I. INTRODUCTION

A. This paper addresses the need for the U.S. to explicitly develop a strategy for competing with the Soviet Union over the long term in the military sector of the political-military competition.

B. The paper is based on the following starting assumptions.

1. The competition with the Soviets has been going on for years and will continue indefinitely.

2. Over the last two decades, the Soviets have gained in relative strength to the point where we now believe that they have achieved "rough equivalence" or overall parity in the military sector of the competition. The current situation is such that the U.S. cannot afford to continue devoting resources to defense without a well-thought-out strategy for competing.

3. There has been, and there will continue to be, a continuing technological revolution; and this revolution will be mixed in its effects on military balances and political stability. The real issue, in this regard, is can the U.S. do a better job than the Soviets in adapting and using the technologies which now exist or which will become available.
4. There is a need for the U.S. to set positive goals for the military sector of the competition, and then develop programs to effectively and efficiently achieve these goals. The U.S. government is subject to increasingly tight economic constraints, and, therefore, we will increasingly require more careful defense planning if we are going to compete successfully. We can no longer afford to respond to the competition with only largely negative goals such as preventing the worst outcomes, countering Soviet initiatives, etc.

C. A fuller development of the issues would inevitably address all factors which are involved, including the economic, political, and cultural aspects of international competition.

I. It is difficult to completely decouple such things as trade in high technology, nuclear proliferation, and international agreements from the military aspects of the long term competition.

--- For instance, the state of U.S. alliances and military strengths will provide incentives for other nations to take actions ranging from developing independent nuclear forces to acquiescing to Soviet influence.

--- There are major interdependences between the military and political aspects of the competition (e.g., bases, overflight rights, etc.).
2. While we would ideally like to address the entire range of issues affecting the long-term competition, it is appropriate to focus initially on the military sector.
   -- The long-term military competition is clearly an important aspect of the overall competition.
   -- The Secretary of Defense is responsible to the President for the defense aspects of national policy.
   -- Current defense programs carry with them an implicit strategy.

3. While we recognize that the world is not simply bipolar (i.e., other major and minor nations have varying degrees of influence over world events), it does seem clear that the intentions and capabilities of the Soviet Union should be of the greatest concern to us.
   -- Thus, in this paper we focus only on the military aspects of dealing with the Soviet Union.

D. This paper, then, briefly examines the following:
   -- Some problems with the current planning perspective
   -- The notion of a strategy for the long term
   -- Some characteristics of a strategy approach
   -- First thoughts on developing a strategy for defense
   -- Some general elements of a strategy
   -- The impact of a new approach within the Department
   -- Some recommended SecDef initiatives.
II. SOME PROBLEMS WITH THE CURRENT PLANNING PERSPECTIVE

A. Current defense planning sets a narrow horizon of 1-5 years. Competing with the Soviets requires at least a 10-20 year perspective because major force investments (e.g. new missiles, tanks) impact over a longer time period. Some investments (e.g. ships, major missile systems) will impact over an even longer period.

- A new technology application will span many years from innovation, through full deployment, to obsolescence.
- Because of their cost, major investments will tailor the future force structure.

1. The present process is essentially an iterative one which focuses limitedly on force posture decisions in the near term -- seemingly in the absence of consideration of the distant future (e.g. an aircraft carrier procured to satisfy a need for the 1980's will still be an element of the fleet in the 21st century).

-- These force posture decisions, however, generate a de facto "strategy" -- a means for dealing with the future. Such implicit "strategy" is often not clear until years later when decision-making is obviously constrained by many previous investments.
Alternatively, we should first focus on explicit establishment of strategy. In examining alternative strategies we would be interested in those major uncertainties which would unfold over time. Considerations such as flexibility to adapt to change as information is gained and as uncertainties are resolved would be paramount. Choice among force postures, then, would not be an end in itself, but rather a means of implementing strategy subject to such constraints as inherited forces, resource limitations, etc.

2. The present process views the notion of the "threat" in too limited a fashion. It tends to develop the "threat" as input to decision-making which needs to be countered. It often overlooks the idea that the "threat" may be susceptible to exploitation.

-- We fail to account for Soviet weaknesses which may possibly be inexpensively exploited by changes or new developments in our doctrine and/or tactics.

-- We fail to take Soviet constraints into account in our planning. For instance, it would be just as difficult (if not more so) for the Soviets to change their naval force posture as it would be for the U.S. The Soviets, as ourselves, are constrained by inherited doctrines, forces, and notions.
B. Judgments as to whether force choices are effective or not are too often based on narrow criteria and goals. For example, JRS was once presented a position that an option for purchasing bombers was the best because it delivered the most megatonnage in a full SIOP laydown.

-- Such a criterion ignores the notion that bombers, as other elements of the force structure, can serve wider purposes.

  o The Soviets, for instance, demonstrate a historic sensitivity over someone overflying their air space; thus, they will spend massively for air defense.

-- Such narrow criteria ignore the complexities of conflict evolution.

1. Decisions of major impact must be based on more than simplistic, univariate criteria. The point is that somewhere between "motherhood-goals" and the pseudo-engineering criteria we must have operative goals which are part of a well-thought-out strategy for conducting the business of defense. Furthermore, these goals should be as genuinely "general purpose" as possible to provide the most utility in the face of unpredictable future challenges and requirements.
C. Current planning is too often dysfunctional.

1. We frustrate ourselves in attempting to acquire "maximum" capability in our deployed systems. Although we use the words, we have not internalized the reality that we can no longer indulge in the "rich man" strategy of insuring against all possible adverse futures.

2. We tend to plan our forces based on judgments which are considered somehow inherently fundamental (e.g., abstract notions of defense and security, rather than focused on a specific opponent or set of opponents), but which in reality tend to mirror our own organizational experiences. -- Because the current approach involves such levels of abstraction, it is easily dominated by narrowly focused points of view. This is often all too apparent to some in Congress, the press, or the White House.

3. When the reality of a specific opponent makes itself clear, we sometimes respond with frantic behavior to counter a particular system. -- We need to realize that the Soviets are subject to lead-time constraints as well. We typically have time to think through how to respond (although we just may have to react more quickly in order to satisfy an aroused Congress).
D. Finally, the present planning process developed over fifteen years ago when the U.S. enjoyed a clear margin of military superiority over the Soviets in almost all areas of importance.

-- In many ways it developed from the desire to better control an existing way of doing "business."

-- We may well be at a point where we need to closely examine the very nature of the "business" we are in.

-- An examination of most all relevant trends clearly indicates that we now face a formidable competitor.
  
  o We now face a "parity" or "rough equivalence" position with respect to the Soviet Union.
  
  o We can no longer afford to compete by simply doing even more of the same (i.e. the appropriate response is not simply increased defense budgets).

-- Thus, while competing under conditions of "parity" will undoubtedly require increases in real resources going to Defense, our position is that the nation which better thinks through how it will compete with its opponent over time, which is more flexible and adaptive, and which is better organized to exploit future opportunities will get ahead and remain ahead over the long term.
III. THE NOTION OF A STRATEGY FOR THE LONG TERM

A. Dealing effectively with the Soviet Union over the long haul requires more than a one-time decision. Moreover, rather than a narrowly focused defense planning perspective, we need a broader set of operative goals and a plan for achieving our goals -- a strategy. Such a strategy should be developed from an understanding of the nature of the long term military competition between the U.S. and the Soviet Union, and the ability of each nation to match or counter the moves of the other.

B. A well thought out strategy would:

1. Provide a broad context in which to evaluate alternative force postures and spending proposals.

2. Provide a way to focus planners and policy makers throughout the Department.

3. Provide a context in which we can attempt to balance major risks due to:
   -- Uncertainty in technology development.
   -- Uncertainty in Soviet military capabilities.
   -- Uncertainty in Soviet intentions.

C. Considerations in formulating strategy.

1. Each nation can be thought of as having certain distinctive competences. Typically, but not necessarily, these are societal strengths which have been developed over many years.
However, distinctive competence does not mean that the other side cannot acquire the given capability -- only that at some point one side has a potential for advantage.

2. In dealing effectively with the other side, a nation seeks opportunities to use one or more distinctive competences in such a way as to develop **competitive advantage** -- both in specific areas and overall.

3. On the other hand, a nation might possess distinctive weaknesses -- and such weaknesses might very well manifest themselves in competitive disadvantages.

   -- One might suggest, for instance, that the Soviets assign a disproportionate disutility to a possible invasion of their air spaces. Therefore, they will devote resources to air defense well out of proportion to the cost of the "threat."

   -- Similarly, one might suggest that Americans are societally unable to persevere in striving for a long-term, seemingly unattainable goal. Therefore, we abandon such programs (civil defense is considered an example by some).

   -- Certain aspects of war-fighting are considered somehow "un-American," and therefore not pursued (e.g. mine-warfare on land or at sea, cover and deception, C/B warfare).
4. Competitive advantages need not always be developed -- some may exist naturally. Geographical positions may provide a clear example of a natural competitive advantage (or, alternatively, a competitive disadvantage).

--- Examples:

- The U.S. has full access to the seas year-round.
- The Central European Front is much closer to the USSR than it is to the U.S.

5. Neither side may necessarily have a distinctive competence in an area; however, through research, resource allocation, development of doctrine, etc., a competence and/or advantage can be created (e.g., the Germans prior to WWII developed a doctrine, a way of doing things which, for a while, provided them with an impressive competitive advantage -- the Blitzkrieg).

6. Distinctive competences may change over time if not exercised (e.g., the U.S. has lost its leadership in gun technology in ground weapons).

7. Using a distinctive competence to develop a competitive advantage can have various impacts:

a. Establish an unambiguous asymmetry in your favor (e.g., U.S. being the only nation with nuclear weapons in 1945-48).

b. Establish a real asymmetry that forces your opponent to invest in counters which divert resources to areas that
give him no increase in his offensive capabilities (e.g., the possibility of gradually increasing U.S. missile accuracy, forcing the Soviets to abandon their large silo-based missiles in favor of mobile, but smaller, systems).

c. Establish a lead which would be enormously expensive for your opponent to match or counter (e.g., the U.S. underwater surveillance system).
IV. CHARACTERISTICS OF A STRATEGY APPROACH

Being concerned with the process of sequential decision-making over time, rather than a one-time decision, a strategy approach develops a perspective which causes a policy maker to emphasize particular factors and ask particular kinds of questions.

-- It emphasizes a long term planning horizon.
-- It focuses on an opponent, not on abstract concepts and organizational notions about what constitutes a "good" fighting force.
-- It emphasizes careful attention to describing the strengths and weaknesses of each side in useful terms.
-- It emphasizes the efficiency with which a nation applies its distinctive competences, not the absolute size of the forces.
-- It differentiates between the basic areas where a nation must devote resources:

  o Those areas where the nation has developed a competitive advantage.

  o Those areas where a nation is at a competitive disadvantage, but where it must compete to remain viable.

  o Those areas where there is no clear advantage, but where the nation decides it should compete.

  o Those areas in which it decides not to compete.
A. Obviously, a general goal for a nation would be to move the competition as much as possible into those areas where the nation has developed competitive advantages. However, it would be reasonable for one or both sides to, in certain areas, have different goals:

   -- In some cases it may be desirable to move to a position of joint advantage (e.g., the U.S. should want the Soviets and ourselves to develop safer, less accident-prone nuclear weapons).

   -- A nation might want to set goals for the evolution of forces; i.e., rather than developing an advantage, a side might desire stability in forces over the long term.

B. A strategy perspective motivates a policy maker to ask particular kinds of questions, for example:

1. In addition to number of men, weapons, etc., what are the Soviets' tactics? doctrine? maintenance practices? military decision processes? research and development processes? etc.

2. How do the Soviets typically respond to changes in U.S. force elements?

3. What criteria are used in each country to make tradeoffs between the military effectiveness and the political utility of military forces?
4. In particular areas (e.g., the strategic nuclear area), does the law of diminishing marginal returns apply? If so, at what level?

5. How much should the U.S. do alone? How much with allies?

6. What factors of the competition are controllable by U.S. military policy makers (e.g., location of U.S. industry is not)? by Soviet military policy makers (conscript Manning may not)?

7. What are U.S. distinctive competences? Soviet? What natural competitive advantages do we have? The Soviets?

8. Where do we want the competition to be 10 or 20 or 30 years from now? What long term goals do we want to set? (These goals should be positive, i.e., involving desired consequences; we need to recognize, however, that groups tend to set negative goals, i.e., "prevent the worst," because it is easier for them to agree on what they don't want to have happen.)
V. FIRST THOUGHTS ON DEVELOPING A STRATEGY FOR DEFENSE

Previously, the U.S. was able to adopt a "rich man's" strategy: low risk, high insurance. We can no longer afford such a strategy. Rather, instead of attempting to insure against all possible adverse outcomes, we will need to develop a strategy which balances the risk we will face due to a complex and highly uncertain future. In developing such a strategy we need to consider explicitly that which we will do unilaterally, and that which we will do in conjunction with allies.

In a sense, the side which has a better strategy, a better time-phased plan for efficiently investing a relatively stable stream of resources, a more flexible and adaptive process for sequential decision making, will be the better able to contend over the long haul.

A. The environment in which the U.S. and the USSR compete militarily.

-- Externalities:
  o increasingly restless Third World nations
  o a world hungry for energy
  o increasing terrorism
  o population explosion in the developing world
  o major non-converging political systems competing for clients and/or influence
  o spreading capacity to acquire nuclear weapons
  o inflation in the West
  o food deficits in the developing world
  o fracturing Western alliances
- arrival of Japan and Germany to economic prominence
- fissures in Eastern solidarity
- continuing technology explosion
- narrowing control over certain critical natural resources
- uncertain relationships with China

--- U.S. internal environment:
- inflation
- prospect of slower economic growth
- competition for federal resources
- societal adjustment to scarcity
- long established military organizations and associated organizational norms
- friendly neighbors
- Service competition for Defense resources
- realization that the U.S. no longer is the most dominant military nation in the world

--- USSR internal environment:
- continuing unwillingness to satisfy underlying demand for consumer goods
- directed support for Defense
- experience with and fear of invasion
- unfriendly neighbors
Service competition for Defense resources
realization that military parity has been achieved

B. Contrasts affecting the competition.

1. Differences in Style.

   a. The Soviets employ a multi-thrust approach; they seem to work on everything in every military field, and they seem willing to devote years and years to an effort. The U.S. tends to expend effort selectively; we take calculated risks rather than trying to do everything; we have a national reluctance to engage in long, drawn-out military programs. Defense expenditures "surge" in time of crisis (Korea, Vietnam) and then decline to relatively low levels of GNP afterward.

   b. The Soviets consider their civilian population intrinsic to their military effort.

      o They emphasize strengthening the stability of "the rear," i.e., enhancing the survival, operational effectiveness, and fighting capabilities of their civilian population and institutions.

      o They have instituted massive pre-military training and reserve systems.

The U.S. does not consider the civilian population to be part of its "military force," especially so since the elimination of the draft.
c. The Soviets do not consider war to be an unthinkable event.
   - They expend effort to prepare for war (civil defense, dispersal of industries, protection of industrial machinery).
   - They expend effort to prepare for a possible post-war period.

The U.S. clearly considers a major nuclear war to be "unthinkable," i.e., the end of history.

d. The Soviets employ a "conscription force."
   - They use the armed forces as a social/political education mechanism.
   - They have very high turnover (about 75% of their force is conscript and serves for only 2 or 3 years.
   - They take a greater percentage of their population into service (about 75% of their 18-year-old age group is inducted).

The U.S. employs a "volunteer force concept."
   - We have less turnover, although it is not clear that our personnel rotation policies effectively exploit our advantage.
   - We are more selective in recruiting.
   - We draw upon a more skilled manpower pool.
e. The Soviets are comfortable discussing and considering a seemingly unattainable goal.
   - They do not appear to be terribly constrained in their thinking by considerations of feasibility (this might spring from their ideological orientation).

The U.S., possibly because of its free market orientation, seems constrained to deal most comfortably with relatively short-term, feasibly attainable goals (the "payback" syndrome).

   - Thus, we seldom invest in areas where we cannot see relatively certain returns (e.g., strategic ASW: is our lack of investment really derived from a policy of not pursuing this goal?).

f. The Soviets historically have been willing to maintain a large number of men under arms.

The U.S. historically has been reluctant to maintain large standing forces when no immediate threat was perceived.

2. **Differences in Exploiting Technology**
   - Soviets heavily invest in R&D and basic science for military ends.
     - They seek major technology transfer from the West.
-- The U.S. is able to draw on a dynamic civilian technology sector.

-- However, the quality of weaponry is converging, and will continue to do so unless we take positive steps to retain qualitative superiority.

3. Differences in World Outlook

-- The Soviets stress support for the revolution of "progressive forces."

-- The U.S. desires a stable world where change is evolutionary rather than revolutionary.

C. Some distinctive competences.

UNITED STATES

1. Technology. Historically, the U.S. has relied on technology as a means of keeping ahead of any threat. In the U.S., technology is not just a military element. We are often accused of being a nation of "gadgeteers." Our children grow up in the midst of high technology (calculators, color TVs, hi-fi, high performance automobiles, radio-controlled models, micro-wave ovens, C.B. radio, computer assisted "everything," etc.). Our people are used to man-machine interfaces (computer billings, etc.). We are increasingly a capital-intensive society. The historic availability of capital in the U.S. has enabled us to pursue technological solutions both in the military as well as civilian sectors.
Alternatively, the Soviets' association with technology has been quite different. Theirs is not a technological society comparable to ours. The Soviets have, as a major doctrinal emphasis, pushed the development of technology as an ideological good -- the Communist desire to develop "the means of production." In the military sphere, they have, especially since WWII, concentrated hard on catching up with the U.S. technologically. While they have developed an enormous R&D base, they still face two difficulties:

-- They lack widespread production quality-control and production technology (they may be helped in this area by technology transfer from the West).

-- They cannot draw upon a technologically sophisticated population (e.g., in a simple case, the U.S. is a nation of car drivers, the USSR is not). There is, for instance, an enormous gap between their "scientists" and their "practitioners."

2. Management. Besides being a technological society, the U.S. is, to a large extent, a managerial society. Notions such as planning, control, efficiency, productivity, etc. are, at least, widely understood. In the military sphere, we are experienced in the management of enormously complex situations (Normandy, Vietnam resupply, etc.). In the U.S., we can draw upon the management expertise of a civilian economy
which is well established. While we are reluctant to engage in long term initiatives, we have historically demonstrated significant adaptive response ability to organize and respond to surprises (WWII, Sputnik, etc.).

Alternatively, it is suggested that the Soviets have not yet developed the capacity to efficiently manage complex undertakings.

-- For example, it is suggested that the Soviets had to abandon a "mercy mission" airlift program to Chile following a natural disaster because they were not equipped to deal effectively with the complexities of staging, temporary maintenance support, etc.

-- The Soviets have turned to the U.S. to learn how to manage their merchant marine fleet efficiently (on the other hand, they may have "better" ideas on managing it effectively).

**SOVIET UNION**

1. **Manpower.** The Soviet Union is a labor-intensive society. Manpower is inexpensive and plentiful. Furthermore, there is centralized control of manpower resources. If the Soviets desire to develop a field, they can re-direct the educational and/or training systems toward the desired area. They can direct the para-military training of portions of the population. Further, their armed forces
need not compete with the civilian sector for manpower, either skilled or non-skilled, to the extent required in the U.S.

In the U.S., manpower is expensive, and government's control over the allocation of manpower to various sectors is severely constrained (based on incentive rather than fiat).

2. Centralized control of resources. The Soviets can control the amount of resources devoted to defense to a degree which is difficult for Americans to understand. Tradeoffs between the military and civilian sectors can be made which would be impossible in a democratic society. Consequently, the Soviets can embark on a wide range of programs of a long term nature (less constrained by Western notions of accountability) and can tenaciously persevere in such programs. They can devote enormous resources to the military sector even in the light of major failures in other sectors (e.g., agriculture).

3. Secrecy. Unlike the U.S., where government must, for the most part, operate in the open, the Soviets can undertake programs, develop systems, move units, etc., in relative secrecy as compared to the U.S. There is, however, great cost associated with the secrecy of their operations, as in the lack of communication of ideas in their R&D communities.
-- Programs in deception and camouflage can be more easily developed and maintained.

-- New military systems can be developed in secret (often, the U.S. learns of a system long after its development has been initiated).
VI. GENERAL ELEMENTS OF A STRATEGY FOR DEFENSE

A. Plan on competing with the Soviets over the long term rather than restricting our thinking to planning only for a possible, catastrophic war.

-- Recognize explicitly, and make integral to defense planning, the political uses of latent military power.

-- Recognize explicitly, and account for in defense planning, the high probability that there will be limited conflicts in which the U.S. and USSR may be involved either directly or indirectly.

-- Make a major effort to study Soviet doctrine, tactics, equipment, training, and organization.

B. Set positive long term goals for defense planning, instead of "avoiding the worst case" objectives.

-- These goals should involve deciding to where and how we want opposing forces to evolve.

-- These goals should be consistent with the notion of moving the long term evolution of the forces of each side to areas where we are more comfortable (e.g., in the strategic area, we desire to move to safer, less destructive weapons, and greater control over employment).

C. Actively seek out Soviet weaknesses and vulnerabilities which can be exploited by changes in U.S. doctrine, tactics and/or forces.
-- Conversely, minimize Soviet opportunities to exploit U.S. doctrinal, tactical, or force-related vulnerabilities.

D. Seek opportunities to create/exploit competitive advantages by more effectively and efficiently managing emerging technology. Which of us will be better off in 1995, say, will largely be a function of who uses future technology more efficiently.

-- Attempt to drive up Soviet costs (e.g., introduce technologies such as the cruise missile which are very costly for the USSR to defend against).

-- Cause Soviet systems to become obsolete (e.g., develop countermeasures to prevent their use of satellite tracking and targeting systems in time of war).

-- Eliminate the return on previous Soviet investments (e.g., through gradual increase in U.S. missile accuracy cause them to abandon fixed silo systems in favor of developing mobile, but smaller, missiles).

-- Attempt to control the pace of the competition by selectively advertising interesting technology applications (i.e., complex use of RPVs, or new laser weapon systems).

E. Maintain flexibility in investments. Because the future is both complex and highly uncertain, a military investment policy should be followed which will not foreclose sequential decision-making, but rather which will allow for adaptation as uncertainty unfolds.

-- The nature of the threat may change -- there will be uncertainty in both Soviet intentions and capabilities.
-- As discussed above, new technology will continue to emerge.

-- Major asymmetries may develop which would be difficult to predict (e.g., in the Naval area, the Soviets might be able to develop a land-based missile system which could be targeted against major naval units at sea).

In keeping with the notion of flexibility, we should support a general technological advance, but develop organizational mechanisms to selectively determine which technologies to deploy and which to stockpile.

-- Periodically, we should develop prototypal systems far superior to anything the Soviets possess so as to keep them in doubt about their strengths.

-- We should emphasize the development of high technology weapon and sensor systems.

-- We should control the pace of the competition by selectively advertising dramatic technology applications (thus exploiting the fact that "time is discounted" in world perceptions, i.e., announcing the technology is inferred as possessing the power attendant to deploying it).

  * The U.S. may have been subject to such a tactic in the early 1960s when the Soviets seemed to time their space announcements so as to scoop U.S. space events which were scheduled well in advance.
F. Key balances. One way of structuring the larger problem of competing with the Soviets over the long term is to separate it into key balances -- specified military contexts where U.S. and Soviet interests clearly conflict, either alone or in conjunction with allies.

-- We currently consider these balances:

(1) Strategic Nuclear
(2) Central European Front
(3) Naval
(4) Power Projection
(5) N.E. Asia
(6) Investment

-- We recognize that these balances are neither exhaustive nor independent of each other, i.e., a nation's position in one may well impact on its goals for others (e.g., certainly the Strategic Nuclear balance is more important than the others).

-- This balance structure is not unalterable. In fact, as the future unfolds we will have to be flexible in our choice of which combination of balances best captures the nature of the competition.

-- Critical issues will differ depending on the context -- thus, we should look at each balance differently.

-- Goals should be tailored to each key balance -- so as to be both effective and efficient in considering how we should devote our limited resources.
For each key balance, we should develop a strategy which is consistent, as appropriate, with the general strategy but tailored to achieve the goals for the particular balance over the long term. A strategy tailored to a balance should include general planning guidance for the evaluation of alternative investment plans. For instance, it should address such basic issues as few versus many platforms, manpower versus capital equipment. (First-cut thoughts on each of the current key balances are contained in the Appendices.)
VII. IMPACT OF A NEW APPROACH WITHIN THE DEPARTMENT

Developing a strategy does not address all planning questions -- it is not intended to do so. A strategy does provide a means for ensuring that the critical issues are not lost in the planning process simply because they do not easily lend themselves to quantitative analysis. In particular, a strategy could serve to focus the planning efforts of various policy makers in the Department, and provide the context for top management to make critical tradeoffs among alternative programs. In fact, a well thought out strategy would enhance classic analysis in that such analysis would examine alternative means of implementing strategy. Once the broader issues are addressed, classic analysis can be far more effective in dealing with those aspects of decision-making which are susceptible to structured techniques. It is very important to keep in mind that, as we currently make force-posture decisions, we often are implementing an implicit strategy -- one which either may not be intended, or one which, if explicit, would be seen to conflict with our goal of competing effectively with the Soviet Union over the long haul.

A. Of great importance is the fact that a strategy perspective should provide insight in discovering "no cost" or "minimal cost" actions which would contribute to achieving our long term goals.

-- More efficient use of intelligence assets (e.g., attempting to get a handle on the "value of information" issue).
-- More effective personnel management practices (e.g.,
  avoiding possibly counter-productive rotation policies).
-- More effective and efficient military training programs
  (e.g., programs which focus on employment of U.S.
  systems against known Soviet vulnerabilities).
-- Possibly less contentious programming processes (e.g.,
  having all sides understand positive goals, rather
  than possibly divergent but strongly held preferences).
-- More efficient design practices (e.g., emphasis on
  designs which facilitate maintenance).

B. A strategy perspective does not necessarily require a reorgani-
   zation of the PPB System.

1. The idea is to focus the system, not replace it. A
   strategy should provide a better context for the generation
   of alternatives, especially in the area of exploiting
   technology. For instance, the logic of fully exploiting
   PGM technology in the naval area might go something like
   this:
   a. PGMs cause each aircraft to be more effective;
   b. this in turn would allow for greater range or on-
      station time or smaller payload for each aircraft
      (assuming that effectiveness is held constant);
   c. alternatively, we might be able to design equally
      effective but much smaller aircraft, and
   d. thus, design a much smaller aircraft carrier.
2. Among other things, such iterative thinking within the context of developing high technology weapon and sensor systems might very well give us good insights into which technology areas we should push.

C. There are barriers to the implementation of this approach.

1. Strong institutional forces exist to maintain the current planning criteria, to maintain variations of the current force structure, and to continue the present investment policy in technology.

2. Our knowledge of Soviet forces is voluminous; however, it is fragmented. Further, our knowledge is imprecise in many areas essential for the thinking required for strategy development.

3. Our grasp of our own forces and the processes which drive them is more clear, but still weak in key areas (e.g., training and maintenance).

4. Many policy makers within the Department would initially be skeptical of such an approach -- it might initially be seen as organizationally threatening, or as altering prerogatives.
VIII. RECOMMENDED SECDEF INITIATIVES

Rather than causing major organizational disruptions, the Secretary may prefer to seek to inculcate a strategy perspective within the existing policy/decision-making process by taking initiatives along the following lines.

A. Short term initiatives. An organization will respond to the perspective of the top manager. If the perspective is judged sound and effective, then in time it may permeate throughout top management. With this in mind, the Secretary could:

1. Continue, both inside and outside the building, to stress the points that we have little choice but to deal effectively with the Soviets for decades, that we intend to focus on the Soviets as the potential "opponent," and that we intend to contend with them with that same "Yankee know-how" which has historically characterized our people. The SecDef should set an up-beat tone -- yes, the challenge is tough, but who else could take up the challenge if we fail to do so?

2. Follow through on this spirit by initiating a series of focused requirements within the building to set major themes, interest the bureaucracy and test for areas of support. For instance, call upon the Services to develop areas where we could exploit Soviet tactical weaknesses.
3. Ask the Services to reexamine their major training programs (such as ship refresher training) to ensure that they are conducted with the Soviets, not some abstract enemy, in mind. Encourage the Services to conduct major exercises against a realistic "Soviet-simulated enemy" in order to focus the troops and explore/test clever tactics.

4. Call in certain senior military officers responsible for training and doctrine development, and query them on what their "strategy" is and how it is designed to cope with and prevail over Soviet doctrine and tactics.

5. Redirect the training of the Reserves so that they know clearly that they are being trained to fight Russians.

B. Long term initiatives. In time, we should be able to better develop and refine our strategy for competing with the Soviets over the long haul. Some first cuts are provided in the appendices; there are, however, some initiatives which could greatly contribute to this effort.

1. Have a select group of defense thinkers formed to provide you with a series of think pieces about such subjects as:
   -- What is the nature of the competition, the competitive environment, and what are U.S. distinctive competences?
   -- What are the Soviet strategies in each of the key balance areas?
   -- Where do we have competitive advantage, and what are some potential competitive advantages?
-- What should our overall strategy be? What should be our strategies for achieving our goals in the key balances?

2. Establish a center or institute to study the Soviets. They have an "Institute of the USA and Canada" -- if we are going to compete cleverly, we might well do something similar.

C. Conclusion. None of the above is really new. The point is that our current, narrow focus may have frustrated many of our efforts. The Congress, especially, might welcome our trying to build a degree of stability into our planning. Further, it would seem to be in the national interest to structure the Defense debate on choice of strategy for dealing with the Soviets, and then examine budget submissions from the point of view of whether they implement generally agreed upon strategy effectively and efficiently. Ideally, this would have the Congress (a) debate the strategy choices, and having come to some sort of consensus, (b) debate whether specific programs would be effective in implementing the strategy. In the minds of some, the Congress is currently motivated to attempt to "mini-manage" Defense for various reasons. An important second order consequence of the Congress doing so, however, is that another and yet more inconsistent strategy may develop. It would seem, therefore, of value
for the Secretary to take the lead and develop appropriate strategy explicitly. Among other things, this should provide the Secretary with a solid foundation from which to carry on the natural give-and-take with the Congress over particular aspects of the defense budget.