



AN APPRAISAL OF MANAGEMENT
IN THE
DEPARTMENT OF DEFENSE

MR. C. W. Borklund
NOTICE

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Reviewed by Col E. J. Ingmire, USA on 14 February 1964.

INDUSTRIAL COLLEGE OF THE ARMED FORCES
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10 February 1964

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Reviewed by: Col. E. J. Ingmire, USA Date: 14 February 1964

Reporter--Grace R. O'Toole

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COLONEL INGMIRE: Welcome back, gentlemen. In 67 days we will be leaving on our field trips.

Certainly up to date you have heard about DOD management from DOD representatives. You've also had several views from industry as to what they think of DOD management.

This morning you will hear an outside appraisal from an insider, you might say, the publisher of Armed Forces Management, Mr. C. W. Borklund, who last year came here and had a rousing success. He got the class up off their backs.

Mr. Borklund, it is a privilege to welcome you back again.

MR. BORKLUND: I understand that you have just returned from a field trip. General Stoughton and a couple other people in the other room were telling me that they hoped I could get you up off your backs again, because you might be kind of tired after the trip. I hope I can do as well as you did by me last year, during the question-and-answer period, at least.

Before we get into An Appraisal of Management in DOD I think it would be best if we defined some terms. A speaker sometimes starts off with that kind of statement in order to limit the scope of the discussion and stay out of any areas that might be controversial. If that was my objective, which it is not, I'm sure you wouldn't let me get away with.

it, at least if my experience last year during the question-and-answer period was any indication of the way you normally operate. The other reason for definitions is to make sure that we are all reading from the same sheet of music, and apparently in the management field this is particularly difficult.

I understand that a Defense Department symposium on Project Management in New London, Connecticut, last May almost fell apart because it became apparent after about one hour that nearly everybody there had a different definition of what project management meant. I realize that it is almost impossible to plan as a language a man's attitude toward various words, which is why, I suppose, communication is a manager's toughest problem.

But, in any event, in spite of the common and erroneous usage of the initials, DOD, to mean solely the Office of the Secretary of Defense, it is in fact the entire military establishment, including the three or four--if you are a Marine--military departments. All my remarks will be in that context.

The term "management" is a little bit more difficult to button down. Webster says--and I paraphrase roughly--that it is the judicious control and direction of means to accomplish an end. Taking that definition and assuming means is resources, or men, money, and material, then management is, as I see it, what leadership is to combat operation. It is the control of that 75 percent of military activity, or maybe even 90 or more percent, when there is no shooting going on, known in broadest

context as planning, policy, and logistics, that is, research and development, procurement, supply, training, and budgeting.

On today's cold-war battlefield it is military management, including the industry suppliers of goods and services, that is doing most of the fighting. Good management here is just basically good leadership of yourself and your responsibility, if you are low on the totem pole, and of others and the resources that they command if you rank higher up.

How good is military management? The military runs its business at least as well as most businesses are run. Considering the unique pressures and complexities of the Defense organization, it is probably run better than anybody else's. Certainly it is run far better than it is given public credit for. Defense Secretary McNamara was very sincere and definite, I think, when he said a while back that no other element of our society is paid less per unit of ability than the people in the Department of Defense. Moreover, he was echoing a sentiment expressed in strong terms by just about every one of the past eight Secretaries of Defense--all of which is nice to hear, but it doesn't necessarily mean that Defense management is good enough.

Comparing how Defense rates with other managements is a frivolous exercise. There is no valid way I know of to compare apples with oranges, at least if the object is to rate one without qualification ahead of the other. What is good management in one place need not necessarily be and probably isn't good management in another.

Management is a glorified way of talking about problem solving

by people, essentially, and problems differ in size and complexity. It follows, then, that the earned grade of excellence in solving them must differ. Consequently, the real standard of excellence in Defense management is how well we do against what we might do. The stakes are too high, dedicated Defense personnel keep telling me, to permit making mistakes. Since it is my neck that they are talking about, I tend to agree with them.

If I had to put a grade on how well we do compared to the potentially perfect score, I'd say we rate about 75 percent, or a C grade. There's no mathematical way this can be measured, of course. I base my opinion on several things, however. For one, military leaders of this management or business activity have told me so--not just a haphazard handful but many of the most successful ones. Now retired Admiral Rayborn, whose Navy Special Projects Office set more standards for sound management behavior than have even been counted yet, used to tell me that the Nation and the military would be a lot better off if we locked the Pentagon doors some Saturday evening after everyone had left except the most essential, boarded up 25 percent of the office space, and on Monday let back in the building only enough people to fill up what room was left, and fire the rest, and that if we put them on a pension with full salary the efficiency of the organization would double.

I base my judgment also on the steady decline in past years of industry profits from government contracts. One industry President summed it up this way: "Successful companies, under pressure of the

profit motive, are not by design or even accident inefficient. What makes a company inefficient is an inefficient customer." To put it in simplest terms, a house painter over the long haul makes a lot less profit from the lady who has him painting and repainting because she can't make up her mind than he does from the lady who says, "Paint it white and get out of here."

But what is to me the clearest clue that military management doesn't rate an A is the trend of the past 25 years toward centralized control in detail in the Defense Secretary's Office. I am referring here to the control or management of the business activities, not necessarily the international combat commands. The very nature of the/threat and the instruments we have developed to counter it make centralized, coordinated, immediate command of forces an apparent necessity. The same is true of the logistics, partly, because support activities inevitably tag along after any such command trends.

It does not necessarily follow, however, that control of all the business activities--the research and development, the procurement, the supply, and the budgeting in detail--is inevitable. The recent flow of power, allegedly, from the military departments and to the Defense Secretary's Office is not of itself anything to worry about, except as it implies an indictment of the efficiency and the effectiveness of the organization under a system of decentralized management authority.

I grow a little weary of all these heated theoretical debates about the merits and demerits of centralized versus decentralized

management. They are inconsequential. The truth is that there is no best way to manage. Whether the project management technique is used or not, for instance, depends on the type of problem to be solved, the set of circumstances which surround both it and its most logical-looking solution, and, most importantly, the amount and degree of talent that can be brought to bear on the problem.

The point of all this, as far as what sort of grade Defense management deserves is concerned, is how much of the trend to centralized management is due to the fact that such an organization is the best if not the only way to deal with the cold war, and how much of the trend is due to management failures by the people in the decentralized setup when faced with the same problems.

Nature abhors a vacuum. This is an obvious, constant pattern in Defense activities. Tough answers not made on tough problems at a lower level inevitably result in the problem sooner or later bouncing to higher and higher levels until it finds its solution.

Management ineptness played a heavy hand in developing the machinery we have today. I think there is too much detailed decision-making going on in the ivory tower across the Potomac. The Defense Secretary says he thinks so too. Part of it is due to the fact that that is just the way he works best, but most of it has been a price he consciously paid, and found he had to pay, for that matter, to get this organization operating the way the law says it is supposed to.

What launched the concept of a single national military establishment

20 years ago was the clear need for a coordinated military organization, if the United States was going to appropriately weave military force into the fabric of national informed policy. But what shifted that launch from low into second and eventually into high gear was the reaction to waste, duplication, conflicting and contradictory handling of the same types of personnel and hardware, and, finally, separate and autonomous military groups working--and I quote Harry Truman now--at cross purposes and engaging in an open competition for funds.

It took 17 long, bitter, brutal years to achieve the goal, but we finally have, at least at the top--and eventually it will filter down to the rest of the organization--what the 1947 National Security Act said philosophically the Nation should have. I find it a little hard to blame the Defense Secretary's office, the White House, or the Congress for the present state of affairs, if blame is the right word. A record of costs on development programs running as much as two, three, four, or more times what the military estimates said they would is hardly likely to lull higher authority into thinking that the military can run their own shops without being watched.

So now we have instituted by the Secretary of Defense a thing labeled Program Definition. The military pattern of conflict and confusion in the face of this peculiar challenge of constant crisis known as the cold war was hardly likely to convince this Nation's people that they could rest comfortably behind their military shield. I am referring to such headlines as the aircraft carrier B-36 business, that

conglomeration of Snarks, Bomarcs, Matadors, Navahos, and so on, the Thor-Jupiter, the Atlas-Titan debates, and even today missile-versus-bomber argument. So we have the program-package technique instituted by the Secretary of Defense. We have had ballooning costs for a long time, but it took the Defense Secretary's Office to make sense out of a program called Cost Reduction , out of one called Base Closure, and another called Value Engineering. If we get another McNamara type in for the next four years, they just might finally make sense out of that presently horrendous sarcasm known as Personnel Administration and Promotion Program.

The amazing thing to me, or the unfortunate thing, or the pathetic thing, depending on your viewpoint, is that there has been all this praise in the past three years or so of these bold, new, common-sense ideas. The only thing bold about them is the dramatic way in which the McNamara regime has instituted them, although we even hear that there was a stretch during 1961 when some of the people in his office told me they had the frustrated feeling that it was kind of like throwing a spear into a wet sponge.

There isn't anything new about these ideas. Program packaging was proposed formerly by George Decker when he was in control of the Army back in 1952. The Air Force was at the tail end of an effort to make it a standard part of their own budget makeup in the late 1950's. Program definition was done by the Special Projects Office on Polaris, although they didn't call it program definition. PERT, or the program evaluation

review technique, is just a commuted, glamor gimmick for something that any good manager ought to be doing as a matter of common sense on any assignment. There has been project management ever since some scientists got together in a gymnasium in Chicago University during World War II, and maybe it has been there before. There has been weapon-system management ever since Eli Whitney started making rifles with interchangeable parts.

I don't propose to reiterate the management rule book here. The point I am trying to make is that there are plenty of bright people in the military fully capable of understanding and utilizing and, indeed, even pioneering in the management art, if common-sense leadership of people and business deserves to be called an art. Why, then, does this concerted management format exist today when it didn't in World War II, or ten years ago, or even six? The answer to that lies, as I see it, in the reasons why we organized the national military establishment in the first place, reorganized it a few times since, and are reorganizing it now in fact if not by fiat. This, of course, means that all of this is germane to an appraisal of management in the Defense Department today.

To give you a background or my frame of reference for this appraisal, I'd like to cite a few key points.

1. An organization is always an obstacle to accomplishment by the individuals in it. In a management sense, what one man can do quickly and well two men working together usually will do more slowly and not as well, because they have to coordinate and compromise. Multiply that by several thousand and you have what one general meant when he said, "Things happen very rapidly in the Pentagon, but it takes a long time to get things done." Still, even if the organization is an obstacle, we

reorganize for only one of three reasons, believe, and two of them are not justified. We go through this formal exercise of shifting boxes around on an organization chart or creating new ones, if (a) we want to fire somebody and we can't do it any other way, (b) the present organization which, as I said, is always an obstacle, becomes an intolerable obstruction, and (c) to solve, we think, a problem.

There seems to be some peculiar quirk in the national thinking about national problems that if something has gone wrong and we are behind somebody in a race we are ill equipped to handle a crisis. The reason we are, or are alleged to be, second best is because we are not organized properly. Therefore, to solve the problem, reorganize.

2. On the other hand, James Forrestal said once--and I paraphrase roughly--that the worst organization chart in the world will run as a thing of beauty if the people in the outfit want it to, and, conversely, the most perfect diagram on paper isn't worth a jigger if the people who have to make it work are against it.

Robert Lovett said roughly the same thing when he was talking about reorganization of the Army Tech Services, and used his famous backing-into-a-buzz-saw expression.

The Defense Department does a lot of reorganizing. It's one of the Pentagon's favorite games. Every time it happens it is potentially an indictment of the organization's efficiency or effectiveness or even unanimity of purpose.

I would like to spend a couple moments justifying that statement.

Back at the turn of the century, Einstein and the rest of that group gave the world a bit of valuable information. They said, among other things, basically, that the only unchanging thing in this world is change itself. Their own colleagues in the scientific world understood this right away and got embroiled in what has become known since as the technological revolution.

By the middle of the century we were lobbing warheads half-way around the world, blowing cities off the face of the earth, at least theoretically, sending nuclear-armed ships around the globe completely submerged, and zipping bombers to the fringes of outer space armed in one bomb with more explosive power than was detonated by all the combatants during all of World War II, which is quite an accomplishment.

Unfortunately, our ability and even our interest in being able to control all this intelligently lagged far behind the development of the weaponry itself. Due, I suppose, to a breakdown in communications, the manager leaders have taken something more than half a century to realize that the scientists were talking not solely about the phenomena of physics but about the phenomena of organization, doctrine, tactics, and logistics, as well. A sort of cultural lag exists, it seems, which I do not believe this Nation or any other can afford to accommodate any longer, on the part of what I call our management leadership, those people responsible by law or eager in their own right to take technology and do something constructive with it.

Examples of what I am talking about: The last cavalry charge I know

of took place during the Spanish-American War, yet the Army didn't disband its cavalry until over 40 years later. Billy Mitchell was sinking battleships with peanut-sized bombs in the 1920's, but a generation later, even in the Navy, carrier admirals fought a bitter intermural war with battleship admirals over who should be receiving the greatest assistance in preparing for impending World War II. Missilery proved its feasibility in World War II, but it wasn't until a decade later, as reaction to an external threat, that we even began to sort out and plan an appropriate total national effort in this field. We spend, in sum, billions on technology and precious little on the management of it.

Even this idea of management itself is something which until recently was a label that military people seemed anxious to avoid having stuck on them. As near in time as the tail end of the last decade, management as a specifically named function was something relegated in somewhat apprehensive embarrassment to the small office and the comptroller shop. Some public-relations promotions, such as calling these people management engineers, their work that of management science, and their boss's title, The Controller, instead of comptroller, only served to antagonize a lot of the people who should have been doing the managing in the first place. It is understandable, of course, that a comptroller would develop a privileged relationship with the top commander. The toughest job of any manager is to think in terms of his boss's problems. The research people tend to advise the boss that there should be more for research, the procurement people more for off-the-shelf buying, and the personnel

people more for better people and better training.

The comptroller has been far too often in the past the only man who is concerned only about the boss's problems. It is an encouraging sign, I think, even if it has come as a defensive reaction, that the rest of the organization in the past few years is picking up very rapidly an awareness and a skill in handling a big chunk of their responsibility known as management leadership.

For a while we were threatened with total control by the economists and controllers. I have nothing against that group per se. They have performed and do perform a valuable role in the organization, but it is, or should be, only a part of the team effort. Even though it is true, as someone once said, that war is too serious a business to leave up to the generals, it is also true, in these cold-war times, that it is too serious a business to leave the generals out of it.

Unfortunately, the generals, as a generality--and there are some outstanding exceptions--haven't lived up to their management responsibilities, many of the times when they should have or might have under the cold-war pressure. The result is that the Secretary has assumed more and more power.

When he was Secretary of Defense, Robert Lovett said that he felt that some changes should be made in the power of his position. His reasoning amounted basically to noting that his main source of authority was control of the budget, and that, he noted, was no authority at all in a shooting conflict. Implying that we probably wouldn't have the time

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to shift the reins when the next blast started, he advocated in effect that we gear the organization in peacetime to run the way it would have to run in war. He was right, apparently. We are doing that today, or trying to, although we are still wasting a lot of time refighting the unification battle which we presumably fought within the Pentagon walls years ago.

Nearly 20 years ago James Forrestal was pointing out , occasionally even with alarm, the need for military force to be a part of and geared to the rest of this Nation's foreign, economic, and political direction. Indeed, this was the only reason for military force, at least theoretically. This, some persons in the Pentagon front office tell me , is still a major problem. Yet, in the hassle over the TFX fighter-bomber, reams of comment were devoted to technical comparisons, to cost-effectiveness ratios of one sort or another. Precious little, if anything, was said about what this aircraft was needed for. McNamara and the Navy are embroiled now in a debate over nuclear versus conventional power for an aircraft carrier. I have read some published suggestions that McNamara's decision/^{is}predicated basically on the role, or estimated role, of the carrier. I have read a single comment by Admiral Hayward about the nuclear carrier's performance around Cuba. But I, and presumably the rest of the Nation, am left to assume most of the justification for the carrier. What we hear instead is a raft of cost comparisons. The one that is apparently the fulcrum of the argument leaves me completely blank-faced. It says, "The nuclear carrier defense costs only 3 percent more but is 21 percent

more effective." More effective than what and for doing what? I would bet that the reference is a comparison to another type of carrier. I must be content, I guess, to hope that the leader-managers of the defense establishment have unloaded all the really significant analysis in secret parlay.

But the pattern of past Defense performance leaves me less than encouraged. Technology has made all of today's weapons suspect, or I believe they call them weapon systems now. Today's weapon answers will be outdated tomorrow. In fact, many of them are outdated in the laboratory even before they are operational in the field. Yet, if the experience of the Nation's Defense management recently is indicative, I strongly suspect that the toughest questioner of today's carrier is not the Navy, which should know its strengths and weaknesses intimately, but the Secretary of Defense who, in theory, is the military establishment's pulse-taker, of the rest of government, of diplomacy, and of military pressures.

I worry about this situation, not because the man in charge is by law a man without recent high-level military experience, but because he sits in a lonely, unsupported environment. Military staffs, it seems to me, give their support first--again as a generality--to their Chief of Staff, occasionally to the Secretary of the military department, hardly ever to the Secretary of Defense, and sometimes/ever to the Commander-in-Chief, seldom

In 1945 there seemed to be a conclusion reached in high government circles that the military services must work as a team. Technology had

outflanked their traditional geographic borders, and if they were to best use their capabilities at all they would have to be a cohesive unit. The fact that there is today a strong, centralized authority in the military is less an indication to me of the changed pressure of the cold war than it is a confession, or a revelation, at least, of failure by separate, autonomous military organizations to work together.

This, as I see it, is the major failure of military management, or leadership, if you prefer. In the nuts and bolts of military management, the military track record is eminently admirable, allowing for the learning period and the time lag from Pentagon ivory towers to field-installation work bench and back again. The military has pioneered in organization, in management coordination among all functional staff elements, in concurrency planning, in the use of the computer as a management tool, in value engineering, and a host of other things. Name a tool for the efficient execution of management decisions, and the military has been at least one, if not the, dominant force in that tool's refinement. Of course, there have been mistakes made. I'm sure there will be more.

As a matter of fact, Secretary of Defense McNamara has said that on programs like increased competitive procurement, if there aren't any mistakes we probably are not fully realizing the potential of the program.

The major failure of military management, however, is, it seems to me, the problem of relating military effort to the national requirement

for it. This is the name of the game, theoretically. This is why there is a Pentagon, an Army, a Navy, an Air Force, a Marine Corps, bombers, missiles, carriers, infantry, and all the rest. What determines the proper mix of all this military hardware is the outline of what the Nation needs to be prepared to have done.

The justification for long-range missiles is not that scientists and engineers develop them but that they do a particular, necessary job cheaper and better than anything else the United States might use. Justification for a Navy is not that we have had one for 150 years, or even that a military force will have oceans to cross, but rather that a certain type of required U. S. force can be projected overseas by ships with the greatest effect and the least cost.

Deciding what this mix of military capabilities ought to be is, as you know better than I, the tough part. James Forrestal tried to determine it through committee, with all the inherent talent for compromise which that entails, and it failed. Competition is fine and productive when appropriately channeled, but when pressures are on committees fall apart.

In the past, the result has not been leaders in the military departments worrying about problems as the boss or his chief Deputy to the Secretary of Defense see them but leaders in the services defining their boss's problems as they see them.

Delegation of authority is a sound management stimulus, particularly at the middle levels, where policy is translated into practice. I think

it is essential to full and efficient utilization of all available resources in as complex a setup as the Department of Defense, but we cannot afford it when it becomes, as it often has, diffusion and dilution of top policy into what lower levels think top policy ought to be. I believe it is, within limits, a valuable asset to the Nation's management leadership totally that the military departments and the believers in certain types of weapon capabilities within those departments generally adopt an attitude of wanting to be prepared for anything. I think it is a valuable asset to the Nation's management leadership totally that the top Defense civilian leaders listen to that military opinion, within limits. But debate, and the exchange of opinions and ideas, should be permitted to go on for only so long. Time is the one essential, irreplaceable factor in all we do. Challenges to our existence will not wait patiently for us to come up with answers. Someone has to make a decision, preferably sooner than later.

We have, through a combination of legislation, administrative directive, and management leadership the machinery in Defense for the making of decisions. If that machinery breaks down or slows down, certainly, when the leaders of any one of its key elements forget or downgrade either its purpose or its platform, the platform is to have a unified, coordinated, military team, and the purpose is to be instantly and accurately responsive to the political, social, economic, and military factors that require the use of that team.

It is relatively easy for the Defense Secretary's Office to worry

about total national security. It is almost as easy for the Joint Staff to do it. It is extremely difficult for the separate military departments, which are responsible, primarily, for the entire combat support function, to coordinate with each other on the needs of total national security. Often, on major problems they won't coordinate without being ordered to do so. Yet it seems to me extremely important that they do this. Otherwise, they each run the risk of frittering away on redundant, pointless projects all the expertise in project management, computer usage, and so forth, that I mentioned earlier.

Waste and inefficiency at the top on what should be done breed waste and inefficiency in the ranks on how to do it. In separate military elements there seems to be more aggravation with the Defense Secretary's Office for demanding them to do a better job than there is concern among these elements with how to respond to that order. Why should the Air Force and the Navy have to be kicked into agreeing on a TFX? Why did the Army and the Air Force polarize around completely opposite viewpoints about air support for land forces? Why do we snarl and argue, particularly in public, when technology tosses us some single, new bone like the missile, over who is going to get it?

It is interesting how these management failures are rationalized. The President of one of the nonprofits told Congress at the tail end of last year, "In the past we have often found ourselves in the position of having to beat the clock, regardless of the resulting inefficiencies or the near astronomical costs."

I must have missed something in my education. Even today I don't understand how it is we save time by wasting it.

Rayborn's Special Projects Office beat the clock by at least three years, yet the project was within about 2 percent of its original, projected cost made seven years earlier. That's only one example of the successful programs, the well managed programs that have refuted that statement.

For that matter, suddenly finding ourselves having to beat the clock is an admission of management failure. The signs that the clock was ticking were apparent in 1945 and again in 1949, in this broad context that I am talking about. By 1953 the total scope of our international difficulty was clear, yet we debated and disagreed and compromised until one of these 10-ton trucks, the missile one, was about to run us down. Because every service took it upon itself to stop that particular truck, our capability to halt limited wars and guerrilla wars and aid foreign nations suffered drastically.

This environment will be with us for a long time. Our military management fails in its duty when it is so lacking in its leadership that it tells the Nation we must cross the Russian rapids by hopping one at a time from rock to rock instead of building a bridge that will carry the whole program across continually, if necessary. If that analogy is a little too vague for understanding, let me put it this way: Is military management really effective or even likely to be efficient today if it does not manage at all but instead develops a habit pattern of constant,

defensive reaction? If our own management failures keep us in a continually defensive frame of mind and of action, sooner or later in this cold war we will lose. In spite of all the accolades about defenses, like the Chicago Bears, you still have to score points to win ball games.

That nonprofit corporation President said something else which I hope--and incidentally I am not necessarily picking a bone with nonprofits, but it's just that he happened to say it--we are sophisticated enough not to swallow whole these days. He said, in the case of intercontinental ballistic missile development, "Duplication was warranted by danger of international blackmail, coupled with major technological uncertainties. As a Nation we have done magnificently in these undertakings and within the time periods that the circumstances demanded."

The extent of duplication was not warranted, as I see it, by anything, although some may have been necessary where we pushed the state of the art. As far as that time-period business is concerned, Harry Truman kept postponing the arrival of the lesser-grade missile crisis in the late forties and early fifties simply because we weren't developing fast enough what we speculated we would need to meet it. Moreover, a missile gap that existed in November 1960 disappeared by the January Inaugural Address in 1961. And according to a man from Arizona recently, the whole thing was probably a waste of time, because the missiles aren't reliable, anyway.

The point is, we have to be awfully careful of people who would rationalize away management failure and justify inefficiency under the banner of prices. When McNamara said, "I expect the people in this

organization to base their decisions on reason and not emotion," it seems to me he was making a reasonable demand. His order seems to have misfired in some places, however, If some of the people in his organization had attacked their own Chiefs of Staff the way they blasted him, I am sure there would have been some transfers to menial jobs in the hinterland. But, in spite of that abrasive lack of support, he appears to be in the process of proving that there can be efficient, coordinated, management planning, analysis, and execution of what is necessary to carry out total military responsibilities to the Nation.

To put it another way, if we end up with a purple suit, those who insist on and see the merit in competitive effort by separate military elements, with a good deal of delegated authority, will have no one to blame for the loss of that authority but themselves. If our experience to date in the cold war has taught the military anything, it is that we must wage this war now on all fronts, with all our capabilities. The nearest analogy I can think of is the way the Joint Chiefs worked, or tried to, during World War II.

It is wasteful, inefficient, inconclusive and incoherent to worry about the Army's needs today, the Navy's tomorrow, and the Air Force's the day after. We must all be worried about it all the time by all of us. This, to me, is the single, most important challenge to military management right now, and the one which is answered in least constructive fashion, and the one which needs constant appraisal.

To prevent war, someone once said, is going to take all the energy,

money, resources, talent, and work that winning war does, all the exercise continually in peace rather than all at once in battle. Arbitrary budget ceilings are no longer the limiting factor in peacetime, or, at least, so the Pentagon front office says, and they are operating, at least theoretically, on a borrowed attitude from the White House, which may or may not hold up.

We can afford to spend \$80 billion on the military, the Defense Secretary said, but he added that he doesn't believe that amount is necessary, at least at this time. Why not? Roles, missions, programs, and the tradeoffs one with another are the important things, he strongly implies, in the waging of this cold war just as in the waging of a hot one. Pet military projects which can't survive in an environment like that, I contend, probably have no right in surviving at all.

The RS-70 and the campaign which is still going on now to keep that program alive I think is a good example of in effect backing what may well turn out, according to some of the technological inputs I've got recently, into a rather horrendous white elephant. It doesn't do the Air Force any good to back it that strongly. Again I am not picking on the Air Force. This is just an example.

Thus, to sum up an appraisal of military management, I would say briefly that in the developing and handling of the tools of management the military does very well. In dovetailing all this commotion to the estimated military security needs of this Nation, the Pentagon front office, including the Joint Staff, undermanned as it is, does very well, considering the/ ^{reluctant,} objecting dragons in its own ranks. The management level

which might be best classified as the Executive Vice President group, that uses the talents of the first to turn the policy of the second into practice, still tends to view our military effort--again with some outstanding exceptions--through the small end of the telescope.

I have not spoken for the full part of the 45 minutes purposely, because I want to get into the question-and-answer period myself.

Thank you, very much.

COLONEL KNIGHT: Gentlemen, Mr. Borklund is ready for your questions.

QUESTION: Could we have your comments on what you feel are the benefits or the lack of benefits from the recent Army reorganization?

MR. BORKLUND: I think it has been extremely beneficial to the Army, to industry, and to the entire Defense organization, really. The criteria, or the reasons why, were really outlined by--as I mentioned in the talk--Lovett, when he recommended that the Tech Services be reshaped to eliminate a lot of duplication and cross-purposes effort and checking through scores of offices.

The reorganization is a more efficient way of doing business. However, I see one possible difficulty with the Army in this area. General Besson is much more aware of it than I am. He has said that to make this organization run well he's got to have some good people, some very good people, and particularly on the civilian side of the house. He cannot get the statistical experts in the personnel area to recognize that he has created a whole new operation, and that therefore the standard

tables of organization don't fit. Basically, what I am saying is that if he has a man who was, say, a GS-13, and he is now requiring him to do a GS-15's type work, he should have a man who is a GS-15 and not a 13. He can't get the personnel people to go along with him on that because it will raise the cost.

I agree with Besson. I think that there is basically an error in thinking here. As a generality, I think the reorganization itself has been extremely good. It is still shaking down, but the theory, or the philosophy, is very sound. The emphasis on this large number of project managers has been criticized by other military elements and by people outside, the fact that there are 34 project managers reporting theoretically to Besson. But it has worked, and it has worked well. It gives him a lot more flexibility, and better control at the same time.

I think it is a good move.

QUESTION: Are you for or against unification?

MR. BORKLUND: I am for it within certain limits, limits which I don't think will ever be a problem, that is, this freedom of expression within the closed hearings before a decision is made. For instance, I don't think that, even if this Nation went to a purple suit, as some people have described it, we would lose any of this spirit of competition, if you will, which Gilpatric said on his departure is a valuable thing. As one man in the Pentagon described ^{it} to me a few days ago, the people in the water business are going to argue just as much as the people in the airplane business, whether they've got different-colored uniforms on

or not. Most of what I talked about today is more an attitude than anything that has to be legislated or drawn up in a directive. I do think that the more everybody in the organization understands or backs, if you will, the purpose and the objectives of unification, the better off the Nation and the separate elements in the military organization are going to be.

The philosophy was laid down back in 1945-46 and it still holds up, and basically the services are trying to do just this. But, by not doing it within the same spirit and philosophy that the Secretary of Defense is performing in this operation, they have continually lost delegated authorities over the past 17 years, bit by bit. Until they assume that responsibility that is inherent in a unification idea, they won't get them back. Although, again, to elaborate even further, the closer you get to the problem the better off the organization is, and, under a delegated type of operation, you are theoretically much better off, but only if the people who have acquired that delegated authority understand or accept and actively support why they are doing it, which is the policy that comes out of the Defense Secretary's office.

Without that this detail control has to remain in OSD. This is the only way that the military can deal with the rest of government, if nothing else.

QUESTION: I'd like you to designate some waste. If I get a hair cut once a week rather than every 10 days, is that a waste? If I buy a Buick rather than a Chevrolet, is that waste, or do I make an honest mistake?

If some of us wear brown shoes and others wear black shoes, is that waste?

MR. BORKLUND: It all depends on whether you need to wear brown shoes or black shoes. If there needs to be a difference, it's not waste. If there doesn't, or if the difference is suspect, then it is waste.

I know, of course, in regard to some of the things that I said, that it is very easy to criticize in hind sight, but even in foresight waste comes from unnecessarily expending men, money, or material. Now, that, of course, all hinges on the word "unnecessarily." If you don't need a hair cut every week but you get one anyway, you are wasting your money and your time. If you want to do that, that's your business. In terms of Defense unification and the military activities, the Congress and the White House have decided that many of these things are not necessary. Therefore, they automatically become waste. I know that's not Webster's definition of waste, but that in the military is the way I see it.

QUESTION: How would you rate the present officer promotion and retirement policies in the services, in terms of efficiency and utilization of manpower resources?

MR. BORKLUND: Lousy. In fact I've criticized this in the magazine. There are certain jobs that the military is always going to have to have done. They have nothing to do with the command of carriers or the command of bomber wings, or in effect the command of some element of combat operations. They are always going to have to be done. The people who know how to do them best are the people who have been doing them for 20 years. When those people, because of some arbitrary legislation, are

forced out of the service, it is inefficient utilization of manpower. I can't understand, unless maybe it's just too impossible to do, why the Defense Department has never done a study of how much money, at least theoretically, is wasted, and how much time is wasted, because of personnel policies that do not accurately reflect the needs of the military.

You are from the Navy. I'll give you a good example. I don't know whether I used this last year or not, but I'll use it again, because it's the best one I can think of. Levering Smith has been called by Rayborn the best scientist in uniform. Certainly, he is an extremely capable man on the Polaris Project. Rayborn said that without him the whole thing probably would not have done nearly as well. He almost did not get his promotion to flag rank, merely because the Navy felt he was so necessary that they kept him on the Polaris Project for seven years. The personnel people took a look at this and said, "Well, we can't promote him because he hasn't been on sea duty for the last seven years."

In other words, one side of the Navy says he's extremely essential to them, and the other side is about to retire him because he hasn't commanded a destroyer for the last seven years. It's an inconsistency and it's a waste of manpower.

To me this manpower business is the one big area that even McNamara has left untackled. Every personnel study that has been done in the past 15 years has been done within the frame work of existing legislation except one that the Senate requested from the personnel experts of the

University of Michigan, and they came up with a recommendation that they revamp the whole thing. But nothing was done about it.

I think, if somebody tried to pin down in statistics, as they have the cost of weapon developments, the cost of poor utilization of manpower, there would be a rather horrendous scandal in the Government, to put it mildly.

QUESTION: Would you care to comment on the need for large numbers of nonprofit organizations attached to DOD?

MR. BORKLUND: As a generality--and there are some good ones, because at least a couple people in the Air Force say this about Rand--nonprofit organizations are to me an admission on the part of the military that they can't do their own job without outside help. There are some good ones that keep the military departments themselves honest about their own attitudes on even such things as strategy, although I worry a little bit about Ph.D.'s, as fine as they may be in certain areas, drawing up, evaluating, and criticizing military strategy. I know there are some nonprofit people in the audience who will clobber me, but I don't think that nonprofits really contribute anything to the military that the military shouldn't or couldn't do themselves, if they wanted to.

QUESTION: I would like to go back to this business of improper utilization of manpower. The example you gave doesn't seem particularly valid to me, because the Secretary of the Navy could have changed that very easily.

MR. BORKLUND: He did.

STUDENT: He would change it in his instructions to the Selection Board. So this doesn't act as a condemnation of the entire manpower system. Could you give me some more for-instances?

MR. BORKLUND: I know a great many--I won't go into names--at particularly the colonel and the commander level. For instance, in the PERT business, let us say, which is a rather complex thing, on big programs, and you almost need some expert to translate the PERT diagram into something that the rest of the people can understand, a recent example came to my attention.

There is an expert in this PERT business in the Navy, a commander, who in June is going to be out, because he was so valuable on the PERT effort--on a steriized study, if you will, on how to apply PERT to all the Navy programs, or a lot of them--that they kept him on the job for six years. The people in the organization involved in this said that, if they were going out to industry or any place else to hire a man, they couldn't think of a man who is better qualified to handle this job than he is. Yet, because he hasn't had sea duty for the last six years, and therefore has not gotten his promotions, and has been passed over twice, he is out as of June.

That's one example. There are two Air Force colonels over in the Pentagon on the R&D business. They have been key-project-officer types for the last five or six years. Again, they are going to be out. They've got passed over twice because they're in a program which the Personnel Selection Board said wasn't significant enough, according to these

statistics and this sterilized criterion, to justify promotion. So they are going to be out, one in July and one in September, just because they have not gotten a promotion.

There's also this business of the hump. You can have only so many of X type officers in the service. A lot of these guys are being clobbered just because of that. There is no relationship whatsoever to the needs of the military. It's also a rather bad thing economically for the Nation, because, there has been an estimate that I saw somewhere that by 1984, I believe it is, we are going to be spending something in the neighborhood of \$7 billion a year on veterans' benefits.

A lot of these people are people who are somewhere in the neighborhood of 45 to 55. They are in their peak years in the economics, engineering, scientific, or procurement business. And yet they are out of the military because their 20 years are up and they're caught in the hump squeeze. So we are going to pay these people retirement benefits and not utilize their services. We might as well keep them on the payroll and get something out of them.

The manpower legislation and directives are actually geared to a nation at war. They were passed at the tail end of World War II when there was a feeling that we were going to cut back the size of the military, and so we had to reduce the size of the officer cadre, particularly. Therefore, people with 20 years in, who haven't gotten a promotion within the last X number of years, are automatically retired.

This bears no relationship to today's environment. A lot of these

people we need. The point of this that I am certainly striving to bring out is, how much is it costing the Nation, both in present efficiency in the military and in retirement benefits, to retire these people at, say, 45 or 50, when we could keep them on and continue to draw on their talents and expertise, and how much are we wasting by automatically retiring them.

On that retirement business, I think, if you look closely at McNamara's budget presentation this year, you will find that not only are we retiring a lot of these people early but right now Congress isn't even appropriating the money to pay these retirement benefits. We are running right now some \$57 billion behind on appropriations for these retirees.

A good man who wants to be in the military service, faced with all this, to me, would be almost crazy to try to stay in. He knows he is going to get chopped off in 20 years. It is just to me in theory a bad operation. No private company in the country runs their business this way, that I know of, at least the efficient ones, and yet the military, that has the responsibility to be more efficient than any company in the country, and also has greater difficulty because they don't have the steady influence of the profit motive to keep them that way and have to manufacture incentives, treat military personnel in a way that no company President in the country would think of.

I don't know whether I answered your question with enough specifics or not, but they are there. There are a great many of them.

QUESTION: The Hoover Commission Report recommended using civilian

personnel on a fourth service of supply, and it seems to me that there has been an increasing tendency to replace military personnel with civilians in the business management in the Army. Would you comment on that?

MR. BORKLUND: Yes. I think it can be a little dangerous. The Hoover recommendation, incidentally, was not anything new. Louis Johnson tried to institute this sort of thing when he was Secretary of Defense, or to spread this sort of philosophy.

As long as you stick to off-the-shelf-type hardware and within certain prescribed levels--usually the levels back away from a theoretical battle line--it makes a lot of sense, and also it helps to combat the waste-of-manpower thing, because the civil servant can stay in, as long as he doesn't insist on reorganization to acquire more people in order to get his GS rating boosted.

Generally speaking, I think it is a good idea, because it does lend some balance and longevity and continuity to the military organization. This is one of the strongest supports for civil service in the military. But, again, I think a lot of the utilization of civilians in any military organization comes about because the military man cannot count on continually having top talent with the uniform, because of the turnover.

Generally, I don't see that it makes for any problem as long as the civilian is employed in a strictly business type of operation. When he begins to get into the needs of the troops on the firing line, and when he gets into something that requires an understanding of what takes place

or is likely to take place on the battle field, it's much better to have a man in uniform, because he has been there and back and he knows what the problems are.

So that limits it, as I see it, as a potentially beneficial thing, for the organization to have as many civilians as possible.

QUESTION: Getting back to management with reference to the Joint Chiefs of Staff, would you comment, please, on (1) the Joint Chiefs as the military adviser to the Commander-in-Chief and the Secretary, and, (2) their position in the chain of command from the Secretary of Defense to the Defense agencies, thereby imposing some management in the operational aspects, and, (3) the JCS, including the Chairman having another primary job? Would you have some views on this? Is it effective?

MR. BORKLUND: I think the present organization in this one regard is unnecessarily fuzzy. I also think that we place as a nation too great a demand on a member of the Joint Chiefs of Staff--that is the two-hat business, both as adviser to the Secretary and the President on military matters, and then turning around and being the leading military officer in his particular service.

I realize that today, as head of his particular military service, at least theoretically, his sole responsibility is the logistics or the support of a unified command in the field. But then you bring him into the Joint Chiefs, and suddenly he is in fact, if not theoretically, in command of all the unified and specified commands, or at least he is a part of the committee that commands them, at the behest of the Secretary.

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I think this is too great a demand to place on an individual. On the one hand he is selling, or pushing hard, for the development of major weapons which his service has concluded the unified commands need. On the other hand he is sitting on a committee that looks at not only those but all the other weapon systems that the other services are advocating. To be both prosecutor and judge, and then to be jury as well is, I think, just too much to expect one man to handle with complete impartiality. And yet that impartiality is what the Secretary and the President need. If they don't have it, then they have to do their own homework and they lose some of this, for, at least, the military input is biased.

So then McNamara--the way he has done it at least--brings in a lot of economists and cost-effectiveness experts, and they do these theoretical analyses. It has taken three years for these people to start to come around to the idea that there are some things that you just cannot put down on paper and do a cost-effectiveness study on. There is a certain valuable element of guts and judgment that only the military can give these people, but, because of this two-hat business, I think, as Maxwell Taylor said, about a year ago, I guess, the military just has not presented its case in as cohesive, strong, and coordinated a fashion as it might have. That's why a lot of these programs are getting cancelled, or have been cancelled. That's why a lot of other ones are suspect.

There probably was a certain amount of unnecessary effort or advocacy of certain programs that are marginal, at least--like Skybolt, for instance. But, on the other hand, there are a lot of others that should be pushed,

and yet, because of this two-hat business, there is a lot of debate going on in this Joint Chiefs committee, which is in effect forcing McNamara, as fast as he wants to make decisions, to come up with his own answers, or at least come up with a counter to everything the military does. He has a lot of faith in the military judgment he receives, but, on the other hand, he also recognizes that he's got to temper it with an outside opinion. He's got, really, his own nonprofit in his own staff.

I don't think this is necessary. Besides this, there is a lot of confusion in the change of command, and you don't know, for instance, when General Wheeler, or General LeMay, or Admiral McDonald is talking in public or in private, and it is difficult to sort out, whether he is talking in terms of the needs of total national security or in terms of the needs of his service to carry out his definition of total national security. Without knowing that, it is very difficult to know in what frame of reference to place his remarks.

QUESTION: Would you give us your views regarding the control of the contribution of the Congress in the matter of Defense management? Is it on balance contributing toward a type of progress which you think we ought to have or is it supporting the status quo, or the cultural lag, as you put it?

MR. BORKLUND: Well, the Congress as a group, if anything, I think, is an anchor today on good Defense management. There are, however, individuals, and, thank Heaven, they are the ones who really run Congressional legislation so far as the Pentagon is concerned, the knowledgeable

handful on the Hill, who I think contribute a great deal, and they apply the prod and the pressure and the insistence that some of these things be done. On the other hand, as a group, I think the Congress tends to make tomorrow's decisions on a historical basis.

There is, for instance, an example. I mentioned the RS-70 earlier. Even McNamara's own office sees the probable need for some sort of manned-bomber-type aircraft. There is some \$5 million in the budget this year to do a study. Congress wants, according to yesterday's newspaper, to appropriate some \$94, or \$64, million more for bombers, off-the-shelf-type things. B-52's are being buffeted pretty badly, the way they are being used now, because they weren't designed for what they are being required to do. Congress wants to buy several million dollars worth more bombers. On paper and in the Joint Chiefs hearings, this looks like a very bad move.

There's got to be something better than we have now, and yet Congress wants to insist that the Pentagon buy more of what we've got now. So, as I say, as a general rule I think Congress is more an anchor than it is a dynamic leader. But there is a handful of people on the Hill who contribute a great deal to Defense management. They are the ones who know most of what is going on, and therefore they are usually listened to more closely by their colleagues.

QUESTION: What with planning military budgets we are plagued with economy, and now it's the cost-reduction program. Will you give us your personal views on the effectiveness of the cost-reduction program, and

how you think its future will look?

MR. BORKLUND: I think its effectiveness as a management tool is noticeable. When you look at the bits and pieces of it, such as the emphasis on industry profits and the emphasis on procurement-type people in the military and doing a more comprehensive and a more thorough job of procurement analysis, and ignoring this Congressional pork barrel influence, I think, that as in effect a top-policy statement of philosophy in procurement it has been very beneficial.

Beyond that, it is something that the services either have been doing in bits and pieces or are now doing on a concerted and coordinated basis.

As far as its future goes, I think that it is glamorized right now, as Money Tree was. In fact, General Bradley put a label on his own, personal cost-reduction program, mainly because of the sell or public-relations value. He told me this quite frankly. The sorts of things that he wanted to emphasize, some of them, in bits and pieces were going on in the Air Force already. And in the military generally, in little pockets here and there, there has been an emphasis always to try to get the most out of the dollars that you are given, within whatever authority you have to do this.

The cost-reduction program has enabled all the military to do something that a lot of them have been trying to do anyway, because now they know that they've got the Pentagon front-office blessing for this sort of thing.

As far as its effect on the budget is concerned, you have to be a

a little careful about all these dollars that they are saving, this \$3 or \$4 billion that they are going to save in the next two or three years, because these are more paper dollars than they are anything else. We are talking about a theoretical budget that's up here, that somebody has said we need. I don't think that any major reductions in the Defense Budget are going to come out of this sort of thing. Probably they shouldn't. It's just that the dollars we now obtain we will, at least in theory, be getting more out of. They are not really going to save any money in the Defense Budget until or if or when they completely revamp the strategic thinking about it, and/or Lyndon Johnson has less the attitude that President Kennedy had toward military preparedness--that is that the Nation can afford whatever it is necessary to spend, even up to, I think, \$80 or \$83 billion, which is the figure that I think McNamara used.

If the new President decides that the international threat or the factors in it are such that we don't need \$52 billion a year, and if he makes arbitrary cuts, they are going to be much more significant than the cost-reduction program in the first place, and, second, they may bring about at least the downfall of Secretary McNamara, because actually, in spite of all that he has done, he really hasn't faced his crucial test with the military yet, and he won't until there is an arbitrary cut in the budget, if it ever comes. That's what destroyed more Secretaries than anything else. And he has been riding the crest of a continually increasing budget. He has increased it judiciously,

but it has still been increasing. This tends to mollify or dissipate any controversies over who is going to get what. If it becomes a question of whether we get 150 Minute Men or a new carrier or a new division for the Army, and we can have only one and not all three, and if he tries to make this decision when he feels that we need all three, then he is going to be in trouble, because he's got to get at least two people mad at him.

QUESTION: Mr. Borklund, you have indicated a need for a shakeup in personnel management. I wonder why we haven't seen this heretofore both in military and in civilian personnel management. Also, why doesn't your organization, through Armed Forces Management, publicize more of these problem areas?

MR. BORKLUND: Well, to answer the second question first, we have been publicizing them as often as we ran on to one. To answer the first question, there isn't anything that I have told you that is my own brand of clairvoyant idea. All these personnel problems I am talking about have been discussed and pointed out and mentioned. Even back in 1946, during the unification hearings, one of the primary planks in the platform of the National Security Act was supposed to be a common, uniform, and realistic personnel policy in the military. These things are not new. Why they have not been done under McNamara, I can only speculate, is that he had so many other things that he felt had to be done first that he just hasn't gotten around to them. Why they weren't done under the other Secretaries is a little more complex. I think one reason was that there are an awful lot of powerful lobbying groups at work in this

area, and there is an awful lot of Congressional concern in this area. These are bolts that we are talking about. You just don't tinker with this machinery without an awful lot of power behind you.

The Secretary of Defense, up until 1961 and 1962, just hadn't had, for one reason or another, the kind of authority that would probably enable him to do this sort of thing, even if he wanted to. They've all talked about it, philosophically. The problem has been studied to death, which is something I complained about in an editorial last month. It's just that there have been studies and studies and studies, and nobody has sat down and said, "All right, let's do something," unlike the way McNamara has adopted all the other good ideas, like PERT, and program definition, and program packaging, and the other sort of stuff.

QUESTION: On occasion members of industry have mentioned the number of people looking over their shoulders on Defense contracts. I think this particularly applies to the project management organization. I can see where this is necessary on R&D projects. I wonder if you would comment on the A and C use of the project management organization for such things as general purpose dealings.

MR. BORKLUND: Without knowing any of the specific details on that particular effort, I think that any time the military has a man looking over the shoulder of some manufacturer who is producing an off-the-shelf item the military man's time is being wasted and he is probably adding unnecessary, hidden cost to the program.

If you have done a proper analysis of the company's proposal and

you give them a contract, that is in effect a statement of faith that they will produce as they are supposed to. If they don't, there are plenty of things, like times of delivery required, and times when they are going to have to come back for more money, and so on and so forth, when you can monitor what they are doing.

But to have somebody riding herd on a company all the time, that is presumably, because they got the contract, capable of doing the job, is a waste, if you will. It's confusing, and it adds another interface (that popular word) to the whole effort, and it shouldn't be necessary.

QUESTION: Mr. Borklund, by your comments on the JCS inability to reach an agreement, you seem to imply that all reasonable men who are viewing the same problem should arrive at the same solution. I'd like to know if you feel that there is a possibility for an honest difference of opinion to arise, and if so, how do you feel this honest difference should be resolved other than the present method, by the Secretary of Defense?

MR. BORKLUND: The honest difference of opinion I see and agree with and think it is a fine idea, within limits. My criticism of the present structure--not of the individuals themselves--is that the two-hat business tends to help or assist in keeping a lot of arguments going long after a decision theoretically has been made. It resurrects arguments that should not be resurrected because the situation hasn't changed any from the last time this problem was discussed. You are going to get arguments and differences of opinion in the military no matter what color of

uniform a man has. I just believe that, if we eliminated the two-hat business, or--another suggestion--if we made all general officers above the three-star rank Generals of the United States and not Generals of the Army, Navy, or Air Force, you would at least tend to channel the thinking of these people or the responsibilities of these people into a situation where they would debate problems based on their backgrounds, but once the decision was made it was made, and we would go on to the next one. Then we wouldn't keep refighting and refighting and refighting the same problem over and over again.

As the system operates today, under a McNamara type of personality, reorganization or redescription of the job isn't necessary, because of the kind of man he is and the kind of system he has imposed on his people and under which they have to operate.

If you get another type of Secretary in there, one who is more inclined to let the military types alone or who doesn't want to get down into the snake pit, if you will, and fight these things out like both Gates and McNamara do, you tend to get arguments started that never end.

Well, to steal another of McNamara's ideas, he said that it is much better, as he sees it, to make a decision now, even if it's wrong, than it is to avoid making a decision and to continue debate, mainly because no decision is a decision to preserve the status quo, and in these times that is usually going to be a wrong decision itself. So your chances are much better of being right if you go ahead and make a decision, which

you can always change later.

Under the present JCS setup, without a McNamara, let's say, or a Gilpatric, these arguments can go on and on and never end, as they used to, under Wilson, Lovett, and Forrestal.

QUESTION: Will you comment on the effectiveness of the concept of management in the establishment of large operating organizations, such as DSA, DCA, and DIA, when at the same time various important responsibilities of the same type are allotted to the services?

MR. BORKLUND: As a generality, I think what exists today is probably necessary, mainly because of the failure of the military services to do just what outfits like DSA and so on are doing. There is in effect, as I see it, a centralization and a decentralization going on at the same time in Defense, or at least in theory this is what I think is being attempted. They want to centralize policy and all decision-making of that nature in the Defense Secretary's Office and to delegate execution or operations to other levels. When these things have been allowed to rest with the services in the past there has been argument, confusion, delay, slow-moving-type operations.

In order to get the functions done, then, the Defense Department has had to go to the single-manager, if you will, type of organization. They have created a lot of these types of organizations in order to get these jobs done and have them executed, hopefully, eventually at a working level and at the same time to know that the policy they are setting in regard to these functions is being carried out.

This tends to lead toward the purple suit, and I think the jury is still out on whether that would or would not be a bad move. Right now, regardless of whether it is good or bad, I think it's a necessity, in order to get some of these jobs done efficiently.

COLONEL KNIGHT: Mr. Borklund, thank you very much for being with us this morning and giving us your frank opinions.

MR. BORKLUND: Thank you.

