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## Overview: Defense Planning and Policy

### Introduction

Barry M. Blechman  
and William J. Lynn\*

The period from 1980 to 1985 marked the largest peacetime military build-up in United States history. During this period, defense appropriations increased approximately 50 percent in real terms. The cost of defense was not an issue; instead, debates on national security concentrated primarily on external factors: the size and nature of the Soviet threat, the merits of a maritime strategy versus a coalition defense strategy, and the viability of a strategy to fight prolonged nuclear conflicts.

For the past two years, however, growth in defense spending has been stopped; indeed, there have been slight reductions in the real value of defense appropriations. Over the next several years, the Department of Defense will be doing well if it manages to keep pace with inflation. As defense resources have tightened, greater attention has been focused on internal issues — not only the question of how much the nation should spend on defense, but questions of how best to organize the nation's defense effort to ensure effective and efficient operations. In fact, in late 1986 Congress enacted the most far-reaching organizational reform of the defense establishment since the War and Navy Departments were merged to create the Department of Defense in 1947.<sup>1</sup>

Not all questions concerning the organization, policies, and procedures of the Defense Department are resolved, however. For example, despite the passage of a spate of measures concerning the processes through which the Defense Department acquires new

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\* Barry M. Blechman is the founder and president of Defense Forecasts, Inc., a Washington-based research and analysis enterprise. William J. Lynn is a senior fellow in the Strategic Concepts Development Center at National Defense University. They are the co-editors of *TOWARD A MORE EFFECTIVE DEFENSE* (1985).

1. Goldwater-Nichols Department of Defense Reorganization Act of 1986, Pub. L. No. 99-433, 100 Stat. 992.

weapons, most observers remain dissatisfied with existing acquisition plans, methods, and organizations, and additional legislative action can be expected in the 100th Congress. It is on this new defense agenda, with its emphasis on defense resources, internal organization, and procedures, that much of the current issue of the *Yale Law and Policy Review* concentrates.

Gordon Adams establishes the context for the discussion by setting forth the resource constraints that the Department of Defense faces. He points out that the 1980-85 defense build-up was not evenly balanced between defense investment and defense consumption. The investment accounts — procurement, research and development, and military construction — received much more substantial increases than the accounts that support consumption — personnel and operations and maintenance. Shifting the balance between investment and consumption would not necessarily cause problems if defense spending continued to increase in real terms into the 1990s, according to Adams. But because such continued increases are unlikely, the imbalance could cause problems.

Specifically, Adams contends that the investment-driven budget increases have created a substantial backlog of appropriated but unexpended funds. In simple terms, this means that a significant portion of future defense outlays already are committed to particular weapon systems, research programs, and construction projects, thus limiting the flexibility of future budgetary choices. This is a particular problem in Adams' view, because as the larger quantities of more sophisticated equipment ordered in the early 1980s become operational in the latter half of the decade, operational expenses will rise significantly. Moreover, Adams argues that the dramatic increase in research and development appropriations have created a second potential spending "bow wave." As the new generation of weapons nears production, it will necessitate further increases in procurement appropriations and, ultimately, additional growth in operating funds.

In short, Adams argues that the defense program has been premised on continued real increases in defense budgets lasting well into the 1990s. If these increases fail to appear — as seems inevitable — difficult choices will have to be made involving the possibility of reductions in the size of the nation's armed forces, radical cuts in future investment, and sharp reductions in operational readiness. Congress and the Department of Defense will have to assess defense

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budget priorities in order to ensure that a more balanced program is achieved.

James Lacy describes a second major constraint on future defense planning: probable shortfalls in available military manpower. In this context, he identifies two types of problems which are likely to develop.

First, Lacy points out that the armed forces will be squeezed between growing demands for qualified recruits and a concomitant shrinkage in the available manpower supply. Much of the incremental demand for manpower will arise as the equipment ordered in the sharply rising budgets of the early 1980s becomes operational in the late 1980s and early 1990s. At the same time, the U.S. will continue its descent into a “demographic depression,” with the size of the recruitable population declining at least through 1995. Barring a return to conscription, Lacy suggests that deficiencies in our ability to man the planned larger and more technically sophisticated forces of the 1990s will have to be addressed by various forms of substitution — civilian for military manpower, automated equipment for manpower, and womanpower for manpower.

Second, Lacy notes that by the early 1990s, the nation’s armed forces will be more heavily dependent on mobilizable reserves than at any time since the outbreak of the Korean War in 1950. He argues that this increasing reliance on reserve forces is unwise for two reasons: i) the U.S. is unlikely to have sufficient warning in advance of hostilities to mobilize reserve forces; and ii) the current structure of reserve forces is a patchwork that has been determined more by domestic politics than by assessment of military needs. Correcting these problems, in Lacy’s view, requires a rethinking of the balance between forces-in-being and mobilizable reserves. Specifically, he calls for the United States to reverse the gradual transfer of support missions from the active to the reserve forces, and to undertake a wholesale reexamination of the organization, training, and funding of the entire reserve apparatus.

Each of the next three articles in the overview examines the system that the United States uses to acquire weapons for the armed forces. The three articles differ radically, however, in their assessments of what is wrong with the system and, consequently, in their prescriptions for reform.

The most critical perspective is found in the piece by Danielle Brian-Bland and Dina Rasor. They argue that Defense Department officials have put concerns of bureaucratic politics and institutional

self-interest above the interests of both the taxpayer and the soldier. In their view, officials have hidden from Congress the myriad problems in the weapons procurement process, in order to protect their personal and organizational positions.

To rectify the problems they describe, Brian-Bland and Rasor offer a three-point reform package. First, they would strengthen the laws that prohibit executive branch officials from making false or misleading statements to Congress. Second, they call for shifting more procurement-related jobs from military officers to civilians, and for a corresponding reduction in the size of the officer corps. Third, in order to restrict the so-called "revolving door" through which officers retire from the armed forces to jobs in defense industry, they propose a two-year waiting period before procurement officers can accept related jobs with defense contractors.

Whereas Brian-Bland and Rasor are concerned primarily with "fraud and abuse" in the defense procurement system, Jacques Gansler maintains that "waste" is the far more important problem. He argues that the most significant causes of inefficiency in the procurement system are structural deficiencies, not dishonest officials or inadequate regulations. Specifically, he says that the waste of defense resources results from the domination of the weapon selection process by the individual military services, from the inadequacy of cost-estimating procedures, from the continual lengthening of the amount of time required to develop and procure weapon systems, and from the deterioration of the nation's defense industrial base.

Gansler calls for four major structural reforms. First, he proposes to improve both the allocation of defense resources and the selection of weapons by involving to a much greater degree both the chairman of the Joint Chiefs of Staff and the commanders of U.S. combat forces in initial decisions on weapons. Second, Gansler argues strongly for a biennial budget process; a shift to two-year budgets, he maintains, would enhance the stability of weapon programs and thus reduce their real costs. Third, Gansler proposes that the Defense Department rely more on natural market incentives than on regulations, a move which would ensure higher quality weapons and lower costs. And, finally, Gansler would establish a new office in the Department of Defense with responsibility for taking action to ensure the health of U.S. defense industries. Gansler concludes that the cumulative effect of these four reforms would be to bring about a "cultural change" in the weapon acquisition pro-

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cess which would ultimately result in better weapons being built on shorter schedules and at lower costs.

In contrast to both Gansler and Brian-Bland and Rasor, Robert Daniell offers a defense of the current weapon acquisition process, contending that most of the goods and services purchased by the Department of Defense are delivered on time, for the contracted price, and with the agreed-upon quality. In his view, much of the public's mistrust of the Pentagon and of defense contractors stems from an inadequate understanding of the unique nature of the defense market: it is comprised of a single large customer who demands technically advanced equipment that can survive in a wide range of environments and be maintained by a young work force of volunteers with only limited experience and training. Accordingly, Daniell suggests that it is important that the public be better educated in the realities of defense procurement in order to restore confidence in the current system. Moreover, citing the experience in recent years in remedying problems of spare parts pricing, Daniell concludes that the existing procurement system has an inherent self-correcting dynamic that obviates the need for any major overhaul.

The final article in this issue, by Noel Gayler, addresses nuclear arms control. Gayler rejects the "classic negotiation approach" that seeks to promote nuclear stability through a series of incremental reductions. Instead, he proposes a more sweeping "general nuclear settlement" between the U.S. and USSR. Under this proposal, both nations would agree to a mutual moratorium on the development, testing, and deployment of all nuclear weapons — in other words, a nuclear freeze. They also would agree to a series of deep cuts in their existing nuclear stockpiles until "minimum invulnerable deterrents" against nuclear war were reached. Although Gayler does not specify the size of these minimum deterrents, it is clear that he intends that each side be left with only a few hundred weapons.

Gayler suggests further that this general nuclear settlement would be possible only if U.S.-Soviet tensions could be reduced substantially. Toward this end, he sets forth a series of proposals, including the cessation of threatening rhetoric by each side. He also proposes that that United States and the Soviet Union renounce "nuclear war-fighting doctrines." And he proposes several measures to improve communications between the great powers and to establish mutual confidence of peaceful intent between them.

Some would dismiss such a comprehensive scheme for dramatic improvements in the great powers' relations and for a general nuclear settlement as hopelessly utopian. Gayler, however, contends that only such comprehensive and radical measures would truly reduce the risk of nuclear conflagration.

As should be clear from the range of the articles contained in this issue of the *Yale Law and Policy Review*, contemporary problems of defense planning and policy are no less diverse than they are controversial. Still, it is evident that, at present, the focus of the defense debate is primarily on domestic issues of defense decision-making. What share of the nation's resources — manpower, federal expenditures, technical expertise and materiel — should be allocated to the Department of Defense? How should the Department be organized to ensure the most effective and efficient use of these resources? How could the processes through which the nation plans its future defense policies and programs, and acquires the weapons, equipment, and manpower to carry them out, be streamlined to reduce the burden of defense? What policies can best assure our security in the nuclear age?

This issue of the *Review* presents an interesting sampling of opinion on these and related questions and, as such, should help to clarify and focus readers' consideration of these essential topics.