obtained if all such matters were handled by the Bureau direct. Although a large measure of authority is delegated to the forces afloat, the Bureau's instructions contained in the manual and in circular letters govern in all cases.

The worst flaw in our system is the large number of transfers. The goal for which we strive is permanence, and it has been shown that the state of overall permanence is comparatively satisfactory. The trouble lies in internal impermanency caused by frequent transfers. While the goal cannot be reached it can be more nearly approximated. It is to this end that the Bureau seeks to emphasize the importance of proper administration in the forces afloat, to indoctrinate them, and to send to them specially trained officers in personnel duties.

A recent change in the organization for distribution, now in effect, was made in the hope that the service may continue to reap the advantages of decentralized control and will at the same time be able to eliminate some of its disadvantages. This change was promulgated to the service in Bureau of Navigation Circular Letter No. 47-35, and to the fleet in United States Fleet Letter No. 6-35. In effect, it has designated Commander Base Force as personnel officer for the United States Fleet and has concentrated personnel matters within the Fleet under his control. To enable Commander Base Force to carry out these duties, two officers trained in distribution of personnel have been assigned to his staff with the designations of "United States Fleet Personnel Officer" and "Assistant United States Fleet Personnel Officer."

Particular attention is invited to the very small percentage of turnover due to transfers to the Asiatic Station and to shore duty, and to the excessively large percentage chargeable to intership transfers and to transfers to hospitals.

The following steps have been taken and are being continued by the Bureau in order to cut down the turnover as much as possible:

- (a) Keep number on shore duty at minimum and extend tours from 2 to 3 years wherever warranted.
- (b) Keep Special Order Discharges at minimum.
- (c) Keep desertions, disciplinary discharges and losses by medical survey at a minimum by maintaining rigid standards of selective recruiting.
- (d) Keep shore term extensions at a minimum.

Intership transfers, and those to hospitals, are almost exclusively within the control of the forces afloat, and may be kept at a minimum by such practices as:

- (a) Limiting transfers in exchange to emergency cases.
- (b) Levelling up excesses and vacancies infrequently, perhaps at intervals of 6 months.
- (c) Limiting transfers to hospitals to those cases that cannot be treated on board own ship.
- (d) Reducing loss of manpower during convalescence by returning men to light duty on board own ships whenever practicable.
- (e) Adopting all reasonable measures to reduce time lost in transit.

INSURANCE FOR OFFICERS.

The following is quoted from the "Life Insurance Enlightener":

"THE NAVY SOLVES ITS INSURANCE PROBLEM

"How Navy Officers get pure
Insurance with Savings Accounts
Returned at Death

"The part the Navy takes in protecting its officers against the onslaught of commercial life insurance is not generally known. Of extraordinary concern to those in the Navy, it is also of great interest to civilians with incomes comparable to those of naval officers. Confronted with the same problem that worries the young civilian, the problem of stretching a small income to cover not only every-day living expenses but also the insurance needs of dependents, the Navy went into the matter thoroughly.

"Fortunately it did not get into the hands of professional insurance people when it set up its insurance plan. Possibly this was due to a desire to keep away from the extra risk which is supposed to attach to those following a naval career, or it may have been due to a realization of the fact that any great number of deaths would have wiped out the usual reserve system of insurance as surely as it may demonstrate the insufficiency of what is in effect an assessment system. Whatever the reason, the Navy got away from the investment type of insurance, yet it did not, as we will learn, get away from a safe system of savings accumulation working in connection with, but not an integral part of, the insurance protection.

"Clearly the Navy gave careful consideration to the matter. Some of the conclusions arrived at are to be found in a brochure entitled 'Insurance for Naval Officers,' compiled and distributed by the Navy Mutual Aid Association in 1930.

"Evidently the problem of combining insurance and investment perplexed the Association, and it found it necessary to study the problem. What was its conclusion? Let us quote from the brochure:

'The virtue of life insurance is in the protection offered. Its investment feature has no place in one's financial scheme until one has first purchased adequate protection.'

"That the usual argument of enforced saving had been urged and weighed is evident from a further conclusion arrived at.

"The upshot of the matter was that the Navy put into operation a system of pure insurance, with a savings payment made in addition to the payment or premium for insurance, this savings payment building up a separate fund which fulfills the incidental purpose of a reserve for an unusual number of deaths.

"How does the plan work out? Here is an officer 35 years old. He pays annual assessments of \$85.95 for which he gets \$7500 insurance protection. If insured in the usual commercialized 'mutual' company, his insurance protection for the same premium might well be as little as \$3050. But besides this the \$85.95 assessment gives him a credit of \$43.93 in the compound interest savings fund of the association! His insurance protection costs only \$5.60 a thousand! This sounds like a fairy tale to the man who is paying a good many times that. If our Navy officer dies he leaves his family with \$7500 insurance, plus the savings balance, while the civilian who insures in the usual insurance company leaves his family with about \$3050 plus dividend additions, assuming he uses the annual dividends to add to the amount of his insurance.

"Now, what impelled the Navy to depart from accepted insurance principles? Here again we must let the Navy speak for itself.

'It is perfectly clear that it would be illogical and unwise to add to one's earlier burden by superimposing additional outlays designed to make easier the older years, at which time one may expect greater pay and less obligation.... Those who will assume the burden of sufficient protection will have no extra funds for special forms of saving.... This all points directly to one answer: take the cheapest protection in younger years.'

Did the Navy have any doubts about the scheme? Evidently it did, and fearing the usual criticism, it submitted the plan to a company representative. Fortunately it discovered, for the purpose, an able and honest man. The special agent of the Union Central Life Insurance Company to whom the matter was submitted, reported as follows:

'In the many years of my life insurance experience, I am convinced that a plan of insurance for intelligent people is one which will create an estate without a cash value; where the dividends and savings will be used to increase the estate and bring about a condition where estates which are planned will materialize as estates. I recommend in all life insurance estates that a certain amount of insurance be owned for that purpose, and urge my clients to do everything within their power to continue this insurance for the benefit of their survivors. This plan of insurance should be the lowest rate insurance obtainable. I believe that your plan for officers is ideal for this purpose.'

"Thus we see that the Navy managed to escape the trap usually set by the insurance people, gave its officers insurance at a reasonable price, and setup reserves outside the policy to be paid at death, with the usual insurance payment.

"Evidently 'misfit' insurance was just as prevalent in the Navy prior to the adoption of the plan described as it is in outside civilian life; inadequate insurance protection was evidently a Navy problem as it is today a civilian problem. As a preliminary to its recital of examples of misfit insurance the report says:

'The primary insurance consideration of the average man with a growing family should be that the premiums he pays provide his family with the maximum amount of protection obtainable....

'Endowments are a combination of insurance and savings. On short-term endowments - those that pay out in a few years - the savings portion is the main feature. They are sold on that basis, the protection being considered only an added attraction. The principal argument made for them is that his beneficiary gets \$10,000, or, if he lives to the end of the endowment period, he himself gets \$10,000. A twenty-year endowment at age 31 costs \$40.10 a month. In twenty years the policyholder will have paid in about \$9,600, and he will receive \$400 more than he put in.

'It's a fine policy and it would be nice to have \$10,000 at the end of twenty years, but does it meet the needs of Mr. Average Family Man? Because of his family, he should have the maximum of protection. Savings are a minor consideration. Therefore such an endowment in his case is a misfit.'

"In looking over the situation at the U. S. Navy Yard, Philadelphia, where Admiral Snow is engaged in promoting thrift among the enlisted personnel, the Manager of the Life Insurance Company discussed one of these misfit cases with the Admiral. 'It is like this,' said the Manager, 'ten years ago an officer, now 41, having a wife and two small children dependent upon him, and only his pay to live upon, bought a \$10,000 twenty-year endowment policy. Recently, he awoke to the fact that if he dies the \$10,000, payable to his wife and children, if put out at 5 percent interest, will give them only \$50 a month on which to live. He is beside himself with anxiety over the future. He can't afford to take out more insurance, and he is too old to join the Navy Mutual Aid.'

"Note, if you will, that the officer with the \$10,000 endowment policy woke up to the fact that his insurance protection was on the wrong basis when he was too old to join the Navy Mutual Aid, and could not afford to take out new insurance!

"If the Navy Plan is sound for Navy officers, it is sound for outsiders as well. Even more so since Navy officers are quite secure in their jobs, permitting enforced saving; the outsider, not so secure, is more apt to find himself without a job, or with his salary cut, so that only insurance premiums are, for the time being, possible. Savings must go by the board for the time being. Even savings accumulations must be drawn upon, and when drawn they should not wreck the insurance protection of the wife and children as commercialized life insurance usually makes necessary.

"For the information of our readers we submit the cost of the combination of insurance and saving to Navy officers:

Age	Annual Assessment	Insurance Cost		Savings Payment
		\$7500	\$1000	
20	\$44.35	\$27.06	\$3.61	\$28.29
25	65.90	31.24	4.17	32.66
30	73.80	36.08	4.81	37.72
35	85.95	42.02	5.60	43.93
40	101.70	49.72	6.63	51.98

"To show the results at age 64, assuming only 3½% interest, the Navy Mutual Aid Association submitted to its members the following estimates of savings balances. If death occurs prior to age 64, the \$7500 death benefit would be paid as well as the savings accumulations.

Age at entry	Savings	Interest	Total at age 64
20	\$3007.25	\$2874.87	\$5882.12
25	2857.52	2432.10	5289.62
30	2684.79	1899.64	4584.43
35	2484.46	1471.84	3956.30
40	2249.63	1110.33	3349.96 "

COPY OF ORDERS ISSUED ENLISTED MEN.

The Bureau has noted many recent instances of failure to comply with Article D-7008, Bureau of Navigation Manual. The most frequent error is failure to forward a copy of orders issued to an enlisted man to his new station.