



*Institute of International Law & Politics*  
**GEORGETOWN UNIVERSITY**

**Net Assessment & Strategy Development  
for the Secretary of Defense:  
Future Implications from Early Formulations**

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Prepared for the conference on "Net Assessment: Past, Present and Future," (Washington, DC: CSBA, 28-29 March 2008), subsequently revised based on constructive feedback from attendees. A version of this paper will be published as a Chapter in the forthcoming book edited by Barry Watts on Net Assessment with all rights reserved. In the mid-1970s Dr. Karber led the interagency team conducting the "national net assessment" under National Security Council directive NSSM 186; in the 1980s he served as Strategy Advisor to Secretary of Defense Caspar W. Weinberger and founding Director of DoD's Strategic Concepts Development Center. Dr. Karber has taught as an Adjunct Professor at Georgetown since 1978 and serves as Advisory Board Chair of the Institute of International Law & Politics.

*Strategy is the great Work of the Organization.  
In Situations of life or death, it is the Way of survival or extinction.  
Its study cannot be neglected.*

Sun Tzu<sup>1</sup>

The conduct of Net Assessments for the Secretary of Defense originated in the early 1970s. This was a period when the national security consensus had eroded during an expensive and frustrating military intervention, it was a climate of economic pressure where military budgets were headed toward fiscal constraint, and at a time when new threats appeared on the horizon. Net Assessment was viewed then by far-sighted leaders as a method of helping the US remain competitive in a changing security environment. It is the thesis of this paper that Net Assessment for the Secretary of Defense is a lesson from that earlier era that remains relevant to today and should not be forgotten.

## I. SecDef as “Strategist in Chief”

The performance of Net Assessment is an explicitly defined job of the Secretary of Defense and a statutory responsibility of the office. It is not discretionary, and the US Code is very specific in requiring that:

*The Secretary of Defense shall transmit to Congress each year a report that contains a **comprehensive net assessment** of the defense capabilities and programs of the armed forces of the United States and its allies as compared with those of their potential adversaries.<sup>2</sup>*

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<sup>1</sup> These are the opening lines of Sun Tzu’s classic, The Art of Strategy: A New Translation of Sun Tzu’s Classic *The Art of War*, (translated by R. L. Wing; New York, NY: Doubleday, 1988), chpt. I, sec. 1. The Wing translation, which the author prefers – including re-naming the work as “the art of strategy” rather than “the art of war” – is used throughout this paper.

<sup>2</sup> “US Secretary of Defense,” US Code, (Title 31, Subtitle II, Chapter 11, Section 113, (i), 1; Washington, DC: US House of Representatives, 2008), at < [http://www.law.cornell.edu/uscode/uscode31/usc\\_sec\\_31\\_00001105----000-.html](http://www.law.cornell.edu/uscode/uscode31/usc_sec_31_00001105----000-.html) > at < [http://www.law.cornell.edu/uscode/10/usc\\_sec\\_10\\_00000113----000-.html](http://www.law.cornell.edu/uscode/10/usc_sec_10_00000113----000-.html) > [accessed 30 March 2008]. The constituting legal authority for the Department of Defense specifies that the Comprehensive Net Assessment

(A) Include a comparison of the defense capabilities and programs of the armed forces of the United States and its allies with the armed forces of potential adversaries of the United States and allies of the United States;

(B) Include an examination of the trends experienced in those capabilities and programs during the five years immediately preceding the year in which the report is transmitted and an examination of the expected trends in those capabilities and programs during the period covered

Thus, according to US law, Net Assessment is both a product of and agent for the Secretary of Defense.

As the “Clausewitzian” personification of the one chosen to address strategic questions,<sup>3</sup> the Secretary of Defense is the bridge<sup>4</sup> between the Presidential policy vision and the direction of the Armed Forces in the their development of contingency planning.<sup>5</sup> This dialectical<sup>6</sup> interface is normally called “strategy development” and, if asked, most American’s would likely

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by the future-years defense program submitted to Congress during that year pursuant to section 221 of this title;

(C) Include a description of the means by which the Department of Defense will maintain the capability to reconstitute or expand the defense capabilities and programs of the armed forces of the United States on short notice to meet a resurgent or increased threat to the national security of the United States;

(D) Reflect, in the overall assessment and in the strategic and regional assessments, the defense capabilities and programs of the armed forces of the United States specified in the budget submitted to Congress under section 1105 of the title 31 in the year in which the report is submitted and in the five-year defense program submitted in such year; and

(E) Identify the deficiencies in the defense capabilities of the armed forces of the United States in such budget and such five-year defense program.” Bold in text added.

<sup>3</sup> “By strategic questions we mean those surrounding the Clausewitzian conception of strategy, which is the use of military campaigns to obtain the political goals of the nation, but also those questions involving the peacetime problem of obtaining nations goals by military competition short of war.” Stephen Peter Rosen, “Net Assessment as an Analytical Concept,” in On Not Confusing Ourselves: Essays on National Security Strategy in Honor of Albert and Roberta Wohlstetter, edited by Andrew W. Marshall, J. J. Martin, and Henry S. Rowen, (Boulder, CO: Westview Press, 1991), p. 284.

<sup>4</sup> Richard K. Betts, “The Trouble with Strategy: Bridging Policy and Operations,” Joint Forces Quarterly, (Autumn/Winter 2001-02), pp. 23-30.

<sup>5</sup> It is commonplace to cite the Clausewitzian dictum of “war as continuation of political activity by other [violent] means;” but too little attention has been given to how political guidance interacts with, in fact links to, military contingency planning through the use of long range planning and/or balance assessments as anticipatory feedback in adjusting both political ends and military means, in a recursive and reflective way. Clausewitz himself, makes a point of this, immediately before his classic definition: “If we keep in mind that war springs from some political purpose, it is natural that the prime cause of its existence will remain the supreme consideration in conducting it. That, however, does not imply that the political aim is tyrant. It must adapt itself to the chosen means, a process which can radically change it; yet the political aim remains the first consideration. Policy, then, will permeate all military operations, and, in so far as their violent nature will admit, it will have a continuous influence on them.” Carl von Clausewitz, On War, edited by Michael Howard and Peter Paret, (Princeton, NJ: Princeton University Press, 1976), p. 87.

<sup>6</sup> The dialectic in strategy is emphasized in: Andre Beufre, An Introduction to Strategy, with Particular Reference to Problems of Defense, Politics, Economics, and Diplomacy in the Nuclear Age, (New York, NY: Praeger, 1965), p. 22, defines strategy as “the art of the dialectic of two opposing wills using force to resolve their dispute.” The dominance of the dialectic as a mode thought and argument in Clausewitz is from “Part II, The Dialectic,” in Raymond Aron, Clausewitz: Philosophy of War, (Englewood Cliffs, NJ: Prentice-Hall, 1985), pp. 89-94. Also on this theme: Peter R. Moody, “Clausewitz and the Fading Dialectic of War,” World Politics, vol. 31, (April 1979); and Hew Strachan, “Clausewitz and the Dialectics of War,” in Clausewitz in the Twenty-First Century, edited by Hew Strachan and Andreas Herber-Rothe, (Oxford, UK: Oxford University Press, 2007), pp. 14-44; and Andreas Herberg-Rothe, Clausewitz’s Puzzle: The Political Theory of War, (Oxford, UK: Oxford University Press, English edition 2007), pp. 120-122.

believe that having a dedicated organization assist the Secretary of Defense in pulling together a comprehensive assessment of US and potential adversaries is not just common sense,<sup>7</sup> but essential to getting an important task done, and building public confidence that it is being done right.<sup>8</sup> Certainly the US Congress does; and they have repeatedly asked for “net assessments” and even mandated them in Department of Defense legislation.<sup>9</sup>

Over the last three and a half decades the concept of “net assessments” applied to issues of international security have been “based on an intellectual approach that,” at the highest level, “is for the use of the Secretary of Defense.”<sup>10</sup> But it has also taken on attributes that transcend an office in the Pentagon. The term “intellectual movement” fits any idea that procreates a dedicated following, is taught as a serious cognitive enterprise in leading educational institutions, and broadens its appeal to other applications. By this definition, Net Assessment has become an “intellectual movement,” what some might call a “rhetoric of inquiry,”<sup>11</sup> one noted for, and taking pride in, “speaking truth to power.”<sup>12</sup>

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<sup>7</sup> For an interesting take on how “everyday citizens think and reason about ... strategy....” see: James DeNardo, The Amateur Strategist: Intuitive Deterrence Theories and the Politics of the Nuclear Arms Race, (New York, NY: Cambridge University Press, 1995), pp. 1-17. The point is not that amateur intuitive “common sense” is correct, but that when expert strategic intellectualizing becomes widely disconnected from it, the danger of losing national consensus and thus support for sustaining the national military strategy becomes problematic.

<sup>8</sup> “James Madison said that a ‘popular Government, without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy, or perhaps both’. As a principal guarantor of US national security, the Department of Defense has a special obligation to keep the nation informed.” Harold Brown, Secretary of Defense, “Foreword,” to The Department of Defense: Documents on Establishment and Organization, 1944-1978, (Washington, DC: Historical Office, Office of the Secretary of Defense, 1978), p. iii.

<sup>9</sup> Within the first four years of Net Assessment at the Pentagon, Congressional interest was high and growing. “Congressional demand for net assessment will probably grow and become more oriented to balance assessments. At present there is strong demand, but for presentational comparisons at the individual weapon level. DoD will have to organize itself to respond effectively.” A.W. Marshall, “Future Directions for Net Assessment,” (memo to Eugene Fubini; Washington, DC: OSD/NA, 28 February 1977). The first Net Assessment balance presentation to Congress was: Phillip A. Karber, “Evolution of the Central European Military Balance,” in Western Europe in 1977: Security, Economic and Political Issues, (testimony of 14 June 1977 in Hearings, 95<sup>th</sup> Congress, 1<sup>st</sup> Session; Washington, DC: Subcommittee on Europe and the Middle East of the Committee on International Relations, House of Representatives, 1977), pp. 2-16.

<sup>10</sup> Rosen, “Net Assessment as an Analytical Concept,” op cit., p. 290.

<sup>11</sup> The phrase is from: H.W. Simons, “Rhetoric of Inquiry as an Intellectual Movement.” The Rhetorical Turn: Invention and Persuasion in the Conduct of Inquiry (Chicago, IL: University of Chicago Press, 1990), 1- 33. In situations of high uncertainty or entropy, the “rhetoric of inquiry” -- contrary to a scientific method -- recognizes “facts” as the beginning of analysis but not necessarily dispositive in the judgments drawn.

<sup>12</sup> “We have tried to tell the truth to those in power.” A.W. Marshall, “Dinner Remarks,” (conference on “Net Assessment: Past, Present and Future,” (Washington, DC: CSBA, 28 March

The concept of Net Assessment has spread from the halls of the Pentagon to be used by multinational alliances,<sup>13</sup> to the interest of potential competitors,<sup>14</sup> and, post 9/11, as a model for other types of security related agencies.<sup>15</sup> It is now

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2008). The phrase originated with the pamphlet of Milton Mayer, Speak Truth to Power: A Quaker Search for an Alternative to Violence: A Study of International Conflict, (Philadelphia, PA: American Friends Service Committee, 1955), where they proposed an alternative approach to the Cold War. Despite its counter-culture association with views opposite those of the Pentagon, I believe the phrase nonetheless captures and reflects an important attribute of Net Assessment – that it is NOT just a policy shop producing one more implementing rationale, but has a reflective, even critical role, to call the shots as they are seen, not as those in charge would necessarily wish them to be. Standing on that ground of skeptical professionalism, with a fundamental commitment to strategic curiosity and intellectual honesty, is not an attribute typically associated with military bureaucracies.

<sup>13</sup> Amb. David M. Abshire and Phillip A. Karber, “NATO Net Assessment,” (testimony before full Committee, Hearings, 100<sup>th</sup> Congress Daily Digest; Washington, DC: Committee on Armed Services, Senate, US Congress, 27 January, 1988), pp. D23-D28.

<sup>14</sup> Hai-Tung Lee, “The Study of Net Assessment on National Defense Strategic Planning,” (Thesis; Peking, CHI: EMBA, 2006), at < [http://etd.lib.nsysu.edu.tw/ETD-db/ETD-search/view\\_etd?URN=etd-0713107-150521](http://etd.lib.nsysu.edu.tw/ETD-db/ETD-search/view_etd?URN=etd-0713107-150521) > [accessed 4 March 2008], gives the following as an abstract: “the objective of this research is to find out how to utilize Net Assessment to effectively develop the national defense strategy and to sufficiently elevate the integrated military capability for the demands in future wars.”

<sup>15</sup> For example: “The Secretary should establish an Office of Net Assessment (ONA) within the Department to provide the Secretary with comprehensive analysis of future threats and US capabilities to meet those threats....” Homeland Security Advisory Council, Report of the Future of Terrorism Task Force, (Washington, DC: Department of Homeland Security, January 2007, at < [www.dhs.gov/xlibrary/assets/hsac-future-terrorism-010107.pdf](http://www.dhs.gov/xlibrary/assets/hsac-future-terrorism-010107.pdf) > [accessed 11 March 2008]: “Rather than focusing on current threats and responses, the primary role of the ONA would be to provide the Secretary with comprehensive analysis of future threats and US capabilities to meet those threats. The ONA would fill the much-needed role of producing long-term assessments and strategy, acting as a brain trust of creativity and imagination. In order to accomplish this tall order, the duties of ONA would include:

- Studying existing threats in order to project their evolution into the future;
- Studying trends in the weapons, technologies, modalities, and targets utilized by our adversaries (i.e., the events that can transform the security landscape);
- Reviewing existing US capabilities in order to identify gaps between current capabilities and the requirements of tomorrow’s threats;
- Conducting war games and red team scenarios to introduce innovative thinking on possible future threats;
- Assessing how terrorist groups/cells could operate around, and/or marginalize the effectiveness of, policies and protective measures.

The ever-shifting and unpredictable security environment facing the US requires the constant questioning of assumptions, the asking of what-ifs, and the thinking of the unthinkable. The ONA, on which this task falls, must take a comprehensive, multi-disciplinary approach to its analysis, looking at the full range of factors which will alter and shape the security environment of the future, including social, political, technological, economic, and other trends.” See also: James Jay Carafano, Frank J. Cilluffo, Richard Weitz, and Jan Lane, “Net Assessment 101” in “Stopping Surprise Attacks: Thinking Smarter about Homeland Security,” (Backgrounder #2026; Washington, DC: Heritage Foundation, 23 April 2007), at < [http://www.heritage.org/Research/HomelandDefense/bg2026.cfm#\\_ftn2](http://www.heritage.org/Research/HomelandDefense/bg2026.cfm#_ftn2) > [accessed 15 Feb. 2008], who, learning from the “Pentagon’s Pioneering work,” recommend that the DHS Office of Net Assessment “be an independent office that reports directly to both the DHS Secretary and Deputy Secretary. The ONA’s fundamental purpose is to provide strategic analysis to the department’s most senior leaders to keep them informed of global and domestic trends and

taught as policy “methodology” in some of the nation’s (at least the Capitol’s) leading Security Study programs<sup>16</sup> with syllabi aiming “to increase your influence in the real world through the development of superior strategic analytical thinking” with Net Assessment “methods that you will be able to use ... immediately and upon graduation.”<sup>17</sup> Not to mention acolytes who go by the name Jedi<sup>18</sup> and call the “Pentagon Strategist”<sup>19</sup> and their mentor, Yoda.<sup>20</sup>

All great intellectual movements worthy of the name have founding stories or “creation myths.” Net Assessment’s parentage seems to have come from opposite directions. On the one side, the standard telling of the “net assessment” origins story has focused on the vision of Andy Marshall, his RAND colleagues, and the internecine politics of the NSC.<sup>21</sup> On the other side, some hold that “the term ‘net assessment’ was widely used before Marshall came into

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evolving issues. This cannot happen unless the ONA has direct access to senior leaders and can provide unfiltered analysis and feedback.”

<sup>16</sup> Tom Ehrhard, “Net Assessment,” (syllabus; Washington, DC: Paul H. Nitze School of Advanced International Studies, Johns Hopkins University, Spring 2008), at < [http://saisauth.nts.jhu.edu/academic\\_affairs/course\\_syllabi/spring2008/strategicstudies/660.756\\_Ehrhard\\_Net%20Assessment.pdf](http://saisauth.nts.jhu.edu/academic_affairs/course_syllabi/spring2008/strategicstudies/660.756_Ehrhard_Net%20Assessment.pdf) > [accessed 1 March 2008]; Andrew F. Krepinevich, “Net Assessment and Planning for National Security,” (PIBP 710-008; Arlington, VA: George Mason University, no date), < [policy.gmu.edu/syllabi/2007\\_1/files/PUBP710-008.pdf](http://policy.gmu.edu/syllabi/2007_1/files/PUBP710-008.pdf) > [accessed 1 March 2008]; Thomas G. Mahnken, “Net Assessment,” (syllabus 660.756; Washington, DC: Paul H. Nitze School of Advanced International Studies, Johns Hopkins University, Spring 2006); and Barry D. Watts, “Net Assessment and Strategic Planning,” (SEST-515; Washington, DC: Georgetown University, 2008).

<sup>17</sup> Ehrhard, “Net Assessment,” op cit., p. 1.

<sup>18</sup> “The Wizzard of Oz,” article on blog “SubRealism: Liminal Perspectives on Consensus Reality,” 3 January 2008, at < <http://subrealism.blogspot.com/2008/01/wizard-of-oz.html> > [accessed 10 January 2008], claims that Marshall as “the man sometimes called Yoda or the Wizard of Oz, has lots of Jedi disciples and wizard apprentices whose publications are available in the public domain.”

<sup>19</sup> George Lewis, “Pentagon Defense Strategist Previews Future Warfare,” (campus news; Lexington, KY: University of Kentucky, 11 June 2002), at < <http://www.uky.edu/PR/News/Archives/2002/July2002/AndyMarshall.htm> > [accessed 20 Feb. 2008].

<sup>20</sup> Douglas McGray, “The Marshall Plan,” Wired, (February 2003), at < [www.wired.com/wired/archive/11.02/marshall.html](http://www.wired.com/wired/archive/11.02/marshall.html) > [accessed 20 Feb. 2008]; from a critical perspective, Ken Silverstein, “The Man from ONA,” The Nation, (October 1999), at < <http://www.thenation.com/doc/19991025/19991025silversteinside> > [accessed 30 March 2008]; and, on the positive side: Jay Winik, “Secret Weapon,” Washingtonian, vol. 34 (April 1999), pp. 48ff, describes him in reverential tones: “the most influential man you’ve never heard of,” a “legend among the national security elite” and a “key figure, even the central figure, in reshaping America’s military for the next century.”

<sup>21</sup> “In the 1960s Andrew Marshall, Herbert Goldhamer, James Schlesinger, and others at RAND Corporation began to develop the conceptual framework and analytic tools needed to deal with these sorts of issues. In the early 1970s such efforts led to the creation of the discipline of net assessment that has been used in the Department of Defense ever since.” George E. Pickett, James G. Roche, and Barry D. Watts, “Net Assessment: A Historical Review,” in On Not Confusing Ourselves, op cit., p. 160.

the government in the early 1970s.”<sup>22</sup> Some types of “net assessment” were already being performed in the Pentagon<sup>23</sup> and, as he himself has pointed out, the White House hosted a similar sounding role “during the Eisenhower Administration, the NSC Net Evaluation Subcommittee (NSEC) performed what was considered to be the net assessment function at the national level.”<sup>24</sup>

Marshall has averred paternity for naming Net Assessment. “I did not pick the name of the office or the phrase to designate this particular form of analysis.”<sup>25</sup> For serious students national security, the bragging rights as to “who is the father?” an intellectual movement is not as important as grounding the

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<sup>22</sup> Ehrhard, “Net Assessment,” op cit., p. 1. Saki Dockrill, Eisenhower’s New-look National Security Policy, 1953-61, (New York, NY: Macmillan, 1996), p. 130, notes that following the Killian report on the vulnerability of the US to a Soviet surprise attack, NSC Directive 5511 of February 1955, established a “net evaluation of the damage that would be anticipated in the initial stages of nuclear war” produced by a sub-committee of the net evaluation sub-committee “and chaired by Harold George, a retired US Air Force General.” And, William Burr, “Nuclear History at the National Security Archive,” (Washington, DC: National Security Archive, 2008), at < <http://www.gwu.edu/~nsarchiv/nsa/NC/nuchis.html> > [accessed 15 December 2007], adds: “Every year, from the mid-1950s until 1964, the NESC presented the President and the National Security Council with a highly classified report assessing the net outcome of a US-Soviet strategic nuclear war.”

<sup>23</sup> “In the office of the Director of Defense Research and Engineering (DDR&E), the Net Technical Assessment staff that had been established in the mid-1960s increased its analyses of the technologies and weapon systems of both the United States and other nations. A Net Threat Assessment function was established in the Office of the Assistant Secretary of Defense for Intelligence in 1972.” Pickett, Roche, and Watts, “Net Assessment: A Historical Review,” op cit., p. 167.

<sup>24</sup> A.W. Marshall, “Definition of the National Net Assessment Process -- The Nature and Scope of National Net Assessment,” (Memorandum for the Record with cover letter to Col. Harold L. “Hitch” Hitchens, HQ USAF; Washington, DC: National Security Council memorandum, 26 March 1972), notes with approval that the NESG reports were “very comprehensive. For an example of the quality of a Net Evaluation Subcommittee product such as Marshall described in his 1972 memo, see: “The Management and Termination of War with the Soviet Union,” (National Archives, Record Group 59, Department of State Records, Records of Policy Planning Council, 1963-64, box 280, file “War Aims;” Washington, DC: NSEC, 15 November 1963) at < <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB31/index.html> > [accessed 15 December 2007]. Earlier, however, he had not been so complimentary: A.W. Marshall, “Net Assessment of US and Soviet Force Posture, Summary, Conclusions and Recommendations,” (submitted to Henry Kissinger and K. Wayne Smith; Washington, DC: National Security Council, 1970), pp. 2-3, where he had noted that: “In the past, there existed a subcommittee of the NSC that prepared net assessments. It was composed almost entirely of military officers. An attempt was made to provide unbiased estimates, by assigning as its head a three-star general on his last tour before retirement. Something better needs to be done in the future.”

<sup>25</sup> A.W. Marshall, “The Character of Future Net Assessment,” (memo; Washington, DC: OSD/NA, 10 July 1996).

idea of Net Assessment as a serious analytical concept whose meaning is neither definitionally uncertain nor institutionally illegitimate.<sup>26</sup>

But as we look to the future, there is also a potential downside to this origin's story -- that the institutionalization of Net Assessment, which was originally intended to be a direct extension of the Secretary of Defense, has not been formalized -- it remains fragilely and tenuously linked to the longevity of one person. In part that is to the credit of the intellect power of an individual that did not need form to follow function in order to be influential with no less than ten successive Secretaries of Defense. But the fact that the original mandate remains unfulfilled in part also reflects institutional "friction" where bureaucratic jealousies and the sheer pressure of day-to-day events conspire to prevent the Secretary of Defense from exercising his role as chief strategist for the nation's defense.

When approached to prepare a paper addressing "Early Formulations of Net Assessment" the initial focus was on my role running NSSM-186, the original National Security Council commissioned "Net Assessment"<sup>27</sup> and its successor Project-186, one of the largest and longest sustained research programs in the history of OSD.<sup>28</sup> When I proposed that that my paper start earlier, to trace

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<sup>26</sup> "Nowhere in the relevant literature can one find a clear definition of net assessment as that term might be applied to military affairs." Rosen, "Net Assessment as an Analytical Concept," *op cit.*, p. 284.

<sup>27</sup> Henry Kissinger signed out NSSM-186 on 1 September 1973 and OSD was designated the executive agent and conducted in two sequential phases. Henry A. Kissinger, "NSSM 186 -- National Net Assessment of Comparative Costs and Capabilities of US - USSR Military Establishments," (1 September 1973). The first phase was an interagency effort Directed by OSD civilian Bob Stone with a focus on Ground Forces and included CIA assigned staff. NSSM 186 was transferred from the NSC to the Pentagon with: Henry A. Kissinger, "National Security Decision Memorandum: NSDM 239 -- National Net Assessment Process," (27 November 1973). The second phase, focused on Tactical Air, was headed by myself and involved a military staff from the Air Force, Army and Navy and went from 1975 to 1977 with the publication of the last of eight volumes. See: Phillip A. Karber and Bruno Giordano, "Net Assessment of US and Soviet Tactical Aviation: Chapter 1 -- Introduction; and Chapter 5 - Hypotheses and Findings," Volume IV, (NSSM-186 ADC960510; McLean, VA: BDM Corp., 19 January 1977), pp. 1-57.

<sup>28</sup> When OSD/NA made a decision to do a re-look at the ground force phase of the original NSSM -- with an expanded focus on its theater context and integrating ground forces with Tac Air, conventional with nuclear, and superpowers with allies -- the military services resisted secunding additional active duty officers for what was clearly going to be a much more extended research project, it was decided to treat this as a contracted effort and it was renamed Project-186: Net Assessment of General Purpose Forces, and procured, with additional financial support, through the Defense Nuclear Agency to BDM. Project-186 started in 1976 and continued there for the next 20 years until the company's purchase by TRW in 1996. The first of the reports in this series was: Phillip A. Karber and A. Grant Whitley, "Net Assessment of the Maturing Soviet

the “origin of the idea” back to the debate in the Nixon Administration between the Secretary of Defense Melvin Laird and the Blue Ribbon Defense Panel versus Henry Kissinger and the National Security Council the response from experienced Net Assessors was as supportive<sup>29</sup> as was my own underestimation of what was involved and its impact on my original paper.<sup>30</sup>

Over the 42 years that I have been personally involved and professionally interested in issues of national security, the country has been served by 14 different Secretaries of Defense and I have known five at a level of personal candor. Without exception, all of them have expressed in private: concern over the state of American military strategy as they experienced it; vexation in trying to learn what it is and relating strategic concepts to capabilities; frustration over the bureaucraties of further developing it; a sense that something needed to be done structurally to improve the process; and a belief that a closer (in frequency and confidentiality) interactive relationship with something like “strategic brainstorming,” “net assessment,” or “long-range planning” cell, was critical to improving both their personal performance and the country’s security.

I have always felt that to understand the first decade of Net Assessment activity in the Pentagon, it was important to start with the 1970 Blue Ribbon Defense Panel.<sup>31</sup> In part, because it was in writing a summary and critique of the Blue Ribbon recommendations for my boss – Representative Craig Hosmer (R, Calif.), Ranking Minority Member on the Congressional Joint Committee on Atomic Energy -- that this was the first time I noticed and in turn used the term “net assessment.”<sup>32</sup> And, in part, because Congressman Hosmer’s close friend,

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Threat in Ground Forces,” (OSD/NA Project 186, ADC959554; McLean, VA: BDM Corp., 12 October 1976), pp. 1-90.

<sup>29</sup> P. A. Karber, “Net Assessment and the Strategy Development Dialectic,” email to Barry Watts, Andrew May and Mie Augier, 20 June 2007, suggested that a case can be “made that the 1970 Blue Ribbon Defense Panel had the correct interpretation of the relationship and that their institutional recommendations with respect to Strategy Development and Net Assessment should finally be implemented.” Barry Watts, “Net Assessment & Strategy Development-2,” email to P. A. Karber, 29 June 2007: “My overall reaction is that much of what you describe appears to be history that AWM isn’t fully aware of. So on the premise that this is correct, I’m inclined to suggest that you press ahead with what you’ve proposed.”

<sup>30</sup> As follow-up to this paper, another piece is in preparation: P. A. Karber, “Inference to the Best Explanation: A Commentary on Net Assessment Methodology,” (forthcoming).

<sup>31</sup> Gilbert W. Fitzhugh, Report to the President and the Secretary of Defense on the Department of Defense, (Washington, DC: Blue Ribbon Defense Panel, 1 July 1970).

<sup>32</sup> “The Panel’s recommendation to create a two sided brain trust reporting directly to the Secretary – one called Net Assessment (militarily meaningful two-sided integrated comparisons

the former Republican Minority Leader of the House of Representatives and sitting Secretary of Defense subsequently told him in personal conversation<sup>33</sup> that the Secretary of Defense had to be the Department's lead strategist<sup>34</sup> and that having direct "Net Assessment" support was the way to "fix" his long-standing complaint about the "Strategy Gap" in American national security planning.<sup>35</sup> This is quite a different perspective than the traditional version of the origin of Net Assessment, but it may be insightful to look at the birth pangs of the concept from other contemporaneous views. Moreover, the Laird hypothesis on the utility of "net assessment" in addressing strategy development at the level of the Secretary of Defense is the theme of this paper.

## II. Strategy Development and the Need for Assessment

From the founding of the Republic up to the late 1880s the assessment of foreign threats,<sup>36</sup> anticipation of long-term trends impacting on American

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including technology and force structure) and the other, Long-Range Planning (extrapolating long-cycle trends and looking at options and alternatives) – could go a long way in breaking the overt hostility that currently exists between the uniformed services and the Systems Analysis office. It is not clear that either name really fits: for example, just how much would really be included in the 'net?' Ultimately, everything relates to everything; and the Long-Range Planning seems more closer to the "alternative futures" of Herman Kahn than traditional straight-line PPBS projections." Clearly SecDef needs all the help he can get." P. A. Karber, "Evaluation of the Blue Ribbon Defense Panel," (confidential memo submitted to Ranking Minority Member, JCAE; Washington, DC: Office of Congressman Craig Hosmer, 15 August 1970), pp. 1-2.

<sup>33</sup> Hosmer, a Rear Admiral in the Navy Reserve, a sailor that had his ship sunk in the Pacific during WW II, and whose district was the final resting place of the Queen Mary, described his view of Laird's thinking in a maritime metaphor: "He is the Captain – the Congress provides the Ship, the President selects him and his destination, the military are his crew, the people of the United States are his passengers – he has to plot a course to insure the safest possible passage voyage, he has to have a strategy to avoid harms way, and he cannot delegate that responsibility to anyone else, least of all to the uniformed services whom he has been charged with supervising. So as Captain of the Queen Mary, if he wants to have a small group of nautical experts help think through navigating difficult shoals to prevent it turning into the Titanic, then he damn well ought to have them and use them as long as they don't get in the way of running the ship."

<sup>34</sup> Melvin Laird, A House Divided: America's Strategy Gap, (Chicago, IL: Henry Regnery, 1962).

<sup>35</sup> Laird's recognition of both the importance of strategy as well as "gaps" in its conceptual development and implementation are still continuing interest of his: Melvin Laird, "Purse Strings and Pragmatism," Washington Post, 17 January 2007, p. A19: "...cutting off funding is not a plan. Holding hearings to excoriate the executive branch is not a plan. Emotional oratory about casualties is not a plan. Such is the stuff of dinner-party debates and protest rallies. It is not what the American people need from their elected representatives, and it is not what they voted for.... America needs a broad national security strategy."

<sup>36</sup> During the Civil War, the Union strategy was based on the "Anaconda Plan" developed by Commanding General of the US Army, Winfield Scott. See: Timothy D. Johnson, Winfield Scott: The Quest for Military Glory, (Lawrence, KS: University Press of Kansas, 1998): p. 226, with map of the Anaconda Plan on p. 227; also see Chapter on "The anaconda Plan and Bull Run," in:

security, and/or the development of national strategy tended to be on an ad-hoc spur-of-the-moment basis. The approach for addressing potential US military operations against foreign opponents was neither institutionalized nor “based on any high-level, long-range, strategic planning, but just happened.”<sup>37</sup> The Spanish-American War not only introduced the US to global force deployments but raised the need to consider conflict with other great powers outside the North American hemisphere and the first Service offices dealing with problems of national strategy were formed.

<sup>38</sup> For the first half of the twentieth century, the United States had neither a strong tradition of strategic assessment nor coherent method of integrating it with long-range planning or strategy development.<sup>39</sup> The Army had borrowed the Prussian<sup>40</sup> “applicatory system”<sup>41</sup> which had been developed for tactical

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John S. D. Eisenhower, Agent of Destiny: The Life and Times of General Winfield Scott, (Norman, OK: University of Oklahoma Press, 1997): p. 402, notes that “Scott’s plan came to be known as the ‘Anaconda’ because it visualized squeezing the Confederacy like a giant snake.” And, John F. Marszalek, “Where Did Winfield Scott Find His Anaconda?” Lincoln Herald, (Summer 1987): pp. 77-81. Scott believed his strategy was abandoned after the Battle of Bull Run and his resignation, but others have argued that Grant merely “resurrected and enlarged it on a scale far beyond what anyone at the beginning of the war would have dreamed.” See: Charles P. Roland, An American Iliad: The Story of the Civil War, (Lexington, KY: University of Kentucky, 2<sup>nd</sup> edition 2004): p. 170.

<sup>37</sup> Curtis H. O’Sullivan, “Review: The Road to Rainbow: Army Planning for Global War, 1934-1940,” Air Power History, vol. 50, no. 4, (2003): p. 58.

<sup>38</sup> “Three institutions came into existence during this period that contributed to the prior-planning process: the Office of Naval Intelligence, the Naval War College, and the Army’s Military Intelligence Division. It is uncertain how McKinley used his cabinet and senior military officers in deciding on the global strategy of three corps-sized expeditions in Cuba, Puerto Rico, and the Philippines. Following that war, four more institutions were created that strengthened the planning system: the Navy General Board (1900), Army War College (1901), Army General Staff (1903), and Joint Army and Navy Board (1903). But the US had little chance to influence the grand strategy of World War I. Our Army fit into what the Allies were doing. Previously, the Navy had started significant work on Plan Orange (especially after Japan’s rise in 1904-1905), but our sailors were generally relegated to the unplanned and unsought missions of convoy escort, anti-submarine warfare, mine laying, Grand Fleet reinforcement, and several operations ashore. After the Armistice, the Navy gladly returned to massaging and updating Orange, while the Army centered its training on preparing for a rerun of the World War I American Expeditionary Force Plan Black (though I remember in 1932 an Army-wide rehearsal of Plan Crimson--another invasion of Canada!).” *Ibid.*

<sup>39</sup> For two very insightful and thoroughly researched works on this topic, see: Henry G. Gole, The Road to Rainbow: Army Planning for Global War: 1939-1940, (Annapolis MD: Naval Institute Press, 2003); and Edward S. Miller, War Plan Orange: The US Strategy to Defeat Japan: 1897-1945, (Annapolis MD: Naval Institute Press, 2007).

<sup>40</sup> Jay Luvaas, “Influence of German Wars on the United States,” in On the Road to Total War: The American Civil War and The German Wars of Unification: 1861-1871, edited by Stig Forster and Jorg Nagler, (New York, NY: Cambridge University Press, 1997), p. 605, citing: Capt. Eben Swift, “The Lyceum at Fort Agawam,” JMSIUS, issue 20, (1887), pp. 236-277. Luvaas notes “Swift was responsible for introducing the applicatory system at Leavenworth...” See also: Jay Luvaas, The Military Legacy of the Civil War - The European Inheritance, (Lawrence, KS:

training of field grade officers.<sup>42</sup> Subsequently adopted by the US Navy<sup>43</sup> under the better known rubric of “Estimate of the Situation” (EoS), it became the driving methodology for War Plan Orange -- the dominant American theater strategy of the interwar period<sup>44</sup> -- and was based on “four reasoned elements:”

Step 1: “Statement of the Mission;”

Step 2: “**Assessment** of Enemy forces and intentions;”

Step 3: “**Assessment** of Own forces;” and

Step 4: “Evaluation of possible Courses of Action.”<sup>45</sup>

These “elements” were addressed in sequential steps from top to bottom that, despite the appearance of inductively bringing external information into the process, nonetheless reflected a linear deductive reasoning process.

This deductive method was imbedded in US Army and Navy contingency and war planning in the early twentieth century,<sup>46</sup> and the “strategic estimate”

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University of Kansas Press, 1988); and T. R. Brereton, Educating the US Army: Arthur L. Wagner and Reform, 1875-1905, (Lincoln, NE: University of Nebraska Press, 2000), pp. 59-64.

<sup>41</sup> Col. William Balck, Tactics, Vol. I, (translated by Walter Kruger; Fort Leavenworth, KS: US Cavalry Association, 1911), pp. 10, considered General Julius von Verdy du Vernois, one of the demigods of Moltke’s General Staff as the “creator” of the “applicatory methods” which not only involved an appreciation of the situation but a critical appraisal of the successive decisions involved. Von Verdy du Vernois was also the inventor of the “free style” type of wargaming known as Kriegsspiele. See: Julius von Verdy du Vernois, Studies in Troop-Leading, (London, UK: H. S. King & Co., 1972).

<sup>42</sup> “The solution of practical problems in tactics, either on the map or on the terrain, constitutes what is known as the applicatory method of instruction.” P. S. Bond and M. J. McDonough, Technique of Modern Tactics: A Study of Troop Leading Methods in the Operations of Detachments of All Arms, (for the US Cavalry Association; Menasha, WI: George Banta Pub., 3<sup>rd</sup> edition 1914), p. 19.

<sup>43</sup> Charles W. Cullen, “From the Kreigsacademie to the Naval War College: The Military Planning Process,” Naval War College Review, vol. 23, (January 1970): pp. 6-18.

<sup>44</sup> The last of which was: BG Sherman Miles, “Supplementary Brief Periodic Estimate of the Situation December 1, 1941-March 31, 1942,” (memorandum for the Chief of Staff; Washington, DC: G-2, US Army, 5 December 1941), at <  
<http://www.ibiblio.org/pha/timeline/411205amie.html> > [accessed 1 April 2008].

<sup>45</sup> Miller, War Plan Orange, op cit., p. 16.

<sup>46</sup> Col. Adolf Carlson, “Joint US Army-Navy War Planning on the Eve of the First World War: Its Origins and Its Legacy,” (monograph; Carlisle, PA: Strategic Studies Institute, US Army War College, 16 February 1998), p. 13, at <

<http://www.strategicstudiesinstitute.army.mil/pdf/files/PUB351.pdf> > [accessed 4 April 2008]: “In Aril 1904, in response to a recommendation made by Army Chief of Staff Lieutenant General Adna R. Chaffe, Secretary of War William Howard Taft directed the Joint Army Navy Planning Board to ‘agree upon a series of practical problems (Taking them in the order of their assumed importance) which involve cooperation of the services, and for the execution of which in time of emergency the two staffs will be responsible’. The Joint Board’s solutions to these ‘practical problems’ would become war plans signed by the two service secretaries. This was the first joint deliberate planning system in American history.” See also: Henry G. Gole, “War Planning at the US Army War College,” (dissertation; Philadelphia, PA: Temple University, 1991).

process became endemic to the American Way of War.<sup>47</sup> As a method it demonstrated three positive aspects. First, it showed sensitivity to the Clausewitzian “primacy of the political” with the national “policy” (mission) as the starting point of strategic logic<sup>48</sup> and as defined by the Commander in Chief<sup>49</sup> or his Cabinet level representatives – the Secretary of War and the Secretary of Navy.<sup>50</sup> Second, the emphasis upon comparative **assessments** of relative force generation in a context that required national mobilization<sup>51</sup> and trans-oceanic deployment became a staple of the planning.<sup>52</sup> Third, the system legitimized the brainstorming of innovative and relevant strategic concepts, including utilization of the intellectual resources of the national War Colleges of the Army<sup>53</sup> and Navy,<sup>54</sup> as well as debating alternative courses of action based on the comparative assessment.<sup>55</sup>

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<sup>47</sup> Russell F. Weigley, The American Way of War, (Bloomington, IN: Indiana University Press, 1977, p. 172.

<sup>48</sup> “Statement of a Proper Military Policy for the United States,” (Washington, DC: Army War College, Government Printing Office, 1915); and Emory Upton, The Military Policy of the United States, (Washington, DC: Government Printing Office, 1917).

<sup>49</sup> Howard White, Executive Influence in Determining Military Policy in the United States, (Urbana, IL: University of Illinois, 1925).

<sup>50</sup> “The secretaries of war and the navy and their assistant secretaries rarely injected themselves into the planning work of their uniformed subordinates. Their correspondence on the subject was sparse (although they may have communicated verbally). Between the world wars the service secretaries signed about half a dozen Orange Plans or major amendments. They regarded war plans as national policy instruments available for the president’s orders in a crisis. Occasionally they reorganized procedures or nudged the planners to make revisions because of treaties or changes in the balance of power. Usually, however, the planners presented themselves innovations for their endorsement.” Miller, War Plan Orange, op cit., p. 12.

<sup>51</sup> Harry B. Yoshpe, “Bernard M. Baruch: Civilian Godfather of the Military M-Day Plan,” Military Affairs, vol. 29, no. 1, (1965): pp. 1-15; Albert A. Blum, “Roosevelt, the M-Day Plans, and the Military-Industrial Complex,” Military Affairs, vol. 36, no. 2, (1972): pp. 44-46; and Miller, War Plan Orange, op cit., p. 13: For the Pacific, “Army Orange Plans consisted primarily of timetables for mobilization and embarkation in support of navy-designed offensives. The army also prepared narrow tactical plans for defending the Philippines, Hawaii, and the Panama Canal that were complete and workmanlike, but as to wide-angle strategy it was reactive, not innovative.”

<sup>52</sup> For an early example, see “Statement of a Proper Military Policy for the United States,” op cit., p. 5.

<sup>53</sup> “In 1920, the Army General Staff added a fifth (though unnumbered) division to G-1 through G-4--the War Plans Division. The [Army] War College became an auxiliary think tank for that division.” O’Sullivan, “Review: The Road to Rainbow,” op cit. p. 58.

<sup>54</sup> Miller, War Plan Orange, op cit., p. 16, gives an interesting background to the development of war planning at the US Naval War College in the beginning of the century: “Many of them found war planning a congenial exercise of comparative analysis and scholarly deduction. About 1910 the college’s president Raymond P. Rodgers adopted the ‘applicatory system’, better know as the ‘Estimate of the Situation’. It was thinking process recommended by his kinsman Captain William Ledyard Rodgers, who learned it at the Army War College. ‘A great white light broke on the service’ when through this system plans were presented as four

On the other hand, the “strategic estimate” process as institutionalized in the American military Services evidenced serious flaws. Preeminent among them, political guidance was generally a fiction.<sup>56</sup> Few politicians were able to articulate the kind of clear guidance that mission-driven planning required.<sup>57</sup> Moreover, once confronted with the derivative plan, the Commander in Chief not infrequently ignored them,<sup>58</sup> revised the objectives,<sup>59</sup> gave them only cursory endorsement,<sup>60</sup> made changes that were incompatible with the existing plan<sup>61</sup> or

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reasoned elements.... The system was used by other naval entities long after the college left the planning scene in 1912.”

<sup>55</sup> Charles A. Beard, “America Debates War Plans,” Current History, vol. 42, (June 1935): pp. 290-294.

<sup>56</sup> During the 1930s the US had a range of color coded War Plans that were only replaced in 1939 by the “Rainbow Plans.” These included 23 different colored plans for military activities against as many different countries. The major ones included: Britain – Red; Germany – Black; France – White; Spain – Yellow; Japan – Orange; Italy – Grey; Russia – Purple and/or Green; and China – Saffron and Violet. Others were either part of a campaign with a major power or intervention, In conjunction with Red: Ireland – Emerald; Canada – Crimson; India – Ruby; Australia – Scarlet and New Zealand – Garnet. As an adjunct to Orange: Defense of China vs. Japan – Yellow. Interventions: Central American Republic – Purple (note same color for Russia); French Caribbean – Gold; Iceland – Indigo; Portugal – Lemon; Spain – Olive; Tan – Cuba; Green – Mexico – Green (note conflict same color for Russia); Brazil – Citron; and China – Violet. Steven T. Ross, American War Plans: 1890-1939, (London, UK: Frank Cass, 2002), p. 38.

<sup>57</sup> “Almost until the outbreak of World War II the civil government paid scant attention to war planning. Strategy was the domain of uniformed officers who neither got nor expected guidance from their civilian masters. Such lack of coordination between the military and the civil persisted even during the war. Other great powers had integrated their foreign and domestic policies with military strategy, sensible behavior because a major war in Europe could threaten the very survival of nations. For the United States the security of ocean moats, distrust of militarism, and a foreign policy based on assuring the sanctity of the Western Hemisphere and the shunning of alliances all fostered civilian disinterest. Although planning was formalized as a US military function at the start of the twentieth century, politicians usually either knew nothing about the war plans or maintained a discreet pretense....” Miller, War Plan Orange, op cit., pp. 2, 10.

<sup>58</sup> “Woodrow Wilson was overtly hostile to war planners. He curtailed their work in 1913....” Miller, War Plan Orange, op cit., pp. 10, 22: “Angered at plotting of steps for mobilization behind his back, he suspended the Joint Board from all war-planning activity.”

<sup>59</sup> Jeffery A. Engle, Cold War at 30,000 Feet: The Anglo-American Fight for Aviation Supremacy, (Cambridge, MA: Harvard University Press, 2007), pp. 18-20, quoting Ed Cray, General of the Army: Soldier and Statesman, (New York, NY: W.W. Norton, 1990), p. 166, notes that President Roosevelt overrode the national industrial mobilization plan as well as the advice of the Secretary of War and the Army Chief of Staff in pledging that the US “would produce fifty thousand planes a year for rearmament of the Allies. This was an awesome figure, demanding that an industry that had strained to produce two thousand planes during the whole of 1939 now churn out more than four thousand a month. The total amount of aluminum ... exceeded America's entire annual production.... Army Chief of Staff George Marshall, Roosevelt's most venerable military adviser, thought his commander's goal a shortsighted folly given what he considered the country's more pressing needs....”

<sup>60</sup> “No Orange Plan was ever enacted by Congress or signed by a President; even in mid-1941 Franklin Roosevelt gave only oral approval to Plan Rainbow Five, the fundamental policy guideline for World War II. The secretaries of war and navy had signed former Orange Plans from 1924 onward; previously they were endorsed only by the senior military officers responsible for planning.” Miller, War Plan Orange, op cit., Pp. 2, 10: “The three Republican presidents of the

inhibited serious contingency planning for real threats.<sup>62</sup> Top down policy guidance for long-range military planning tended to come in “sound bites” from the White House and “telegrammed reporting” from the State Department policy and strategy – either so general or timidly narrow as to be useless – demonstrating the link between policy and strategy more in the breach than observance.<sup>63</sup>

But there were also other serious problems in the strategy development process. A second involved inconsistent and asymmetrical assumptions. While “balance assessment” was a critical link in the deductive chain between guidance and options, the bifurcated process of G-2 evaluating the threat and G-3 appraising its own relative capabilities produced a dangerous weakness in the process – they were often neither truly comparative in the metrics they used nor objective in diagnosing strengths and weaknesses of both sides.<sup>64</sup> Third, where

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1920s were disinterested in war plans and preparations. Governing during a time of Japanese passivity, they put their trust in treaties that restricted navies and bases.”

<sup>61</sup> In 1940, at the same time President Roosevelt made the decision for an “Atlantic first” strategy he deployed the Pacific Fleet forward to Pearl Harbor and reinforced the US presence in the Philippines even though he knew the former was provocative and the latter could not be rescued in time. See: Chief of Naval Operations memo to the Secretary of the Navy, “Plan Dog, November 12, 1940,” in US War Plans: 1938-1945, edited by Steven T. Ross, (Boulder, CO: Lynne Rienner, 2002), pp. 55-66.

<sup>62</sup> Even though “the US had fought its most recent war against Germany and would fight another within twenty years, intense domestic pressure emerged for the Army to halt when it became known that the Army was constructing a plan for a war with Germany.... This may have encouraged the Army to focus on more speculative scenarios for planning purposes.” “United States Color-coded War Plans,” Wikipedia, 2008, at < [http://en.wikipedia.org/wiki/United\\_States\\_Color-coded\\_War\\_Plans](http://en.wikipedia.org/wiki/United_States_Color-coded_War_Plans) > [accessed 11 February 2008]; and Ross, American War Plans: 1890-1939, op cit.

<sup>63</sup> “American war plans from 1890 to 1939 demonstrate the vital requirement for a close and continuous linkage of policy and strategy. When such linkage was weak or absent, war plans became divorced from reality and turned into mere exercises – an annual ritual for staff officers. When a linkage existed, war plans approached reality. The Joint Board had attempted to obtain continuing advice from the State Department but it was not interested. The Board, therefore, had to devise war plans in a political void. The planners were aware of the world around them and tried to make plans conform to reality. The Joint Board and Joint Planning Committee often produced plans that conformed to the nation’s policy, but the military organization frequently devised plans, especially plans for a large-scale war, that had little to do with national policy or diplomatic reality. In a negative sense then, American war plans between 1890 and 1939 demonstrate the importance of continuous interactions between policy and strategy.” Ross, American War Plans: 1890-1939, op cit., p. 183.

<sup>64</sup> In his classic work, Balck, Tactics, Vol. I, op cit., pp. 10, cautions that: “One danger of using nothing but the applicatory method must be noted. The instructor, as representative of a definite theory, finds it comparatively easy to select the conditions governing a specific case in such a way that the theory which he represents necessarily appears to be the correct one. This is especially true when the director of an applicatory problem determines the action of the opposing side.” Contrary to popular perception, at least in the inter-war period, there were as

the German training system had stressed initiative and imagination in developing alternatives, the American system gravitated to a “school solution” that reduced rather than expanded the range of creative options<sup>65</sup> -- for example boiling everything down to a simplistic naval “Maritime” or army “Continental” strategy<sup>66</sup> -- and cross service coordination was incomplete at best, and not infrequently inconsistent.<sup>67</sup> Fourth, at the peak of the industrial revolution and at a time of epic technological innovation, American national planning assumed that technology was something to be addressed by Service armament bureaus rather than viewing new systems with radically new capabilities as a form of strategic breakthrough.<sup>68</sup> Fifth, there was little systematic recognition of

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many examples of “best case” planning as there were threat hyping “worst case” salesmanship. Ross, American War Plans: 1890-1939, op cit., pp. 182-183, notes that in assessing contingencies versus Japan, “Joint Board planners did not take the imbalance of resources between Japan and the United States into account and consequently planned a war that the United States could not lose and that Japan could not wage.”

<sup>65</sup> “The weakness of the whole applicatory system of instruction lies in the fact that a textbook based upon it, although written by a master hand, can portray only isolated examples, and that these, studied again and again, soon lose their value in the same manner as a maneuver terrain that has become too well known. For, although we ordinarily find principles represented in a connected form, this method of instruction can only convey them in a fragmentary manner in connection with the details of the events described.” Balck, Tactics, Vol. I, op cit., pp. 10.

<sup>66</sup> The American Navy tended to view future conflict as a “come as you are party” which put emphasis on their role as a “force in readiness” for Maritime defensive protection; while the small US Army required extended mobilization for Continental offensive projection. Frank E. Jordan, III, “A Strategic Approach to the Maritime – Continental Strategy Debate,” (research paper; Washington, DC: Naval War College, February 1987), views the maritime-continental strategy debate as a conflict between two divergent approaches to national strategy development in terms of the strategic criteria of definition of the strategic problem, strategic purpose and approach, escalation control, and the strategic center of gravity. This competing Continental versus Maritime framework was not untypical of “island” countries, with Japan and Great Britain having similar inter-service planning asymmetries. Michael I. Handel, Masters of War: Classical Strategic Thought, (London, UK: Routledge, revised edition 2000), pp. 292-294, points out that England’s Admiral Percy Corbett had attempted to reconcile them, but in doing so, recognized an inherent incompatibility in their respective views on “limitability.”

<sup>67</sup> “The secretaries as well as the admirals and generals were often lax in informing their opposite numbers about departmental plans.” Miller, War Plan Orange, op cit., pp. 12-13, observes that Army planning “was also inconsistent. Sometimes its viewpoint harmonized with the navy’s, sometimes it prodded the navy to adopt more aggressive programs, and sometimes it prescribed caution. Its schizophrenia arose from the incompatible objectives of supporting the garrison of the Philippines and conserving power for more vital interest in the Atlantic and eastern Pacific.

<sup>68</sup> Points made in: Stefan T. Possony, Tomorrow’s War: Its Planning, Management and Cost, (London, UK: W. Hodge and Co., 1938); and Stefan T. Possony, Strategic Air Power: The Pattern of dynamic Security, (Washington, DC: Infantry Journal Press, 1949); I. B. Holley, “Jet Lag in the Army Air Corps,” pp. 123-153, and Col. Alan L. Gropman, “Air Force Planning and the Technology Development Planning Process in the Post-World War II Air Force – the First Decade (1945-1955),” in Military Planning in the Twentieth Century, edited by LtCol. Harry R. Borowski, (Proceedings of the 11<sup>th</sup> Military History Symposium, 10-12 October 1984; Washington, DC: Office of Air Force History, USAF, 1986), p. 154, “We found that before the end of World War 11,

uncertainties,<sup>69</sup> treatment of entropy<sup>70</sup> or appreciation of a threat that reacts to threat reaction.<sup>71</sup> Sixth, the assumption that the process was linear and could be addressed in successive steps ignored the iterative nature of most strategic problem solving where there is a constant interplay between deduction and induction.<sup>72</sup>

Lastly, because the whole planning system essentially involved “scaling up” to the theater level what was basically a tactical approach, a number of issues unique to strategy either got left out or were not addressed coherently. Tactical thinking does not include or tends to ignore disconnects between ends and means,<sup>73</sup> key asymmetries between major rivals,<sup>74</sup> problems of prioritization

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the Air Force had acknowledged that advanced technology had become a key to victory, but we also discovered (through reading official histories) that there were difficulties in establishing the processes for developing technology, and, more to the point, there was no formal nexus between the Headquarters Directorate of Plans and other Pentagon or field technology development organizations. We believe two devices-doctrine and long-range or strategic planning-might have unified the headquarters efforts, had they been in existence during the decade under review.”

<sup>69</sup> Arthur J. Alexander, The Linkage Between Technology, Doctrine, and Weapons Innovation: Experimentation for Use, (Santa Monica, CA: RAND, 1981), pp 5, 12, notes that “military bureaucracies often plan as though the world were certain, although that is far from reality.”

<sup>70</sup> “Complicating the planners’ mission of influencing the programmers and budgeters is the enormous uncertainty in which they must operate. Planners themselves, uncomfortable with attempts to see through the dense fog, find it easier to make assumptions about the future than to live with ambiguity. Programmers and budgeters deal with a threat they see, and they are uncomfortable with planners’ assumptions in the face of uncertainty.” Gropman, “Air Force Planning and the Technology Development Planning Process in the Post-World War II Air Force,” op cit., p. 159; and Merton J. Peck and Frederick M. Scherer, Weapons Acquisition Process: An Economic Analysis, (Boston, MA: Division of Research, Graduate School of Business Administration, Harvard University, 1962), pp 17-54, 581-582, note that there are “substantial uncertainties permeating the weapons acquisition process” and the dominant unknowns are “internal uncertainties, which originate largely in the strategic environment.”

<sup>71</sup> Gropman, “Air Force Planning and the Technology Development Planning Process in the Post-World War II Air Force,” op cit., p. 159: “The American military planner deals with an adversary who operates from a closed society, who is extremely stingy about providing information, and who, most disconcertingly, reacts to planning initiatives. American military planners rely on intelligence to tell them about the relevant future ... thereafter, actions proposed by the American military planner to achieve national objectives change the future with which planners thought they were dealing because ... [the opponent’s] actions are responsive to American initiatives.”

<sup>72</sup> “The two methods (the applicatory, or inductive, and the deductive) must be so supplemented that the lesson in tactics clearly illustrates the purpose of and object of a tactical operation and allows of the attainment of a thorough knowledge of the means necessary to gain that object.” Balck, Tactics, Vol. I, op cit., pp. 11.

<sup>73</sup> Gole, The Road to Rainbow: Army Planning for Global War, op cit., commenting on the US Army planning in the 1930s that “there is something surreal in a third-rate military thinking first-rate global schemes.”

<sup>74</sup> A general theme in: Kent Roberts Greenfield, American Strategy in World War II: A Reconsideration, (Baltimore, MD: Johns Hopkins Press, 1963).

between different fronts,<sup>75</sup> the contribution of allies and alliance management,<sup>76</sup> or the manipulation of strategic postures to induce inefficient resource expenditure by the opponent.<sup>77</sup> Strategy is not just tactics writ large because the latter provide no coherent foundation for a long-range competitive approach.

The “surprise” at Pearl Harbor has tended to mask the abject failure of American strategic assessment on the eve of World War II.<sup>78</sup> Particularly stark in its misconception was a “political” strategy that encouraged the forward deployment of American forces and their symbolic “deterrent” posture in the Philippines. The indictment applies not only to the political leadership, as well as the gross inadequacies in planning by the uniformed American military, but a fundamental breakdown in the joint planning process within and between the institutionalized services, not to mention the upstart Air Corps.<sup>79</sup> For the US, like others hiding behind oceanic barriers, there was a real danger that, as Lord Tedder once remarked about the tendency of strategists to draw conclusions from the later stages of wars, when “after some years of lavish expenditure; the

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<sup>75</sup> On the issues of a two-front war and priorities between the Pacific and the Atlantic, see: Samuel Eliot Morison, American Contributions to the Strategy of World War II, (two lectures; London, UK: Oxford University Press, 1958).

<sup>76</sup> A major point in Part II “Participation with Allies and Two-Front War,” of Gole, The Road to Rainbow: Army Planning for Global War, op cit., pp. 39-80. See also: Mark A. Stoler, Allies and Adversaries: The Joint Chiefs of Staff, the Grand Alliance, and US Strategy in World War II, (Chapel Hill, NC: University of North Carolina Press, 2000)). Starting in 1934, the Army War College always set its problems as wars fought in “participation with Allies,” and in most years, against coalitions of foes; but serious US-Anglo staff talks did not begin until the London meeting of August 1940 and culminated with the ABC-1 Report of late March 1941 – an unrealistic plan that placed primary emphasis on bombing and blockade as a means of sapping Axis strength before a final conventional assault.

<sup>77</sup> “The Pentagon planning we are dealing with is neither operation nor contingency planning, but it is force structure planning – a term not defined in military dictionaries (in fact, planning itself as an activity is also not defined). For our purposes, force structure planning means directing the building and putting in place the forces (and their support) necessary to achieve national security objectives in the future (which many be relatively near or distant but is never the present). Whereas operation or contingency planning is largely a science \*strategically allocating know forces to meet an expected or probable situation), force structure planning is an art because it deals with unlimited unknowns. Some operation planning has been done ... in the Pentagon, but the majority of the ... planning has always been force structure planning. Given the length of the development cycle, all force structure planning has long-range implications, but that is certainly not to say that force structure planning in the era we are addressing was coherent, long-range planning.” Gropman, “Air Force Planning and the Technology Development Planning Process in the Post-World War II Air Force” op cit., p. 155.

<sup>78</sup> Steven Ross, American War Plans, 1941-1945: The Test of Battle, (Portland, OR: Frank Cass, 1997).

<sup>79</sup> See: James Gason, Planning the American Air War: Four Men and Nine Days in 1941, (Princeton, NJ: Princeton University Press, 2000).

Commander knows that he can more or less 'count on a blank cheque'."<sup>80</sup> One of the leading planners of the era, Vannevar Bush admitted:

*We have done military planning of actual campaigns in time of war well, and we have done military planning of a broad nature in time of peace exceedingly badly. Yet both have been done largely by the same individuals....*

*Why the striking contrast? First, peacetime planning deals with facilities and techniques of the future rather than the present. Second, the bond that holds men in unison under stress of war becomes largely dissolved when peace returns. Third, peacetime planning is done in a political atmosphere.<sup>81</sup>*

The danger of learning from the wrong end of a war is an important point, because, if the old von Moltke dictum is true that "no battle plan survives first contact with the enemy,"<sup>82</sup> then success, even survival, in the initial period of war puts a premium on getting strategic assessment as right as possible under conditions of uncertainty "in the fog of peace."<sup>83</sup>

Recognizing these deficiencies in Service planning prior to World War II, the need to articulate a "National Security Strategy"<sup>84</sup> was highlighted in the

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<sup>80</sup> W. N. Medlicott, "Review: Grand Strategy," English Historical Review, vol. 74, no. 292, (1959): p. 509, quoting General Arthur Tedder, British Air Marshall.

<sup>81</sup> "This is not planning; it is a grab bag. It will lead us to waste our substance. It will lead to strife between services of a nature that can destroy public confidence. It will render us vulnerable to a hostile world...." Vannevar Bush, Modern Arms and Free Men, A Discussion of the Role of Science in Preserving Democracy, (New York, NY: Simon and Schuster, 1949), pp 250-261.

<sup>82</sup> "Helmuth von Moltke the Elder," Wikiquote, 15 December 2007, at <  
[http://en.wikiquote.org/wiki/Helmuth\\_von\\_Moltke\\_the\\_Elder](http://en.wikiquote.org/wiki/Helmuth_von_Moltke_the_Elder) > [accessed 12 April 2008].

<sup>83</sup> For one of the few studies of this topic, see: The Fog of Peace and War Planning, edited by Talbot C. Imlay and Monica Duffy Toft, (Taylor & Francis, 2005). In Toft's and Imlay's chapter on "Strategic and Military Planning under the Fog of Peace," p. 1, they note that "prudence alone ... dictates that states and their militaries plan for the possibility of interstate war. But if the task of military planning is indispensable it is also fraught with an uncertainty rooted in three basic problems: that of identifying friend and foe, that of understanding the nature of future war; and that of determining its timing." Imlay and Toft, conclude with "Seven Lessons Learned About the Fog of Peace," pp. 249-257, which include: 1. Effective war planning requires as many inputs as possible; 2. Balance short-term and long-term perspectives in planning; 3. Hedge Your Bets in Terms of the development of weapon systems; 4. The need for flexibility in identifying Friends and Foes; 5. Formal Allied planning requires effective preparation; 6. Balance of power within an Alliance may undermine planning; and 7. Be flexible for effective military and strategic planning." These seem obvious and simplistic, until one considers how much they are violated.

<sup>84</sup> "The President shall transmit to Congress each year a comprehensive report on the national security strategy of the United States.... and shall include a comprehensive description and discussion of the following:

(1) The worldwide interests, goals, and objectives of the United States that are vital to the national security of the United States.

original National Security Act of 1947. The purpose of this legislation that created the first integrated National Military Establishment was not just for efficiency but to insure effective “unified strategic direction of the combatant forces.”<sup>85</sup> And along with strategy came recognition of the need to “assess” the “potential military power” of the United States – which was declared the first “duty” of the National Security Council.

*... for the purpose of more effectively coordinating the policies and functions of the departments and agencies of the Government relating to the national security, it shall, subject to the direction of the President, be the duty of the Council ... to assess and appraise the objectives, commitments, and risks of the United States in relation to our actual and potential military power, in the interest of national security, for the purpose of making recommendations to the President in connection therewith....*<sup>86</sup>

The creation of “the absolute weapon” changed both the nature of war and the role of civilians.<sup>87</sup> Where as in the conventional era, military leaders could treat the initial period of war as indeterminate, buying time to convert peacetime force and thought postures into intra-war strategies for “annihilating the opposing forces;” in the nuclear age the national mobilization base could be destroyed before the forces were ever deployed. Strategy came to mean a plan of enforced

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(2) The foreign policy, worldwide commitments, and national defense capabilities of the United States necessary to deter aggression and to implement the national security strategy of the United States.

(3) The proposed short-term and long-term uses of the political, economic, military, and other elements of the national power of the United States to protect or promote the interests and achieve the goals and objectives referred to in paragraph (1).

(4) The adequacy of the capabilities of the United States to carry out the national security strategy of the United States, including an evaluation of the balance among the capabilities of all elements of the national power of the United States to support the implementation of the national security strategy.

(5) Such other information as may be necessary to help inform Congress on matters relating to the national security strategy of the United States.”

“Annual National Security Strategy Report,” “National Security Act of 1947,” (Washington, DC: US Congress, 26 July 1947), Sec. 108, at < [http://www.intelligence.gov/0-natsecact\\_1947.shtml](http://www.intelligence.gov/0-natsecact_1947.shtml) > [accessed 1 April 2008].

<sup>85</sup> “... to provide for the unified strategic direction of the combatant forces, for their operation under unified command, and for their integration into an efficient team of land, naval, and air forces but not to establish a single Chief of Staff over the armed forces nor an overall armed forces general staff.” Ibid., Sec. 2.

<sup>86</sup> “Title I – Coordination for National Security: National Security Council,” Ibid., Sec. 101(b)1.

<sup>87</sup> The Absolute Weapon: Atomic Power and World Order, edited by Bernard Brodie, (New York, NY: Harcourt, Brace and Company, 1946).

“inaction and indecision” – what some called the “end of strategy”<sup>88</sup> -- a nuance as strange to traditional military thinking as it was important to civilian leaders and therefore imperative for their intervention both on the decision to use and in the planning process to prevent being confronted with that contingency.<sup>89</sup>

The first provision specified for the Joint Chiefs of Staff in the 1947 National Security Act was the mandate “to prepare strategic plans and to provide for the strategic direction of the armed forces.”<sup>90</sup> But as early as 1949, in the first of what would be many recognitions of the need for reorganization, the Eberstadt task force on National Security Organization argued for broader civilian participation in the higher realms of strategy development:

*Much has been written and said about the incapability of civilians to deal with military matters. Military science, it is said, can be the province only of the military. That may be true on the battlefield: it is not true in the realm of grand strategy. Modern war cannot be left solely to the generals.*<sup>91</sup>

This issue was compounded as the Secretary of Defense took on more and more responsibility for “grand strategy”<sup>92</sup> that required understanding of strategic concepts as well as the ability to critically evaluate them relative to other options in order to make prudent decisions on budgets, force structure tradeoffs, and major weapons system procurements, let alone issues of overseas campaigns,

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<sup>88</sup> Bernard Brodie, “Strategy Hits a Dead End,” *Harper’s*, num. 209, (October 1955), pp. 33-37: “There is a stark simplicity about an unrestricted nuclear war that almost enables it to be summed up in one short sentence: Be quick on the draw and the trigger squeeze, and aim for the heart. One then has to add: but even if you shoot first, you will probably die too.... This brings us a long way from the subtleties of a Clausewitz, Jomini, or a Mahan.... It brings us, in short, to the end of strategy as we have known it.”

<sup>89</sup> Steven Ross, *American War Plans, 1945-1950*, (New York, NY: Garland, 1988); and David Kaiser, “US Objectives and Plans for War with the Soviet Union, 1946-54,” in *The Fog of Peace and War Planning*, op cit., pp. 205-223.

<sup>90</sup> “Major Changes in the Organization of the Joint Chiefs of Staff: 1942-1969,” Historical Division, Joint Secretariat, Joint Chiefs of Staff, (23 January 1970) in *Appendix A, Mechanisms for Change – Organizational History, to Report to the President and the Secretary of Defense on the Department of Defense*, Report to the President and the Secretary of Defense on the Department of Defense by the Blue Ribbon Defense Panel, (Washington, DC: Assistant Secretary of Defense, Administration, 9 February 1970), p. 196.

<sup>91</sup> *National Security Organization: A Report with Recommendations*, (prepared for the Commission on Organization of the Executive Branch of the Government by the Committee on the National Security Organization; Washington, DC: GPO, January 1949), p. 57.

<sup>92</sup> Defined as “concerned both with purely military strategy and with politics and diplomacy; also, it should be added, with a wide range of civilian and economic activities from food supply and manpower to shipping and blockade.”

alliance war planning, nuclear deterrence or considerations of negotiated arms control.<sup>93</sup>

It has been widely observed that as President, “Eisenhower’s background made him his own secretary of defense” and he left strategic planning to the military and looked to his political appointee managers to implement budgetary guidance rather than strategize<sup>94</sup>. But by the end of his Administration, Eisenhower himself noted that the traditional coordinating committee approach as set up by the Naval and War departments, and carried over into the Department of Defense, was too slow and too cumbersome for the atomic age. In an address to a special session of Congress he argued that:

*Strategic and tactical planning must be completely unified, combat forces must be organized into unified commands, each equipped with the most efficient weapons systems that science can develop....*

*We must strengthen the military staff in the Office of the Secretary of Defense in order to provide the Commander in Chief and the Secretary of Defense with the professional assistance they need for strategic planning and for operational direction of the unified commands.*<sup>95</sup>

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<sup>93</sup> For a useful summary of this overload, see: Charles A. Stevenson, SECDEF: The Nearly Impossible Job of Secretary of Defense, (Dulles, VA: Potomac Books, 2006). For detailed institutional histories, see: Steven L. Rearden, History of the Office of the Secretary of Defense, Vol. 1, The Formative Years, 1947-1950, (Washington, DC: Historical Office, Office of the Secretary of Defense, GPO, 1984); Doris M. Condit, History of the Office of the Secretary of Defense, Vol. 1, The Test of War, 1950-1953, (Washington, DC: Historical Office, Office of the Secretary of Defense, GPO, 1988); Richard M. Leighton, History of the Office of the Secretary of Defense, Vol. 3, Strategy, Money, and the New Look, 1953-1956, (Washington, DC: Historical Office, Office of the Secretary of Defense, GPO, 2002); Robert J. Watson, History of the Office of the Secretary of Defense, Vol. 4, Into the Missile Age, 1956-1960, (Washington, DC: Historical Office, Office of the Secretary of Defense, GPO, 1997); Lawrence S. Kaplan, Ronald D. Landa, and Edward J. Drea, History of the Office of the Secretary of Defense, Vol. 5, The McNamara Ascendancy, 1961-1965, (Washington, DC: Historical Office, Office of the Secretary of Defense, GPO, 2006); and Roger R. Trask and Alfred Goldberg, The Department of Defense, 1947-1997: Organization and Leaders, (Washington, DC: Historical Office, Office of the Secretary of Defense, 1997).

<sup>94</sup> ““He did not need politico-military advice from his defense secretaries.... He looked to his defense secretaries to implement a defense budget unpopular with the armed services, to carry out his decisions, to bear the weight of military objections to ceilings on defense spending, and to force the services to develop military policy within those ceilings, not to suggest alternative policies.” Geoffrey Piller, “DoD’s Office of International Security Affairs: The Brief Ascendancy of an Advisory System,” Political Science Quarterly, vol. 98, no. 1, (Spring 1983): p. 61.

<sup>95</sup> The date of Eisenhower’s speech was 3 April 1958. *Ibid.*, pp. 219-220. He added for effect: “I think it is important to have it clearly understood that the Joint Chiefs of Staff act only under the authority and in the name of the Secretary of Defense. I am, therefore, issuing instructions that their function is to advise and assist the Secretary of Defense in respect to their duties and not to perform any of their duties independently of the Secretary’s direction.”

In the Defense Reorganization of 1958 the JCS were pushed to drop their traditional coordinating committees in exchange for “an integrated operations division” utilizing the traditional line “numbered J-Directorates of a conventional military staff” in order to effectively interface with “the unified and specified commands.” Thus, the coordinating “Strategic Plans Committee” was “divided to form the nucleus of the new” J-3 Operations and J-5 Plans and Policy Directorates.<sup>96</sup> Ironically, the more the JCS moved toward a Command orientation,<sup>97</sup> the more the planning, forecasting and assessing functions<sup>98</sup> of the Joint Strategic Objectives Plan (JSOP)<sup>99</sup> became caught up in the narrowly defined linear programming and budgeting rather than thinking “out of the box in terms of alternative options or long-range competition.”<sup>100</sup>

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<sup>96</sup> “Major Changes in the Organization of the Joint Chiefs of Staff: 1942-1969,” op cit., pp. 224-226.

<sup>97</sup> For a useful summary, see: “Historical Background of the Organization and Functions of the Joint Chiefs of Staff,” in Organization and Functions of the Joint Chiefs of Staff, (JCS Pub. 4; Washington, DC: Joint Chiefs of Staff, 15 July 1963), pp. 3-6.

<sup>98</sup> That these three function are intimately related is well argued in: Alan Gropman, “Long Range Planning-A New Beginning,” Air University Review, (Nov-Dec, 1979): p 50. He notes that “planning is the systematic process of formulating objectives for the future and developing strategy and resource allocation alternatives for reaching those goals. Intrinsic to this process is a system for monitoring the implications, in an uncertain future, of the chosen decision alternative.” Gropman, “Air Force Planning and the Technology Development Planning Process in the Post-World War II Air Force,” op cit., p. 156.

<sup>99</sup> The JSOP was developed in 1955 and “is a document of two volumes that assesses the threat and then prescribes the military forces that the JCS believe are required to carry out our military strategy and national objectives.” Lawrence J. Korb, “The Budget Process in the Department of Defense, 1947-1977: The Strengths and Weaknesses of Three Systems,” Public Administration Review, vol. 37, no. 4, (July / August 1977): p. 335. See also: Lawrence J. Korb, The Joint Chiefs of Staff: The First Twenty-five Years, (Bloomington, IN: Indiana University Press, 1976).

<sup>100</sup> As of 1963, the generic planning within J-5 was divided into three unique branches each covering a separate function in the overall process:

- Short-Range Branch – “prepare the Joint Strategic Capabilities Plan (JSCP); and “provide basic planning data and make recommendations concerning force requirements, assignments and deployments for strategic planning in the short-range period, based on actual Service capabilities.”
- Mid-Range Branch – “prepare the Joint Strategic Objectives Plan (JSOP)” and “collaborate, as may be required, with the Personal Directorate (J-1) and the Logistics Directorate (J-4) in the development of concepts for military mobilization and the phased expansion of active and Reserve forces to support the strategic concepts and objectives of JSOP.”
- Long-Range Branch – “prepare the Joint Long-Range Strategic Study;” and “provide strategic guidance concerning world-wide or overall base rights and requirements in support of joint plans, estimates, studies and appraisals for the long-range period.”

The responsibility for reviewing and preparing JCS comments on Basic National Security Policy (BNSP) was in a separate General Planning Branch. “Historical Background of the Organization and Functions of the Joint Chiefs of Staff,” in Organization and Functions of the Joint Chiefs of Staff, *ibid.*, pp. 67-76.

The historic America phobia over a General Staff nonetheless remained,<sup>101</sup> and the results showed. But despite legislative authority and responsibility for both DoD strategy as well as resource planning, the Secretary of Defense lacked the diagnostic and prognostic talent necessary to make informed strategic judgments.

*Under the postwar organization of the military establishment the Secretary of Defense presumably had the authority to establish a strategic concept and require agreement on force size and composition. But he labored under several severe handicaps. He lacked any independent basis on which to assess what the Services were demanding. And, in the American tradition, he tended to assume that it was impossible for him to understand, much less learn, the art of military planning. That was a mystery that could only be performed by the military staffs themselves. To argue with veteran commanders in these circumstances seemed presumptuous and dangerous. Military judgment was sacrosanct.<sup>102</sup>*

Up until 1961, this was a bi-cameral culture, with the Secretary of Defense having limited ability to bridge the two worlds of military strategy and civilian resource allocation, and raised a fundamental question as to whether his role was “Umpire or Leader?”<sup>103</sup>

President Kennedy answered this question decisively. He needed and wanted a Secretary of Defense “who, unlike Eisenhower’s Pentagon chiefs, would not only implement the administrations decisions” but also vigorously “initiate policies regarding weapons selection and strategy.”<sup>104</sup> One reason for this was because the “Joint Chief’s advice was perceived at the White House to be the product of consensus among the services rather than what was best for national security;” another was that the Joint Chiefs also produced analyses and recommendations at a tortuously slow pace.<sup>105</sup> Presidential expectation, timely

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<sup>101</sup> “The Joint Staff shall not operate or be organized as overall Armed Forces General Staff and shall have no executive authority.” “Department of Defense Reorganization Act of 1958,” (Washington, DC: Department of Defense, 6 August 1958).

<sup>102</sup> William W. Kaufmann, *The McNamara Strategy*, (New York, NY: Harper & Row, 1964), pp. 19-20.

<sup>103</sup> Arthur D. Larson, “The Secretary of Defense: Umpire or Leader?” *Polity*, vol. 4, no. 4, (Summer 1972): p. 557.

<sup>104</sup> Piller, “DoD’s Office of International Security Affairs,” op cit., pp. 63, 65, also contrasts Secretary of State Rusk’s view of himself as a “judge” versus McNamara’s activist initiative.

<sup>105</sup> Ibid., p. 65, quoting Paul Nitze as saying of the JCS, that “it would take them three days to blow their nose.”

decision-making and the need for real strategic choice as opposed to “group think” all combined to structure the SecDef as “chief strategist.”

*The Secretary of Defense – and I am talking about any Secretary of Defense – must make certain kinds of decisions, not because he presumes his judgment to be superior to his advisors, military or civilian, but because his position is the best place from which to make these decisions.*<sup>106</sup>

Much to the dismay of critics of “defense intellectuals,”<sup>107</sup> a corollary of this positional vantage-point, was the belief that “modern-day strategy and force planning has become largely an analytical process.”<sup>108</sup>

Secretary McNamara correctly viewed the DoD as a “bilineal organizational structure,”<sup>109</sup> and, impressed with the controlling “dual chain” management system he had experienced at Ford Motor, tried to introduce that approach in the Pentagon.<sup>110</sup> During his tenure the Systems Analysis Office operated as “analytic policemen”<sup>111</sup> keeping military advice “honest” and as a surrogate means of both option planning and performance assessment. While it

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<sup>106</sup> Robert S. McNamara, “Address before the American Society of Newspaper Editors,” (Press Release No.548-63; Washington, DC: 20 April 1963), pp. 1-13, in Public Statements by the Secretaries of Defense: Part 3, The Kennedy and Johnson Administrations, (1961-1969), Robert S. McNamara, January 21,1961-February 29,1968, edited by Paul Kesaris, (microfilm; Frederick, MD: University Publications of America, 1983), reel VI, frames 0165-0177.

<sup>107</sup> For example: General Thomas D. White, “Strategy and the Defense Intellectuals,” Saturday Evening Post, vol. 236, (4 May 1963): p. 10.

<sup>108</sup> Alain C. Enthoven and K. Wayne Smith, How Much is Enough? Shaping the Defense Program, 1961-1969, (New York, NY: Harper & Row, 1971), pp. 32, 106.

<sup>109</sup> “The operational control and direction of the combat forces extend down through one chain of command and the direction and control of the supporting activities down through another.” Robert S. McNamara, The Essence of Security: Reflections in Office, (New York, NY: Harper & Row, 1968), p. 96.

<sup>110</sup> Following BDM’s acquisition by Ford Motor in 1988, I spent a significant part of my time for the next two years in Dearborn serving as an international strategic planning adviser to Ford’s Chairman and CEO. It was not until then that I realized what had conditioned McNamara’s approach. Ford had a long culture of strong leaders in the operating and production parts of the company. In the 1950s, when they realized that the company had to be brought under modern fiscal discipline with a comprehensive budgeting system similar to PPBS, a parallel line of Finance Officers was introduced at every level of line organization. They served as implicit deputies to “help” the line managers prepare and stay within corporate budgets, but they had their own independent reporting chain (and guardian) up the ladder to the Corporate Finance Officer. We called them the KBG of Ford, but a closer parallel would probably have been the “political officer” in the Soviet military. It is my belief, that when McNamara realized he could not duplicate this level of intrusion into the JCS and Services (although the latter became more permeable over time), the Systems Analysis Office was used as surrogate vehicle to “police” the system.

<sup>111</sup> An “important implication of the increasingly analytical nature of the force planning process is the need for an ‘analytic policeman’.... It its role as analytic policemen, the Systems Analysis office tried to make sure that the methods of analysis used in various studies, and the assumptions that went into them, were both explicit and consistent.” Enthoven and Smith, How Much is Enough? Shaping the Defense Program, 1961-1969, op cit., pp. 106, 108.

was recognized that the uniformed military could, in theory, present a range of alternative strategies, among which the national command authority could pick (without deconstructing how they arrived at them), nevertheless, inventing creative options was not a recognized JCS strong suit.<sup>112</sup>

Nor was a passive position in the strategy development process practical for the SecDef. The following retort is worth revisiting because the argument still fuels a relevant debate:

*It would limit the Secretary of Defense to the role of judge rather than leader. Though he could select one of the alternatives presented in the JCS list, he would be unable to challenge the particular objectives and alternatives which the JCS chose present. He would be unable to get independent evaluation of the JCS estimate of the amount of military force required to attain a particular objective with a given degree of confidence. He would be unable to probe for and suggest an alternative mix of forces which might achieve a given objective at a lower cost.*

*Challenging, testing, probing, checking, and suggesting alternatives in an informed and responsible way are more than any one man can do by himself. He would have to have a staff to help him, and that staff would have to become deeply involved in the matters in the province of the military professionals. This is the only way the Secretary of Defense can exercise initiative and avoid becoming a captive of the information generated by the military staffs. In the most direct sense, it is the only way the country can be assured of achieving a significant degree of civilian control.<sup>113</sup>*

Thus, the issue was not so much the development of alternative options, although there were certainly cases where that need was articulated, and few challenged the responsibility of the SecDef to be the Pentagon's Chief Strategist.

Rather, the question raised by McNamara and his team was the diligence the Secretary would give in thinking through the inputs to the strategic choices he would make and his need "to have access to independent and sophisticated analysis" that would "enable him, not to ignore institutional factors, but to see

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<sup>112</sup> Ibid., p. 115: "If the Secretary wants a wider range of alternatives – alternatives that include 'less' as well as possible nonmilitary solutions – he will need civilian analysts possessing the necessary analytical skills and with the charter to cut across Service institutional lines jurisdictions and integrate forces and mission contributions from all the Services. This does not mean that alternatives offered by civilian analysts are necessarily 'better' than those of the military. But they are likely to be more broadly based, balanced, and concerned with getting the most from available resources. In any event, some kind of counter-vailing power is clearly needed if the Secretary of Defense is to sort out the desirable and the undesirable changes."

<sup>113</sup> Ibid., p. 196.

them in proper perspective in making operational, management and policy decisions....”<sup>114</sup> If it is admitted that a Secretary has the requirement to take on the role of Defense strategist rather than just a ladler of resources – and, in making those decisions, has a fiduciary responsibility to consider long-range trends, assess US and potential adversary postures, and develop alternative strategic concepts to cope with change – the need for immediate and confidential staff support to the SecDef as Chief Strategist was axiomatic in its logic and unchallengeable as common sense.

Practically, however, there were several problems in the McNamara approach. First, unlike at Ford where the “analyst policemen” were actually embedded at every level of every organization, Enthoven’s System Analysts were, like a sophist watching the shadows on Plato’s cave, outside the military organization looking in with surrogate measures of effectiveness.<sup>115</sup> Second, and more subtle, having hooked the Pentagon on the PPBS – with its linear programming so helpful to careful auditing -- it reinforced the military predisposition to favor material force structure over ethereal strategizing.<sup>116</sup> As illustrated in the figure below,<sup>117</sup> although the PPBS system depended upon Strategy Input to initiate it and incorporated opportunities for Assessment feedback, its sequential multi-year linearity makes it very inflexible. Turning planning into an “administrative process” came at a cost of imagination and creativity.<sup>118</sup> “In the extreme, the approach” of PPBS in the late 1960s carried the

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<sup>114</sup> Larson, “The Secretary of Defense: Umpire or Leader?” op cit., p. 561.

<sup>115</sup> James R. Schlesinger, “Defense Planning and Budgeting: The Issue of Centralized Control,” (RAND paper 3813; Santa Monica, CA: RAND Corporation, 1968); Wesley W. Posver, “Dispersion of the Strategy-Making Establishment,” in American Defense Policy, edited by Mark E. Smith III and Claude J. John Jr., (Baltimore, MD: Johns Hopkins Press, 1968); and William A. Niskanen, “Defense Management After McNamara,” (IDA N-589; Arlington, VA: Institute for Defense Analysis, 1968); and William A. Niskanen, “Coherent Decentralization of US Defense Force Planning,” in Interorganizational Decision Making, edited by (Chicago, IL: Aldine, 1972), pp. 277-286.

<sup>116</sup> Alluded to in both James R. Schlesinger, “The Changing Environment for Systems Analysis,” (RAND paper 3287; Santa Monica, CA: RAND Corporation, 1965); and Harold Brown, “Planning for Military Forces,” Foreign Affairs, vol. 45, (January 1967).

<sup>117</sup> “The Joint Staff Officer’s Guide 2000,” (JFSC Pub. 1; Norfolk, VA, 2000), Fig. 2-3.

<sup>118</sup> “The ascendancy of management and the decline of policy, the elaboration of structure and technique, and the faltering of innovation and bargaining mark the McNamara years. It is clear that while imagination and flexibility are vital in the determination of policy and strategy, the thrust of the new management has made for increasing rigidity. It is clear that while a creative, reinforcing tension between military and civilian professionalism is indispensable to national security policy, the thrust of the new management has been to neutralize such

danger “that strategy would emerge de facto from a stream of acquisition decisions, rather than independently providing the basis for those decisions.”<sup>119</sup>

Figure 1

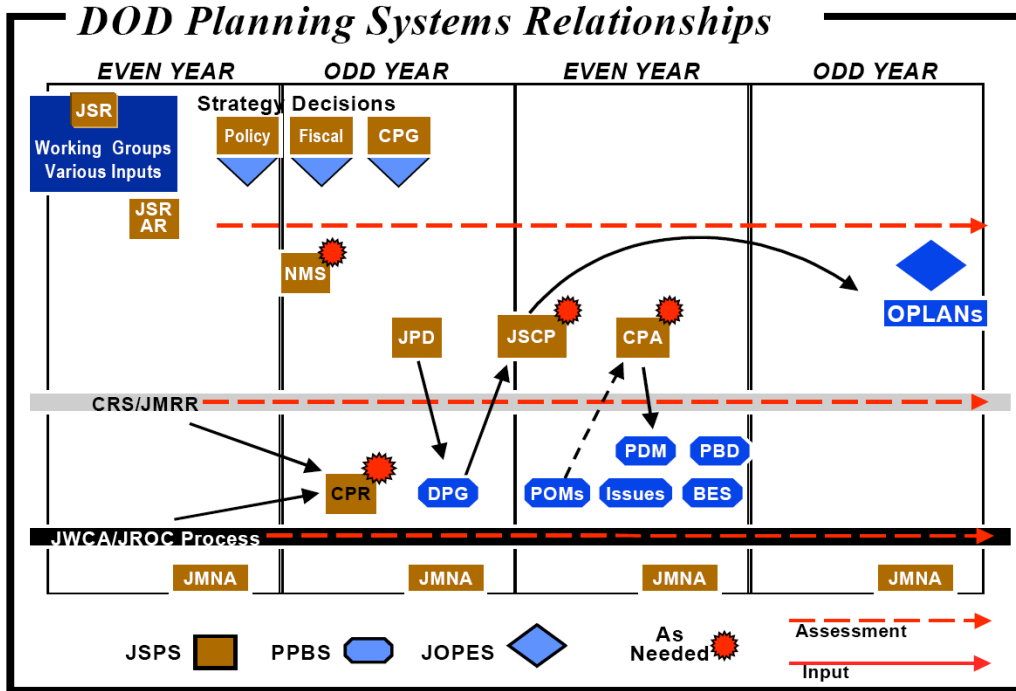


Figure 2-3

Third, with “analytic policemen” tending to treat the military as planning criminals with all the resultant years of open warfare between OSD and the Services, animosities were so deep that basic cooperation, let along joint brainstorming, took more effort that it was worth.<sup>120</sup>

### III. The 1970 Blue Ribbon Defense Panel

This then was the environment in the first year of the Nixon Administration when the President commissioned a number of outside efforts to examine government organization and propose more effective and efficient

pluralism.” James M. Roherty, *Decisions of Robert S. McNamara: A Study of the Secretary of Defense*, (Coral Gables, FL: University of Miami, 1970), pp. 20-21.

<sup>119</sup> Pickett, Roche, and Watts, “Net Assessment: A Historical Review,” op cit., p. 165.

<sup>120</sup> James Schlesinger, “Uses and Abuses of Analysis,” *Hearings*, (Washington, DCL US Senate Committee on Government Operations, Planning Programming Budgeting, Government Printing Office, 1970); and Hanson W. Baldwin, “Slow-Down in the Pentagon,” in *Defense, Science, and Public Policy*, (New York, NY: W. W. Norton & Company, 1968).

structures. In April the Ash committee<sup>121</sup> began its work on The President's Council on Executive Organization. Only three months later, in the summer of 1969, the Fitzhugh Commission<sup>122</sup> started studying the organization and management of the Pentagon,<sup>123</sup> and there were similar, if less known, efforts directed at State and the CIA.<sup>124</sup> This one-year effort became known as the Blue Ribbon Defense Panel (BRDP), consisting of sixteen distinguished members, including a number of CEOs with defense related executive experience, supported by a large staff of 46, a majority of whom were focused on researching the problems.

Most of the Blue Ribbon Panel's focus was on the Pentagon's mismanagement of the unmanageable<sup>125</sup> by an un-managing management.<sup>126</sup>

*The Department of Defense presents an unparalleled management challenge. Many factors contribute to the scope of this challenge, including: the size of the defense establishment; the variety and diversity of its activities, all of which are closely interrelated; its technological dependence; the annual authorization-appropriation cycle; the political sensitivity of its operations; the obscurity of any quantitative standards for measurement of success or failure; the diverse origin and broad sweep of its policy guidance; the internal divergences of interests within the*

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<sup>121</sup> Named after its Chairman Roy Ash, appointed 5 April 1969. A number of scholars have observed that the President's reasons for creating Government reform commissions are unknown, "the motivations behind the Nixon administrative strategy are unclear, there is no question that the strategy involved some important institution changes within the Executive" branch. David McKay, Domestic Policy and Ideology: Presidents and the American State, 1964-1987, (Cambridge, UK: Cambridge University Press, 1989), p. 100.

<sup>122</sup> Fitzhugh, Report to the President, op cit..

<sup>123</sup> They were commissioned 1 July 1969 and submitted their report exactly one year later. Fitzhugh, chairman of the Board of the Metropolitan Life Insurance Company, complained about fragmentation of responsibility for decisions, excessive size of staffs, the constant thrusting of minor issues to the top for decision, and the delays in making decisions through committees and staff co-ordination.

<sup>124</sup> In November 1971, the Office of Management and Budget's James Schlesinger, conducted a secret review of the intelligence community and the Nixon Administration announced "a number of management steps to improve the efficiency and effectiveness" of US intelligence. OMB had been significantly empowered by the Ash Council recommendations, and interestingly, Schlesinger would a year later be named Director of the CIA to implement his own recommendations but his four-month tenure was too short to bring about any large-scale change.

<sup>125</sup> Fitzhugh declared at a July 1970 press conference that his investigation showed that the Pentagon was "an impossible organization to administer in its present form, just an amorphous lump." "Shaping the Amorphous Lump," Time, 10 August 1970, at < <http://time-proxy.yaga.com/time/archive/preview/0,10987,876725,00.html> > [accessed 13 October 2005]

<sup>126</sup> Fitzhugh was quoted as personally concluding that: "There is nobody you can point your finger at if anything goes wrong, and there is nobody you can pin a medal on if it goes right, because everything is everybody's business. What is everybody's business is nobody's business." Ibid.; for a contemporary commentary, see also: Timothy H. Ingram, "The Corporate Underground," The Nation, vol. 213, issue 7, 13 September 1971, at < [http://www.nationarchive.com/Summaries/v213i0007\\_08.htm](http://www.nationarchive.com/Summaries/v213i0007_08.htm) > [accessed 10 November 2005].

*Department; and the variances of its objectives due to changing threats, shifting potentials for crises and fluctuating national commitments.*<sup>127</sup>

Four issues were raised by the BRDP of direct relevance to our interest – the failure to control escalating costs as the US depended upon qualitative system performance, the lack of realistic planning in the budgetary process, the need of the Secretary of Defense to be directly supported by long-range planning and net assessment, and growing concern that America was being overtaken by the Soviet Union in several key areas of military balance.

Major issues addressed by the Blue Ribbon Panel were the failure to control waste and cost overruns as well as the inability of the Defense planning process to forecast accurate budgetary performance. “Although the PPBS is the major planning, programming and budgeting procedure in the Department,” the BRDP concluded that “it has more practical use as a budgeting device than as a planning and programming procedure.”<sup>128</sup> While the PPBS had brought consistency and discipline to the frontside creation of DoD budgets, there was a growing trend where the backside performance – the discipline to match output with the plan -- was breaking down.<sup>129</sup>

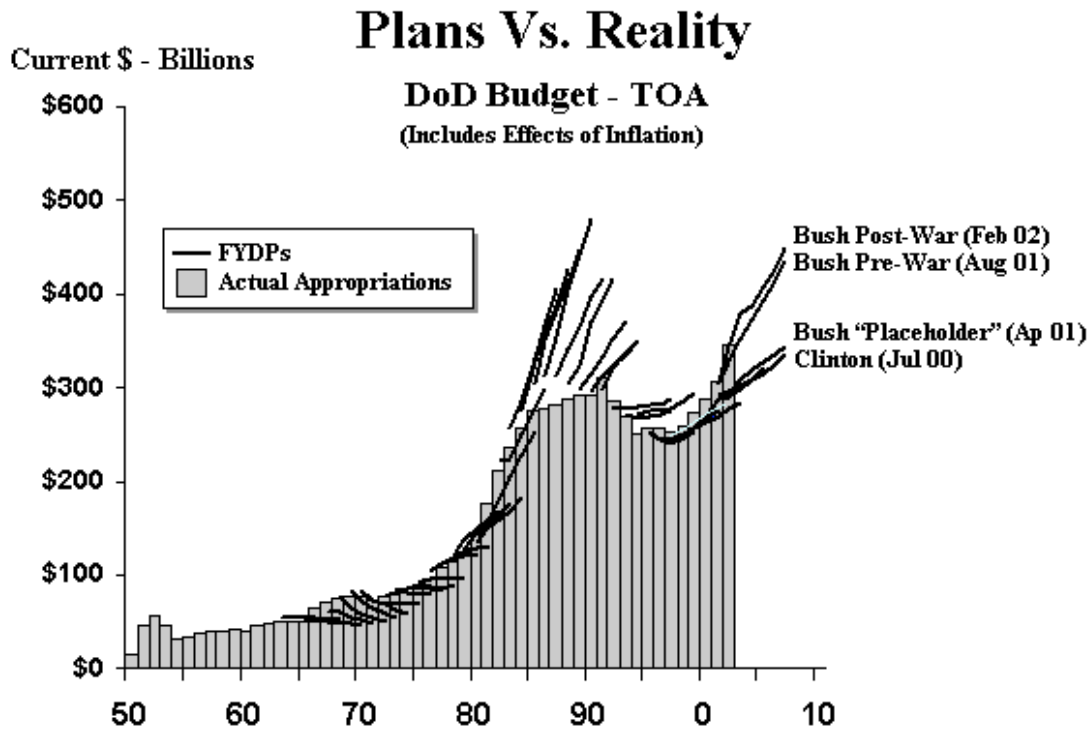
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<sup>127</sup> Fitzhugh, *Report to the President*, op cit., p. 111.

<sup>128</sup> Ibid., p. 114.

<sup>129</sup> Franklin C. Spinney, “Statement,” (testimony in Hearings; Washington, DC: Subcommittee on National Security, Veterans Affairs and International Relations, Committee on Government Reform, House of Representatives, 4 June 2002), at < [http://www.d-n-i.net/fcs/spinney\\_testimony\\_060402.htm](http://www.d-n-i.net/fcs/spinney_testimony_060402.htm) > [accessed 1 April 2008], notes that the disconnect begins in the late 1960s with alternating swings in under/over estimation of budgets. The overages are driven by “front-end” downplaying of system lifecycle costs, which ultimately lead to overruns, drops in production, and subsequent high unit prices. “The “low-balled” cost projections made during the pre-production phase of a weapon’s life cycle permit too many new programs to get stuffed into the out years of the FYDP. This sets the stage for repeated increments of cost growth and ever rising pressure to grow the entire defense budget. But the budget cannot grow as fast as the unit costs of front-loaded programs increase and eventually a retrenchment sets in. At the same time, the effects of political engineering paralyze decision-makers and induce them to absorb the cost growth through inefficient expediences, like repeated production stretch-outs in lieu of terminations. The lower rates of production naturally decrease the rate of inventory turnover, which increases the age of weapons and makes them more expensive to operate, thereby driving up the operating budget. But the increasing age of the equipment also increases the pressure to transfer money from the operating budget to the modernization budget, while the rising cost of operating the older weapons makes it more difficult to do so. Consequently, cost pressure builds up rapidly over time, and a kind of boom and bust cycle is born: Budget retrenchments like those in the 1970s and 1990s make problems worse, which are followed by budget expansions that naturally overreach when the front loaders and political engineers plant the seeds for another round of outyear underfunding problems.... Over time, the cycle of decay takes the form of the so-called death spiral of shrinking combat forces, decreasing rates of modernization, aging weapons inventories, with the rising cost of operations creating continual pressure to reduce readiness.:

Figure 2



Subsequent studies over the last thirty years have shown how prescient the Fitzhugh panel's concern was.<sup>130</sup> Figure 2 above illustrates the historic disconnect between the FYDP projected plans and the actual budgetary performance. Depending on the cycle, the FYDP was wrong when budgets were increasing, wrong when they were in decline, and in fact, only one out of thirty year's plans corresponded with what actually happened. This breakdown in financial discipline is not only inefficient but produces a disconnect where the budget takes on an alternate reality, one divorced from the external environment and driven instead by internal constituents.<sup>131</sup>

<sup>130</sup> Defense Acquisitions: Assessments of Selected Weapon Programs, (GAO-08-467SP; Washington, DC: Government Accountability Office, March 2008); and press summary: Dana Hedgpeth, "GAO Blasts Weapons Budget," Washington Post, 1 April 2008, p. A-1, reports that GAO auditors "found that of 72 major systems GAO examined in detail, none "had met all of the standards for best management practices during their development stages. Auditors said the Defense Department showed few signs of improvement since the GAO began issuing its annual assessments of selected weapons systems six years ago.... 'It's taking longer and costing more'."

<sup>131</sup> "Without reliable information, there can be no confidence that the required matchup between the Defense organism and its environment has been or will be achieved. When such a condition of uncertainty persists, the interaction of chance with necessity guarantees that it is only a matter of time before dangerous mismatches creep insensibly into the relationship between organism and its environment. When this occurs, the unreliable information in the database creates a kind of virtual reality that disorients decision makers, yet keeps them busy,

In an extended Appendix, “Mechanisms for Change – Organizational History,”<sup>132</sup> the Blue Ribbon Panel recognized that many traditional aspects of foreign relations had become “strategic.” First, the declining distinction between peace and war converted mobilization time from weeks to minutes and with it brought standing armies, “fleets in being” and, with hair-trigger forces, the danger of strategic surprise. Second, the introduction of weapons of mass destruction combined with intercontinental range, not only created an environment of “reciprocal fear of surprise,” but held entire nations in delicate balance of terror – one in which they could be destroyed. And third, the increasing communicability and complexity of international relations produced a security environment involving a much wider range of professional expertise in science as well as a number of social disciplines. “As a result, the image of an expert military profession, unchallengeable in its field, began to fade” in the strategy of the atomic age -- “military advice” had to be tempered with a wide range of civilian expertise.<sup>133</sup>

The Blue Ribbon Defense Panel picked up on the observation that “in a Cold War military advice was essential but seldom determining,”<sup>134</sup> and they

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thereby blocking corrective action, while the internal activities shaped by their decisions become progressively disconnected from and vulnerable to the threats and constraints in the real world. Moreover, without decisive action to correct the source of the disorientation – i.e., the corrupted information – the disorientation will grow worse over time, leading inevitably to a growing sense of confusion and disorder that feeds back into and magnifies the disorientation even further. Eventually the breakdown in the goal seeking process will produce paralysis, and the activities of the organism will be directed more by inner workings of its constituent factions than by the requirements of the environment. Naturally, such a self-referencing process would become far more dysfunctional if the external environment changed suddenly and unexpectedly....” Spinney, “Statement,” op cit.

<sup>132</sup> Appendix A, Mechanisms for Change – Organizational History, to Report to the President and the Secretary of Defense on the Department of Defense, (Washington, DC: Blue Ribbon Defense Panel, 1 July 1970).

<sup>133</sup> The argument was not that these disciplines could not be taught in officer schools or mid-career graduate education, but rather, that truly developing a professional level of expertise in an analytical area – whether economics or physics, arms control or the methodology of long-range planning – involved continued participation in the field through research, publication and peer exchange. Obviously, a military officer could be assigned to an area of expertise for more than cumulative decade’s worth of experience, but then as they would become substantive experts in another occupation over time they would be “military” in name only – a pattern evidenced in a number of officers assigned to the civilian side of Pentagon planning, including Net Assessment. The author remembers fondly a promotion party for a long-time assigned military officer to OSD/NA who, having not donned his uniform in years, not only had trouble buttoning his jacket, but could not remember which direction his Colonel’s eagles mounted.

<sup>134</sup> “No longer could military professionals plan in isolation and expect to take over after the diplomats failed. The validity of military plans, policies and requirements depended more and more on the extent to which they were in tune with foreign, economic, and other policies than on

focused on the inadequate civilian contribution to strategy development without mincing words:

- “The Secretary of Defense does not presently have the opportunity to consider all viable options as background for making major policy decisions because important options are often submerged or compromised at lower levels of the Department of Defense.”
- “A need exists for an independent source of informed and critical review and analysis of military forces and other problems – particularly those involving more than one Service, or two or more competitive or complementary activities, missions, or weapons.”<sup>135</sup>
- “There is no organizational element within OSD with the assigned responsibility for objectively making net assessments of US and foreign military capabilities.”
- “There is no organizational element within OSD that is charged with the responsibility for long-range planning for the structuring and equipping of forces for other similar purposes.”<sup>136</sup>

The emphasis was not on replacing uniformed advice on military strategy, or even changing their primacy, but in providing the national security leadership with options, independent assessments, and non-canonical planning that did not get inhibited, diluted or suppressed on their way to the top.

In order to address this perceived vacuum two quite different methodologies were proposed – diagnostic comparative analysis and prognostic, diachronic trend projection. Not insignificantly, as illustrated in Figure 3, two of the Blue Ribbon panel’s 113 recommendations called for the creation of special offices for these respective foci with both reporting directly to the Secretary of Defense.

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their own merits – although the law still called for purely ‘military advice’ .... Moreover, military experience lost much of its value as the effect of nuclear weapons could be measured only in theoretical war games and civilians invented new and imaginative computer techniques for determining probabilities.... In the atomic age, a major war was no longer a continuation of policy but annihilation. Deterrence ... was as much a political, diplomatic, and economic problem as a military one.” OSD Historian, R. A. Winnacker, “The Historical Framework,” Office of the Assistant Secretary of Defense, Administration, (9 Feb. 1970) in *Ibid.* pp. 5-6.

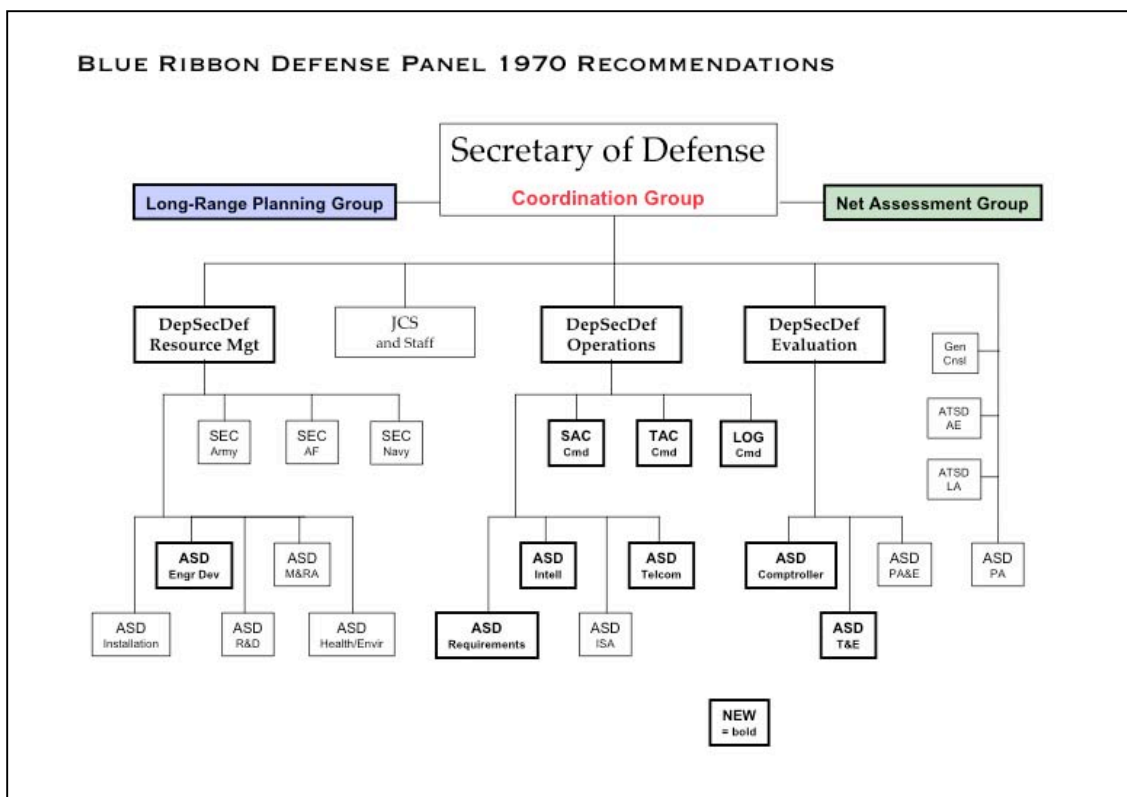
<sup>135</sup> Fitzhugh, Report to the President, op cit., p. 29.

<sup>136</sup> *Ibid.*, p. 3.

- Office of Net Assessment;
- Office of Long-Range Planning.

The BRDP argued that each of these functions was so unique that they not only required their own separate organizations but also so important that they had to be immediately reported to the top without interference from any of the other subordinate organizations that might try to influence the independent analysis and projections of these two functions.

Figure 3



The report also recommended a third group to serve as a SecDef coordinating function, which would presumably have been the tasking and agent for these two proposed offices.<sup>137</sup>

<sup>137</sup> “No formal mechanism exists within OSD to assure adequate coordination among the various elements of the Department. There is a need for a Coordinating Group in the immediate office of the Secretary of Defense, to assist in coordinating the activities of the entire Department and in the scheduling and follow-up of the various activities.” “The Coordinating Group should be headed by a civilian Director, who should also serve as executive assistant to the Secretary of Defense. Fitzhugh, *Report to the President*, op cit., pp. 31, 59-60. Under then Secretary of Defense

The case for an Office of Net Assessment was made with considerable passion in the report:

*Major program and policy decisions in the Department of Defense tend to be based on an assessment of individual factors, such as the apparent threat, the technological capability of the United States and possible opponents, and cost effectiveness criteria. The Defense intelligence community is concerned with foreign developments, but does not make assessments of US capabilities. Threat assessments are made for comparison with the projected capability of some proposed new US development. There is, however, no mechanism within the Department to provide an integrated analysis which systematically places existing or proposed programs in the context of the capabilities and limitations of the United States and its allies versus possible antagonists. The Secretary of Defense should have available, on a continuing basis, the results of comparative studies and evaluations of US and foreign military capabilities, to identify existing or potential deficiencies or imbalances in US military capabilities.<sup>138</sup>*

Thus, there was the perceived need for the comparative evaluation of both “US and enemy capabilities” conducted by the same agent reporting directly to the Secretary of Defense.

The BRDP was “concerned that no one ever put the strategic picture together” and that this was “a vital function now performed by no one.”<sup>139</sup> They argued that Secretary of Defense “needed someone close to him who would be an unbiased advisor about where the US military” balance stood relative to competitors.

*A way was needed to bring enemy and friendly data together with no restrictions on the information used and no limits on questions as to its accuracy or relevance. Real diagnosis was needed, not just assessments of the potential impact on the enemy in order to justify military programs that the services had already decided to pursue.<sup>140</sup>*

This in turn led to the unusual staffing recommendation, at least for then, that a Net Assessment Group should “...consist of individuals from appropriate units in the Department of Defense,” along with “consultants and contract personnel

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Laird, this tasking and integrating role, along with a lot of other functions, was handled by his special (executive) assistant Bill Baroody Jr. and his E-ring staff. Thus, this recommendation was merely formalizing and broadening the authority of what was already happening and Laird was comfortable with.

<sup>138</sup> Fitzhugh, *Report to the President*, op cit., p. 31.

<sup>139</sup> “Shaping the Amorphous Lump,” *Time*, op cit..

<sup>140</sup> Pickett, Roche, and Watts, “Net Assessment: A Historical Review,” op cit., p. 166.

appointed from time to time by the Secretary of Defense,” and the OSD/NA office “should report directly to him.”<sup>141</sup>

The Blue Ribbon panel proposed that the trend projection and “critical review” of strategy functions would be performed by a parallel Long-Range Planning Group, similarly composed and likewise reporting directly to the Secretary of Defense with the “responsibility for planning which integrates net assessments, technological projections, fiscal planning, etc.”<sup>142</sup>

*There is no organizational element within OSD that is charged with the responsibility for broadly supporting the Secretary of Defense in long-range planning which integrates net assessments, technological projections, fiscal planning, etc. Force planning is currently initiated by the Joint Chiefs of Staff and the Military Departments within the constraints of fiscal guidance to each Service and for each major mission and support effort. In order to provide an overall balance of forces, to prevent wasteful duplications, and to develop effective but more economical alternatives to those conditioned by traditional approaches of the Military Services, OSD requires an internal long-range planning capability. The development of alternative solutions should include consideration of all relevant political, economic, and technological and military factors. To the extent to which such a capability exists in the current OSD organization, it is too fragmented and too limited by the pressure of more immediately urgent assignments to be effective.*<sup>143</sup>

Co-equal in design and chain of report with diagnostic Net Assessment, the Long-Range Planning Group had two quite distinct functions. One was prognostic – to identify major factors (domestic and foreign) potentially influencing the security of the nation, project alternative vectors, track changes in these trends and alert the Secretary of Defense to those which (for good or ill) might change the assumptions that the national military strategy was predicated on. The other function was prescriptive – to identify new approaches and/or create alternative courses of action, including different military options, in order to both enlighten the deliberations and empower the decisions of the SecDef.

On the surface, the integrative function of the Long-Range Planning Group would put it higher on the food chain as a consumer of Net Assessment products. But there was also a reciprocal and recursive feedback loop, where unexpected or newly emergent trends would be fed back to Net Assessment in

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<sup>141</sup> Fitzhugh, Report to the President, op cit., p. 59.

<sup>142</sup> Ibid., p. 7.

<sup>143</sup> Ibid., p. 31.

order for them to evaluate the impact of this impending change. There was some dissent as to whether these two functions – Net Assessment and Long-Range Planning – should be treated as two separate offices, each reporting to a third coordinating officer in the immediate SecDef staff or whether the functions should be integrated into an Assistant Secretary of Defense with an overall mandate encompassing “Strategic Assessment.”

BRDP member Robert C. Jackson, who as Chairman of Teledyne Ryan Aeronautical had substantial DoD experience and insight, felt so strongly about the need to integrate the three functions – long range planning, net assessment and strategy development – into an ASD level position that he took the extraordinary step of issuing a “Dissenting Statement” arguing that the position required confidentiality and access that could only be achieved with a “direct report” to the SecDef.

*The Panel recommends a Long Range Planning Group to provide support to the Secretary of Defense with responsibility for long range planning which integrates net assessment, technological projections, fiscal planning, etc. The Panel further recommends a coordinating group to assist the Secretary in coordinating the activities of the entire Department. The Panel also recommends a Net Assessment Group to conduct and report on net assessment of United States and foreign military capabilities and potentials. I believe these three groups should be assembled under an Assistant Secretary of Defense for Long Range Planning, Coordination, and Net Assessment. This Assistant Secretary would report directly to the Secretary/Deputy Secretary of Defense.<sup>144</sup>*

The proposed elevation from the BRDP slot of two Directors to Jackson’s integrated Assistant Secretary had a strong precedent in another SecDef advisory position – Assistant Secretary of Defense for International Security Affairs – which had similarly been upgraded from a Directorate to ASD.<sup>145</sup>

What is interesting about BRDP member Jackson’s proposal for an Assistant Secretary of a combined office of Net Assessment and Long Range

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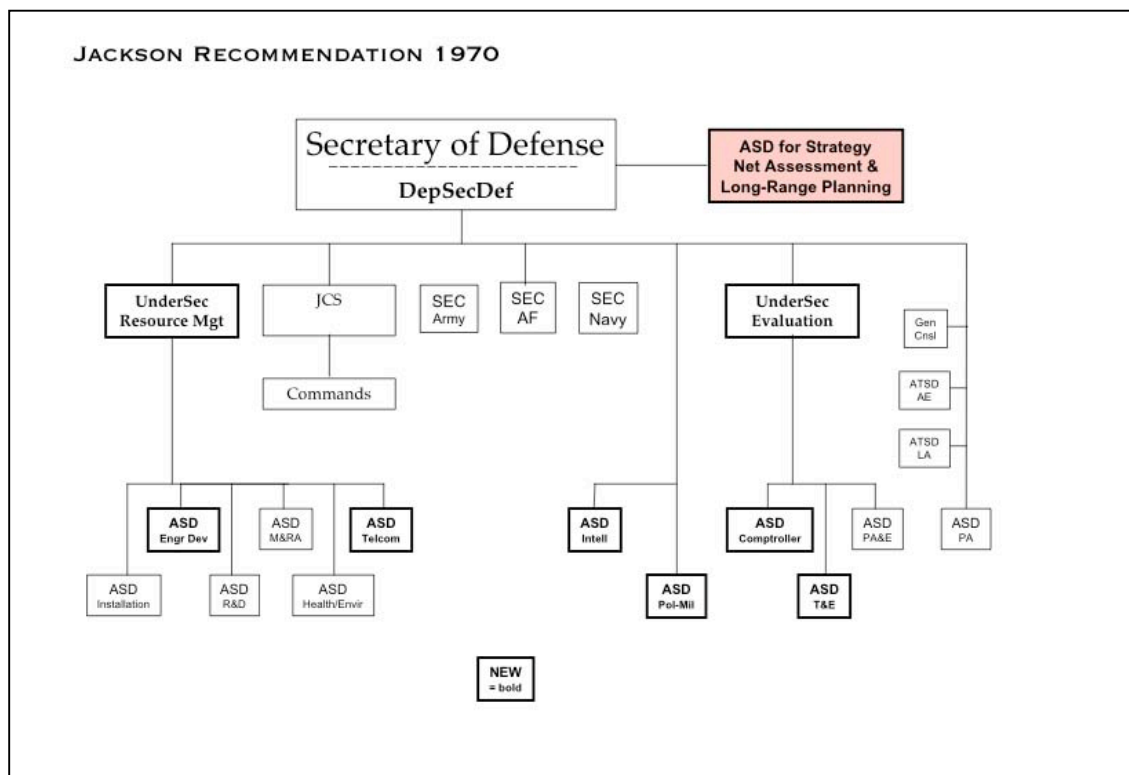
<sup>144</sup> Robert C. Jackson, Chairman, Teledyne Ryan Aeronautical and BRDP Member, “Dissenting Statement,” in Fitzhugh, Report to the President, op cit., p. 204.

<sup>145</sup> Prior to the fall of 1949, the Secretary of Defense, or his predecessor, the Secretary of War, “had had no explicitly mandated civilian politico-military affairs advisor.” Under President Truman a Special Assistant to the Secretary was created and “outgoing Defense Secretary Robert Lovett recommended to Eisenhower’s first secretary of defense, Charles E. Wilson, that the Special Assistant for ISA be upgraded to the assistant secretary level.” Piller, “DoD’s Office of International Security Affairs,” op cit., p. 60. The upgrading from “advisory” Special Assistant to ASD occurred in 1953.

Planning, is that his version of other aspects of DoD organizational structure was at once not as radical as the BRDP (in terms of having multiple DepSecDefs, with the Services and the Operational Commands reporting through them) and far more prescient of what actually became implemented over the 1970s. This was true in particular with the retention of a real deputy in the form of a DepSecDef with Under Secretaries as an intervening layer of management for the growing number of Assistant Secretaries being created in OSD.

Just as Jackson correctly forecast the trend toward functional Under Secretaries, he argued that the position of ASD for Assistant Secretary of Defense for Long Range Planning, Coordination, and Net Assessment had to be autonomous and report independently to the SecDef as illustrated in Figure 4.

Figure 4



Thus, despite differences among the BLDP as to how to organize the unique functions, among all of the members there was universal belief in and strong endorsement that “the Long-Range Planning Council and a Net Assessment Group has merit.” Likewise there was universal agreement that they “should report directly to the Secretary/Deputy Secretary of Defense as special

staff groups.<sup>146</sup> Unfortunately, in the succeeding thirty-eight years since the need was articulated, rarely has Long-Range Planning and/or Strategic Concept Development<sup>147</sup> actually had the high level position or institutional resources envisioned by the BRDP. Net Assessment is an exception, but its position has also vacillated widely.<sup>148</sup>

#### IV. Laird's Search for a Strategy Dialectic

The idea of having some type of assessment and planning functions performed in the Pentagon was neither new nor particularly controversial,<sup>149</sup> but having a split portfolio, with each reporting directly to the Secretary of Defense was.<sup>150</sup> As the Blue Ribbon Panel recognized, some of the functions of the proposed Long-Range Planning Group already existed, albeit fragmented and dispersed in various parts of OSD. However, this was not the case with Net Assessment which had to be created from scratch, and thus there were at least two precursors to its formal establishment in Defense. Laird's long time special assistant, Bill Barody Jr., established a "Net Assessment" cell within the Secretariat<sup>151</sup> temporarily assigned to an existing Long-Range Planning unit

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<sup>146</sup> Wilfred J. McNeil, Director, Fairchild Hiller Corporation, President of the Tax Foundation and BRDP Member, "Dissenting Statement," in Fitzhugh, Report to the President, op cit., p. 207.

<sup>147</sup> In 1981, SecDef Caspar W. Weinberger set up a Strategic Concepts Development Center with its Director reporting directly to the Secretary of Defense as "Strategy Advisor." A position held by the author, but whose SecDef access did not survive institutionally a year after my departure.

<sup>148</sup> From direct report to the SecDef, to a Deputy SecDef, to an Under Secretary for Policy, to proposals for it to be shipped over the National Defense University.

<sup>149</sup> The JCS had long thought they were doing this through their PPBS process called JLRSA (Joint Long-Range Strategic Appraisal).

<sup>150</sup> Defense Organization: The Need for Change: Staff Report to the Committee on Armed Services, United States Senate. (Washington, DC: Committee on Armed Services, Senate, US Congress, GPO, 1985), p. 114, authored by James Locher, critiqued the Fitzhugh recommendation that the Net Assessment Group should report directly to the Secretary of Defense on the grounds too many direct reports and thus too broad a span of control. This report also suggested that the products of Net Assessment not be integrated with trend projections by a Long-Range Planning Group, but rather by a proposed Coordinating Under Secretary. This study had a major formative impact upon the Goldwater-Nichols Defense Reform Act of 1986.

<sup>151</sup> "More than a year after the report was submitted to Secretary of Defense Melvin R. Laird only one recommendation was acted upon: creation of the 'Director of Net Assessment' in OSD." Major Greg H. Parlier, "The Goldwater-Nichols Act of 1986: Resurgence In Defense Reform and the Legacy of Eisenhower," (War in the Modern Era seminar; Quantico, VA: Marine Corps Command and Staff College, 15 May 1989), at <  
<http://www.globalsecurity.org/military/library/report/1989/PGH.htm> > [accessed 15 November 2005].

headed by Col. Don Marshal.<sup>152</sup> Baroody's files suggest an interest in the Net Assessment function that arose in 1969, simultaneously, if not antedating, the creation of the Fitzhugh Commission analysis.<sup>153</sup>

The Blue Ribbon Defense Panel had placed a high stress on the importance of understanding both "technological trends" and the increasing evidence that the Soviet Union was closing America's qualitative lead in a number of areas. Because Johnny Foster was seen as part of a "triad" running the Pentagon – consisting of the Secretary, his Deputy David Packard and the DDR&E – therefore some have drawn the conclusion that "the net technical assessment function which the BRDP suggested should lie directly with the Secretary of Defense.... Instead ... lies with Foster and with his deputy for Research and Advanced Technology."<sup>154</sup> Based on my involvement with NTA,<sup>155</sup> the types of projects they were undertaking<sup>156</sup> and contemporary discussion with the people running it at the time it is my strong opinion that this office was set up in reaction to the ideas of the Blue Ribbon Defense Panel, but was never intended to either implement or substitute the BRDP recommendation for the SecDef level office of Net Assessment.

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<sup>152</sup> Dr. Donald S. Marshall, had an Anthropology degree from Harvard and had conducted research with Margaret Mead in the South Pacific prior to the Second World War. In late 1972 or early 1973 he left Baroody's office to set up and manage the new office held by Fred Wikner, as Strategic Arms Control Adviser to the Secretary of Defense. The Long-Range Planning role was adopted ad hoc by others in the Sec Def office front office, but with the demise of Col. Marshall the Net Assessment activity remained an orphan.

<sup>153</sup> "Net Assessment, 1969-1972 (1)-(2)," Box A82 Department of Defense Papers: Baroody Subject File, (Melvin R. Laird Papers- Container List - Part 1: Boxes Open to Research); Ann Arbor, MI: Gerald R. Ford Library, no date), at <  
[http://www.ford.utexas.edu/library/guides/Finding%20Aids/Laird,\\_Melvin\\_-\\_Papers\\_ftl1.htm](http://www.ford.utexas.edu/library/guides/Finding%20Aids/Laird,_Melvin_-_Papers_ftl1.htm) > [accessed 16 November 2005].

<sup>154</sup> James M. Roherty, "The Laird and McNamara Styles," in New Civil-Military Relations: The Agonies of Adjustment to Post-Vietnam Realities, edited by John P. Lovell and Philip S. Kronenberg, (New Brunswick, NJ: Transaction Books, 1974), pp. 237-238.

<sup>155</sup> In 1973 BDM's Tactical Warfare Department run by John Bode was assigned to my National Security Programs Directorate. John had several contracts with the NTA office, and we visited there often.

<sup>156</sup> All of the ones I remember were very detailed technical and technologically detailed studies, such as counter-battery radar evaluation or Bode's development of the P001 model to evaluate hit probability of the ZSU-23/4 air defense gun. Following the 1973 Arab-Israeli War, NTA was DDR&E's lead in assessing the relative technological state of captured Soviet equipment; as it became evident that the US had significantly underestimated the other side, it could be said that this office's work took on "strategic" significance, but the analytic focus itself was tactical and technical.

Laird's long personal interest in trying to square the circle of "America's Strategy Gap"<sup>157</sup> and create a "Strategy of Realistic Deterrence"<sup>158</sup> naturally brought the topics of Net Assessment and Planning together both substantively and organizationally. The defense Report in which this combination was introduced was viewed as "the best defined and most widely distributed statement yet of the meshing of foreign policy and national security policy and strategy."<sup>159</sup> In his annual posture statement, he identified five axes on which to assess military strategy.

- An identified "spectrum of conflict" ranging from "political agitation" to "strategic nuclear warfare" with "insurgency, guerrilla warfare, sub-theater conventional warfare, theater conventional, and theater nuclear" in between;
- The "national security strategy" as articulated by the Commander in Chief;
- National resources inputs measured in budget levels, active manpower and foreign assistance;
- Military force posture output indices for General Purpose Forces, Theater Nuclear and Strategic Forces; and

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<sup>157</sup> Melvin Laird, *A House Divided: America's Strategy Gap*, (Chicago, IL: Henry Regnery, 1962). The view that his interest in strategy development was not a passing or shallow interest is shared by Douglas Kinnard, *Secretary of Defense*, (Lexington, KY: University Press of Kentucky, 1980), p. 120. Laird's recognition of both the importance of strategy as well as "gaps" in its conceptual development and implementation are still continuing interest of his: Melvin Laird, "Purse Strings and Pragmatism," *Washington Post*, 17 January 2007, p. A19: "...cutting off funding is not a plan. Holding hearings to excoriate the executive branch is not a plan. Emotional oratory about casualties is not a plan. Such is the stuff of dinner-party debates and protest rallies. It is not what the American people need from their elected representatives, and it is not what they voted for.... America needs a broad national security strategy."

<sup>158</sup> This was the title of his 1971 Defense Posture statement that clearly showed an attempt to bridge the gap between nuclear massive retaliation and conventional flexible response by adding more options to the former and more deterrence (with less US manpower) to the later. The new strategy was "designed not to manage crises but to prevent wars" yet operate "across the full spectrum of possible conflict and ... capabilities.... positive and active" as compared to previous strategy which was "responsive and reactive." Laird argued that realistic deterrence had to be developed to "deter not only nuclear war but all levels of armed conflict. But at the same time we had to develop this new strategy in a way that faces up to the realities [strategic nuclear parity] of the 1970s." Secretary of Defense Melvin R. Laird, *Toward a National Security Strategy of Realistic Deterrence*, (Washington, DC: Government Printing Office, 9 March 1971), pp. 1-20.

<sup>159</sup> Raymond S. Blunt and Thomas O. Cason, "Realistic Deterrence," *Air University Review*, (May-June 1973), at < <http://www.airpower.maxwell.af.mil/airchronicles/aureview/1973/may-jun/blunt.html> > [accessed 19 Sep. 2007]; and from the academic side: Douglas Kinnard, "The New Defense Literature," *Polity*, vol. 5, no. 4, (Summer, 1973): pp. 517-530.

- Strategic concepts covering defense and deterrence based on “alliance partnership,” “military strength,” and “negotiated restraint.”<sup>160</sup>

Laird viewed strategy as the great work of the organization, and he was the first Secretary to go beyond “sound bite” comparisons and methodically juxtapose the Pentagon’s changing military strategy on an explicit set of relational criteria plotted over time.

Addressing those five areas into a comprehensive appraisal was a monumental task, but it fit Laird’s definition of “Net Assessment.” In his FY 1973 Annual Posture Statement, Secretary Laird introduced the construct by giving “Net Assessment” its own section in his report and underscoring its importance:

*I said at the beginning of this Report that the business of peace is a complex one. Net Assessment in National Security Planning is an indispensable tool for coping with these complexities. In simple terms, Net Assessment, in conjunction with Total Force Planning, tells where we are, what we need to do, and how to get there.*

*To put it more fully, Net Assessment is a comparative analysis of those military, technological, political, and economic factors:*

*-- which impede or have a potential to impede our national security objectives*

*with those factors:*

*-- available or potentially available to enhance the accomplishment of those objectives.<sup>161</sup>*

A dialectical process of strategic thought through which “we are able to determine how to apply our resources more effectively to accomplish our national security goals.”<sup>162</sup>

Where others, then and now, use the term “net” to refer to the juxtaposition of ones own v. opposing forces, Laird’s definition went much further than military balancing.<sup>163</sup>

<sup>160</sup> Laird, Toward a National Security Strategy of Realistic Deterrence, op cit., pp. 155-162.

<sup>161</sup> Melvin R. Laird, “National Security Strategy of Realistic Deterrence,” (Statement of Secretary of Defense on FY 73 Defense Budget and FY 1973-77 Program; Washington, DC: Senate Armed Services Committee, US Congress, 15 February 1972), p. 6. The term “Net Assessment” and the juxtaposed “with” were both underscored in the original.

<sup>162</sup> Ibid..

<sup>163</sup> This is not to say that he did not include military aspects, but tended to view them as a piece of the larger “assessment.” Thus, Laird noted: “the momentum of Soviet weapons development and deployment demands examination in relation to what we and our allies and friends must do about it.” And, “in conjunction with my Defense Report, the Chairman of the Joint Chiefs of Staff, Admiral Thomas H. Moorer, will present to Congress and the American people a comprehensive military assessment of the threat and of our force capabilities. Our

*Assessment and planning in the nuclear age are intimately related to understanding of international relations on the one hand and to weapons technology and possible use on the other hand. There is, of course, nothing new in this dependence. What is new is the enormous complexity that has entered into force planning since World War II, compounded by dramatic technological advances, major world economic adjustments, and a fragmenting of the past bi-polar world structure.*

*The international environment is dynamic, confusing and in some aspects disconcerting. The rate of change – political, economic, social and technical – is perhaps the greatest we have ever known. Net assessment offers a valuable tool for understanding and responding to these challenges....*

*It is important to re-emphasize that any realistic assessments and resulting plans for military forces and new weapons systems must include political, economic and social considerations.*

*Net Assessment plays a critical role in our Total Force Planning and in the development of forces necessary to maintain our national security. In these assessments we weigh the capabilities of potential enemies against our capabilities and those of our allies. At the same time, we must give careful consideration not only to the strengths of potential adversaries, but also to the deficiencies in their capabilities and the various constraints with which they must cope.<sup>164</sup>*

Although stated in a special section entitled “Net Assessment and the Threat,” this was not merely “red baiting” in the guise of objectivity nor was it narrowly focused on military comparisons.

Laird’s perspective had a much broader and more long-range evaluative ring to it – like what would later be called a “competitive strategy” -- reflectively assessing the environment one is in, relative to where one wants to be. Looking back, it would not be inaccurate to describe Laird’s view of Net Assessment as a

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combined presentations this year will represent another step forward in our new emphasis on Net Assessment.” Ibid., pp. 6-7. “Concerning the military posture statement by the Chairman of the Joint Chiefs of Staff, the first such formal statement was ‘United States Military Posture for FY 1972’, issued on 9 March 1971 by Admiral Thomas H. Moorer, USN. The Secretary of Defense is required by law to present an annual report/posture statement to the Congress; the Chairman is not. The Chairman has, however, always accompanied the Secretary when he presented these statements to the Congress. Initially, the Chairman made no statement at these appearances, but he was usually called upon by the Secretary of Defense to answer certain questions. Consequently, the Chairman began to prepare an informal statement of his own, and over the years it evolved into the formal document it is today. The first one formally bound and issued as ‘United States Military Posture’ was the one for FY 1972. “Academic Intelligence,: Military Affairs, vol. 43, no. 1, (February 1979): p. 47.

<sup>164</sup> Ibid., p. 29.

form of strategic sociology – systemically integrating cultural, economic, technological, and political trends<sup>165</sup> – upon which planning would be based and against which new concepts could be analytically tested.<sup>166</sup>

In the SecDef's view the leader of the Defense Department had the responsibility to be the synthesizer of military needs and civilian resources; a challenge befitting a statesman, one that could not be delegated but had to be taken personally.<sup>167</sup>

*We intend to accomplish this through a more coordinated emphasis on Net Assessment in my immediate office and throughout the Department of Defense....*

*It is important to bear in mind, however, that Total Force planning must be carried out both in terms of immediate as well as longer-range phased objectives.... However, this will be a difficult task since the apparent demands of the moment may sometimes have adverse impact on what we hope to accomplish in the future.*

*In order to minimize this often troublesome problem, **my Director of Net Assessments will be supported by and work closely with the Office of my Assistant for Long-Range Planning**, whose task it will be to assure effective coordination of the Net Assessment and Total Force planning functions of the Secretary of Defense....*

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<sup>165</sup> One is reminded here much more of the then contemporary work of Harvard sociologist Talcott Parsons than any particular effort in IR Theory or Strategic Studies. See for example: Talcott Parsons, The Structure of Social Action: A Study in Social Theory with Special Reference to a Group of Recent European Writers, (New York: The Free Press, 1939); Talcott Parsons, Edward A. Shils, and James Olds, "Values, Motives, and Systems of Action," in Toward a General Theory of Action, Talcott Parsons and Edward A. Shils, ed., (New York: Harper and Row, 1951); Talcott Parsons and Neil Smelser, Economy and Society, (New York: The Free Press, 1956); Talcott Parsons, Structure and Process in Modern Societies, (New York: The Free Press, 1960); Talcott Parsons, "An Outline of the Social System," in Theories of Society: Foundations of Modern Sociological Theory, ed. by Talcott Parsons, et. al. (New York: The Free Press, 1961); Talcott Parsons, "Some Reflections on the Place of Force in Social Process," in Internal War: Problems and Approaches, ed. by Harry Eckstein (New York: The Free Press, 1964); Talcott Parsons, Societies: Evolutionary and Comparative Perspectives, (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1966); Talcott Parsons, Politics and Social Structure, (New York: The Free Press, 1969); and Talcott Parsons, "On Building Social System Theory: A Personal History," Daedalus, (Fall, 1970); Talcott Parsons, The System of Modern Societies, (Englewood Cliffs, NJ: Prentice-Hall, 1971); Talcott Parsons, The Evolution of Societies, (Englewood Cliffs, NJ: Prentice-Hall, 1977).

<sup>166</sup> Laird, "National Security Strategy of Realistic Deterrence," (1972) op cit., p. 30: emphasized that there were "four major areas we must take into account in any comprehensive Net Assessment related to national security planning. They are the Strategic Reality, the Political Reality, the Fiscal Reality and the Manpower Reality."

<sup>167</sup> Several months after the announcement of the new strategy, he said that to be "perfectly frank ... successful implementation of the strategy of realistic deterrence is the most difficult and challenging national-security effort we have ever undertaken in this country." Laird quoted in US News and World Report, 17 May 1971, p. 29.

*As a former member of Congress, I am confident that our new approach, with its emphasis on Net Assessment and Total Force planning, will permit the Department of Defense in coming months and years to be even more responsive to the Congress as we share the responsibility for assuring our national security.*<sup>168</sup>

The target audience of this message was clearly the Congress, and Laird was using Net Assessment to forge a better relationship with them and was willing to make the process an extension of his immediate office and direct staff in order to demonstrate his commitment.

Thus, for a “Secretary of Strategy,” the tools of Net Assessment and Long Range Planning were the left and right hands (brains) of strategy development<sup>169</sup> -- respectively diagnostic and prognostic -- that, in combination would provide prescriptive input for strategy development as well as negative feedback for course correction.<sup>170</sup> It would be through this dialectical “process” that the Department of Defense would be “able to determine how to apply our resources most effectively in order to improve our total capability to accomplish our national security goals.”<sup>171</sup> It could be argued that McNamara had also had a dialectical process: JCS and Services proposed; the Systems Analysis policemen opposed; and the Secretary disposed.

But Laird’s model was different. And the following seem to capture his intent:

*Net Assessment is based on an intellectual approach that differs substantially from the modern examples.... At the highest level it is for the use of the Secretary of Defense, and the questions that it tries to answer are those that arise when the overall capabilities and future shape of the American military are considered. It is not intended to provide a day-to-day management tool to review the efficiency with which existing missions are executed nor is it designed to alert the Secretary of Defense to the danger of an imminent war.*

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<sup>168</sup> Laird, “National Security Strategy of Realistic Deterrence,” (1972) op cit., p. 26. Bolding emphasis added. The term “Net Assessment” was underscored in the original.

<sup>169</sup> “Net Assessment and Long Range Planning,” 1972, Box A82 (Open to Research), op cit.; and “Key Points Rationale for Strategy,” Undated, Boxes B1-B3 (Not Yet Reviewed for Opening to Research), op cit., Baroody to Secretary Laird, “Concerning Net Assessment and Long Range Planning Effort (1)-(2),” Memo, 1972, Boxes B1-B3 (Not Yet Reviewed for Opening to Research), op cit.,

<sup>170</sup> As in “steering” – which could be either reinforcing or corrective as opposed to inherently critical. For this distinction drawn from cybernetic control theory, see: William W. Kaufman, “Who is Conning the Alliance?” *Brookings Review*, vol. 5, no. 4, (Fall 1987): pp. 10-17.

<sup>171</sup> Laird, “National Security Strategy of Realistic Deterrence,” (1972), op cit., p. 26. Note, this sentence was in the context of his paragraph defining “net assessment.”

*It is designed to pose and answer, however imperfectly, the strategic questions facing the United States. By strategic questions we mean those surrounding the Clausewitzian conception of strategy, which is the use of military campaigns to obtain the political goals of the nation, but also those questions involving the peacetime problem of obtaining national goals by military competition short of war.*<sup>172</sup>

In short, in Laird's model Net Assessment was not the beginning of a linear process of programming and budgeting process, but an "off-line" device with which to think strategically about theater balances and long-range competitive challenges that might undermine the results.

Trends uncovered in Long-Range Planning or Net Assessment conclusions could serve as a thesis that something may be amiss in US strategy or that there may be a competitive advantage in doing something new.<sup>173</sup> As illustrated in Figure 5, the Pentagon with all the inertia of the Queen Mary -- military services, Joint Staff and organizations in DoD -- can respond to the assessment with a proposed remedy that is then debated; and SecDef, with the advice of the JCS Chairman and others, has the opportunity to create a new synthesis.<sup>174</sup> Laird's point was that given the totality of the Pentagon's planning activity -- a process that takes several years for each cycle and involves an enormous amount of built up momentum -- it makes it difficult for the SecDef to ask questions he does not know the answer to, to innovate in rapidly changing environments in real time or to explore alternative options (in order to remain competitive or exploit an unexpected advantage) that are outside institutional boxes. In order not to disrupt the massive mainline planning machine or be held hostage by its inertia, the Secretary thus adopted the BRDP position that it was

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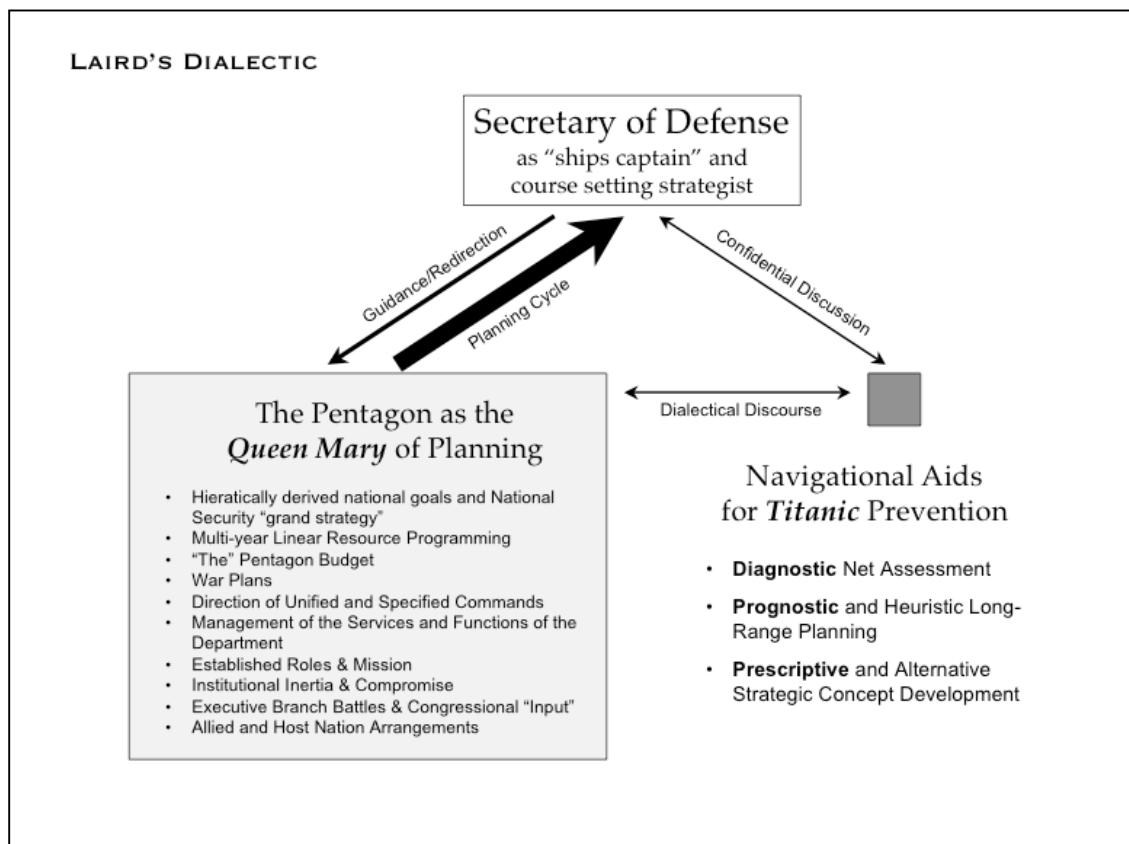
<sup>172</sup> Rosen, "Net Assessment as an Analytical Concept," in On Not Confusion Ourselves, op cit., pp. 290-291.

<sup>173</sup> "The end product of Net Assessment provides a basis for judging whether, in the case examined, we and our allies will be able to sustain our national objectives and protect our vital interests, or if not, where there are problem areas." Laird, "National Security Strategy of Realistic Deterrence," (1972), op cit., p. 26.

<sup>174</sup> There was considerable thought that went behind the Blue Ribbon Defense Panel focused on the "dialectic" between Net Assessment diagnosis and Strategic Planning prescription as evidenced in: "Net Assessment, 1969-1972 (1)-(2)," Box A82 Department of Defense Papers: Baroody Subject File, (Melvin R. Laird Papers, Ann Arbor, MI: Gerald R. Ford Library); see particularly: "Net Assessment and Long Range Planning," 1972; and Baroody to Secretary Laird, "Concerning Net Assessment and Long Range Planning Effort (1)-(2)," Memo, 1972).

prudent to have a strategic assessment unit reporting directly to his office. Without this direct access, his inquires could not be asked or answered in confidence; or without some intervening office putting their spin on the question or trying to grade, let alone influence, the answer.

Figure 5



On the other hand, while this small planning cell or group was clearly expected to engage the various services, departments, or components in discussion and dialogue on emerging issues, the intent was NOT to create another bad experience similar to McNamara's Systems Analysis Office, where they were used as front line combatants in the bureaucratic and budgetary wars. As a dialectic, it was informative and intellectual, providing a perspective outside the formal planning process for SecDef to be exposed to dissonant views

and make his own synthesis; it was NOT an antithetical battering ram with which to assault Service POM positions.<sup>175</sup>

## V. The Pentagon versus the NSC

It has become Net Assessment folklore that Secretary Laird had chose not “to implement the Fitzhugh Panel’s recommendations to create a net assessment function.”<sup>176</sup> But that interpretation not only is contradicted by the evidence above but also ignores the then ongoing policy conflict between the Pentagon and the National Security Council.<sup>177</sup> Inadvertently caught up in the middle and stimulating a “net assessment” organizational competition was a supplementary report on the changing balance between the US and the USSR from the Blue Ribbon Panel effort.

From the perspective of the NSC it was business as usual, with assessment interest stemming from strategic competition. Here are two somewhat different versions:

*In November 1969, Kissinger had initiated Strategic Arms Limitation Talks (SALT) with the Soviets. By the following spring he had begun worrying that the Soviets might begin dragging their feet or otherwise misbehave regarding the negotiations. He therefore convened a special defense panel under K. Wayne Smith to explore programmatic steps the United States might take to pressure the Russians should that prove necessary in order to reach a SALT agreement. During the deliberations of Kissinger’s special defense panel, Charles Herzfeld pressed Marshall and Schlesinger to assess where the United States stood in the principal areas of military competition between the two Cold War adversaries. In response, Marshall focused on the Soviets and where they were headed,*

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<sup>175</sup> “Laird did not depart abruptly from the McNamara-Clifford management system, but rather instituted gradual changes. He pursued what he called “participatory management,” an approach calculated to gain the cooperation of the military leadership in reducing the Defense budget and the size of the military establishment. While retaining decision-making functions for himself and the deputy secretary of defense, Laird somewhat decentralized policymaking and operations. He accorded the service secretaries and the JCS a more influential role in the development of budgets and force levels. He revised the PPBS, including a return to the use of service budget ceilings and service programming of forces within these ceilings. The previously powerful systems analysis office could no longer initiate planning, only evaluate and review service proposals.” Biography: “Melvin R. Laird, 10<sup>th</sup> Secretary of Defense,” “Presidential Medal of Freedom Recipient Melvin R. Laird,” Presidential Medal of Freedom, 2007, at <<http://www.medaloffreedom.com/MelvinLaird.htm> > [accessed 31 March 2008].

<sup>176</sup> Pickett, Roche, and Watts, “Net Assessment: A Historical Review,” op cit., p. 166.

<sup>177</sup> “Kissinger was obsessed with undermining the influence of Defense Secretary Melvin Laird and Secretary of State William Rogers by denigrating them behind their backs and excluding them from major policy matters. “Cutting out Mel Laird is what we did for a living,” says former Kissinger Staffer Laurence Lynn.” Walter Isaacson, Hay Corey and Peter Stoler, “Two of the President’s Men,” Time, 26 April 1982.

*while Schlesinger concentrated on the two sides' military budgets. Marshall, however, ended up doing most of the drafting of this "first net assessment" because of Schlesinger's commitments at the Bureau of the Budget.*<sup>178</sup>

Or....

*By 1970, however, it was beginning to be clear that the US defense budget would decline after the Vietnam War was over, while the Soviets apparently were expanding their strategic nuclear forces with an intensity that seemed both unbounded and directed toward establishing clear superiority over the United States. The dominance of US forces was eroding and a long term question was how well the United States was equipped to compete with the Soviet Union in military matters. The National Security Council appointed a study group that worked on a net assessment in the last half of 1970. Its report not only speculated on long-term developments in US and Soviet forces, but recommended establishing a more permanent effort to conduct net assessments in order to develop a picture of how the competition was going over time.*<sup>179</sup>

Differences over positions in the Strategic Arms Limitations Talks became intertwined with varying degrees of alarm over the changing balance with the Soviets as well as a personality turf war between Laird and Kissinger.

Across the Potomac in September 1970, just three months after the Blue Ribbon Report, seven of the sixteen panel members, led by Lewis Powell,<sup>180</sup> produced a "Supplemental Statement"<sup>181</sup> as a 35 page "Report on the Shifting Balance of Military Power,"<sup>182</sup> derisively called the "Red Book" around the NSC for the color of its cover and "Russians are Coming!" tone.<sup>183</sup> However, the report's call for "public discussion" of "converging trends" and the need to

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<sup>178</sup> Barry Watts, "Scientific Methods and New Assessment," (conference paper; Washington, DC: Conference on Net Assessment, 28 March 2008), p. 4:

<sup>179</sup> Pickett, Roche, and Watts, "Net Assessment: A Historical Review," op cit., p. 166.

<sup>180</sup> The pivotal role in this "balance supplement" played by Lewis Powell, who would be sitting on the Supreme Court within a year is detailed in: John C. Jeffries, Jr., Justice Lewis F. Powell, Jr., (New York, NY: Simon & Schuster, 1994), pp. 217-220.

<sup>181</sup> "Blue Ribbon Defense Panel - Supplemental Statement," 9/30/1970, Box D5 Department of Defense Papers: Subject File, Baroody Planning Files (Melvin R. Laird Papers - Container List - Part 2: Boxes Not Yet Reviewed for Opening to Research); (Ann Arbor, MI: Gerald R. Ford Library, no date), at <  
[http://www.ford.utexas.edu/library/guides/Finding%20Aids/Laird,\\_Melvin\\_-\\_Papers\\_ftl2.htm](http://www.ford.utexas.edu/library/guides/Finding%20Aids/Laird,_Melvin_-_Papers_ftl2.htm) > [accessed 17 November 2005].

<sup>182</sup> The Shifting Balance of Military Power, (Supplemental Statement to Report of Blue Ribbon Defense Panel submitted to the President and the Secretary of Defense signed 30 September 1970; Washington, DC: Government Printing Office, 1971).

<sup>183</sup> "Net Assessment - US vs. Soviet Union (Comments/Notes 'Red Book', ca. October 1970 (1)-(2)," Boxes B1-B3 (Not Yet Reviewed for Opening to Research); Ann Arbor, MI: Gerald R. Ford Library, no date), op cit..

assess the “threat to technological superiority” and the contribution of negotiated “limitations on the ‘arms race’,” underscored the need for some type of assessment that would not only function as the basis for military strategy, but also be addressed to Congressional and public audiences.<sup>184</sup>

The “Red Book” highlighted three specific areas of major concern about “the convergence of a number of trends” indicating “a significant shifting of the strategic military balance against the United States and in favor of the Soviet Union;” with particular concern over:

- “The growing Strategic superiority in ICBMs” coupled with “convincing evidence that the Soviet Union seeks a preemptive first-strike capability;”
- “ The rapidly expanding Soviet naval capability;” and
- “The possibility that present US technological superiority will be lost to the Soviet Union.”<sup>185</sup>

Johnny Foster, one of the most influential leaders to hold the position of DDR&E, was held in high esteem by the Blue Ribbon Defense Panel and quoted extensively in the Supplemental “The Shifting Balance of Military Power” report. In particular he stressed concern about the long-range effects of Soviet R&D investment and concern that the US was losing its competitive advantage in industrial base – long-range competitive themes picked up by the Blue Ribbon report.<sup>186</sup>

The authors of the supplemental “Report on the Shifting Balance of Military Power” admitted that “it does not purport to be an exhaustive assessment of the comparative military capabilities” and emphasized that it had a public education purpose.<sup>187</sup> But one side effect was to sensitize the Kissinger

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<sup>184</sup> The Shifting Balance of Military Power, op cit., p. x.

<sup>185</sup> Ibid., pp. vii.

<sup>186</sup> “US qualitative superiority in weapons, due to its advanced technology, has afforded a decisive advantage over the past years. This advantage is now being eroded away, as the US falls behind the Soviet Union in the support of R&D and in the training of scientists and engineers. There is an ever present risk of disastrous technological surprise in major weaponry where an open society is in competition with a closed Communist society. We are neglecting, by inadequate support and planning, to minimize this risk.” Ibid., pp. v and 22: “In addition to talented leadership and the necessary industrial base, the essential ingredients of a vital and competitive technology are skilled manpower and adequate R&D funding.” The US is falling behind the Soviet Union in both of these respects.”

<sup>187</sup> Ibid., p. v.

NSC that some type of “net” effort at assessing the US v. Soviet strategic balance was going to happen whether they liked it or not and that, rather defensively critiquing the failings of others, they should get ahead of it, and take the lead.

*Although its avowed purpose was to rally public opinion behind a strong defense, the report was immediately buried. Nothing was heard of it for six months. The White House intervened through Henry Kissinger, who asked the Deputy Secretary of Defense to have his staff ‘review the Report in some detail for substantive accuracy and for consistency with our other public statements before further consideration is given to releasing it to the public.’ In other words, never was soon enough.<sup>188</sup>*

Despite a cold shoulder from the National Security Council,<sup>189</sup> this pioneering US-Soviet side-by-side comparison also popularized, even within the DOD/NSC community, the concept of a “balance” that should be periodically watched and weighed via a methodology called “net assessment.”<sup>190</sup> Because the “Red Book” intermixed description and prescription, subsequent NSC emphasis would separate them with an emphasis upon the “diagnostic” nature of net assessment.

There is some evidence that a contemporary paper – “Net Assessment of US and Soviet Force Posture,” prepared in 1970 by Marshall, then a NSC consultant, was either viewed as countering the supplemental “Red Book” report, or at a minimum recommending further follow-up to it.<sup>191</sup> In a Summary, Conclusions and Recommendations, prepared for National Security Advisor Kissinger, he highlighted the following:

*There is considerable importance to having better, more finely tuned net assessments of the relative position of US and Soviet force postures. Crude measures were acceptable in the past, but are no longer so. Moreover, the question of how we are doing relative to the Soviets will be increasingly raised as a more important political question than has been in [sic] the case in the past. A case can be made that in the areas that we cared most about, namely, Naval forces, military R&D, and strategic offensive forces,*

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<sup>188</sup> Jeffries, Jr., Justice Lewis F. Powell, op cit., p. 218.

<sup>189</sup> “Finally, on March 12, 1971, the statement was released without fanfare by low-level defense officials and given almost no circulation. Even Blue Ribbon Defense Panel’s members were not sent copies.... Powell expected President Nixon and Secretary Laird to applaud his statement. He failed to realize that his alarming attack on strategic preparedness against the Soviet threat was as unwelcome to the administration as it was to their liberal critics.” Jeffries, Jr., Justice Lewis F. Powell, op cit., p. 218.

<sup>190</sup> “Net Assessment - US vs. Soviet Union (Comments/ Notes ‘Red Book’, ca. October 1970 (1)-(2),” Boxes B1-B3 (Not Yet Reviewed for Opening to Research), op cit..

<sup>191</sup> Various files refer to the following National Security Council memo: A. W. Marshall, “Net Assessment of US and Soviet Force Posture: Summary, Conclusions and Recommendations, (Washington, DC: National Security Council, 1970).

*we have been until recently, rather far ahead of the Soviets. They have now caught up in almost all of these and may be on the point of passing us. All of this suggest that it will be important to find some regular way to get better, more refined assessments.*<sup>192</sup>

In short Marshall was admitting that in the same areas that the “Red Book” had highlighted, there were noticeable and negative changes in American competitive standing. Recognizing that in the past there had been a subcommittee led by a “three star general” that prepared net assessments, Marshall recommended to Kissinger that the NSC:

*... begin by organizing and conducting a major national study to produce a net assessment of US and Soviet force postures as of end 1972. Since this will be the first net assessment made in some time using the mechanism of a national study will allow one to bring in whoever seem to be the most suitable and best able to contribute to such an assessment. Such a study ought to run about a year to eighteen months. The time will be needed to get the Intelligence community up to speed in many areas now lacking adequate data. The virtue of this effort also would be that it could bring to bear absolutely first-rate people who would perform not only the function of producing the initial estimate, but set standards for future estimates to come. Moreover, a number of methodological improvements will need to be developed. Subsequent assessments could be undertaken by an organization within the government, institutionalized in whatever seemed to be the most appropriate way. Indeed, one could draw on the experience of having the national study to come up with recommendations as to how best to organize and conduct future net assessments within the standard bureaucracy.*<sup>193</sup>

In conclusion Marshall recommended that Kissinger consider organizing “a national study to produce a net assessment by end 1972. Moreover, he suggested that this group be asked “to produce a plan for the regular supply of such assessments” and “tasked with the development of appropriate methodologies and data bases for making such assessments.”<sup>194</sup>

President Nixon had struggled with the organization of US intelligence, and with the organizational recommendations on defense by the Blue Ribbon Defense Panel,<sup>195</sup> he directed James Schlesinger (then Deputy Director of the

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<sup>192</sup> Ibid., p. 2.

<sup>193</sup> Ibid., p. 3.

<sup>194</sup> Ibid..

<sup>195</sup> Woodrow J. Kuhns, “Intelligence Failures: Forecasting and the Lessons of Epistemology,” in Paradoxes of Strategic Intelligence: Essays in Honor of Michael I. Handel, edited by Richard K. Betts and Thomas G. Mahnken, (London, UK: Frank Cass, 2003), p. 99, footnote 19, attributes

Office of Management and Budget) in December 1970 to recommend options on how the organizational structure of the Intelligence Community could be changed to bring about greater efficiency and effectiveness. Completed in March 1971, Schlesinger produced "A Review of the Intelligence Community,"<sup>196</sup> focused on consumer views<sup>197</sup> and found a fragmented effort with unnecessarily competitive and redundant collection activities, a disorganized and ineffective management, costly inefficiency, and analytical products that often suffered in timeliness or quality.<sup>198</sup> Although the report received most attention for its reform of the management structure with a strong DCI who could bring intelligence costs under control, it also focused on improving analytic quality<sup>199</sup> and, at the end, recommended:

- "Periodic review by outsiders of intelligence products, of the main working hypotheses within the community, and of analytical methods being used."
- "A **net assessment group** established at the national level which, along with the NSSM process, will keep questioning the community and challenging it to refine and support its hypotheses."<sup>200</sup>

After half a year of internal review and debate, the President incorporated much of the Schlesinger study in a major reorganization of the American intelligence community that also had significant implications for net assessment.

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Nixon's interest to "unhappiness with the intelligence community, especially its convoluted organization" and "followed on the heels of a similar review" by the BRDP.

<sup>196</sup> James R. Schlesinger, "A Review of the Intelligence Community," (report; Washington, DC: Office of Management and Budget, 10 March 1971), at <  
<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB144/document%204.pdf> > [accessed 12 March 2008].

<sup>197</sup> Kuhns, "Intelligence Failures: Forecasting and the Lessons of Epistemology," op cit..

<sup>198</sup> For background, see: Harold Brown and Warren B. Rudman, Preparing for the 21<sup>st</sup> Century: An Appraisal of US Intelligence, (Washington, DC: Commission on the Roles and Capabilities of the US Intelligence Community, 1 March 1996), "Appendix A. The Evolution of the US Intelligence Community – An Historical Overview," at <  
<http://www.fas.org/irp/offdocs/int022.html> > [accessed 15 March 2008]. For a contemporary commentary on the Schlesinger report, see: "Comments on 'A Review of the Intelligence Community'," (Langley, VA: CIA CREST Collection, NARA II, no date), at <  
<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB144/document%205.pdf> > [accessed 13 March 2008].

<sup>199</sup> Schlesinger, "A Review of the Intelligence Community," op cit., p. 12: "Despite the richness of the data made available by modern methods of collection and the rising costs of their acquisition, it is not at all clear that our hypotheses about foreign intentions, capabilities, and activities have improved commensurately in scope and quality." This is also a point stressed by Kuhns, "Intelligence Failures: Forecasting and the Lessons of Epistemology," op cit., pp. 84-85.

<sup>200</sup> Schlesinger, "A Review of the Intelligence Community," op cit., pp. 45-46.

## VI. Net Assessment “Method” at the NSC

In November 1971, President Nixon issued a Presidential Memorandum on the “Organization and Management of the US Foreign Intelligence Community,”<sup>201</sup> focused on more efficient use of resources and improvement in the intelligence product. The Director of Central Intelligence was made responsible for “planning, reviewing, and evaluating all intelligence programs and activities and in the production of national intelligence” as well as setting up an interagency Intelligence Committee, chaired by the National Security Advisor, and consisting of the Attorney General, the Under Secretary of State, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the DCI.<sup>202</sup>

As part of the intelligence community reorganization the President also directed:

... that a Net Assessment Group be created within the National Security Council Staff. The group will be headed by a senior staff member and will be responsible for reviewing and evaluating all intelligence products and for producing net assessments of US capabilities vis-à-vis those of foreign governments constituting a threat to US security.<sup>203</sup>

This represented a virtual mirroring of the above Schlesinger recommendations and equally interesting, combined both functions within one office, and Andy Marshall was recruited to lead the NSC’s “NAG”<sup>204</sup> – an acronym that became popular with those who resented having someone grade their intelligence products.

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<sup>201</sup> Richard M. Nixon, “Organization and Management of the US Foreign Intelligence Community” (Memorandum; Washington, DC: The White House, 5 November 1971), p. 6.

<sup>202</sup> “Appendix A. The Evolution of the US Intelligence Community – An Historical Overview,” op cit..

<sup>203</sup> Ibid. This Memorandum was superseded by Gerald R. Ford’s Executive Order 11905 on “United States Foreign Intelligence Activities,” of 18 February 1976, which makes no mention of Net Assessment function or office anywhere in the six agencies making up the intelligence community or the NSC.

<sup>204</sup> “Richard Nixon’s reorganization of the national intelligence community established a Net Assessment Group (NAG) on the NSC, which Marshall was asked to head.” Watts, “Scientific Methods and New Assessment,” op cit, p. 4.

Following the NSC's lead,<sup>205</sup> in December 1971<sup>206</sup> Laird formally implemented the first and only Blue Ribbon Defense Panel recommendation up to that time, and established an Office of Net Assessment reporting directly to the Secretary of Defense.<sup>207</sup> However, trying to use the SecDef office as the E-ring strategic coordinator was one thing, but for it to also serve as surrogate lead for Long-Range Planning as a part-time activity while ground-breaking a new methodology of Net Assessment, all without a dedicated staff, was neither implementable nor sustainable. The very breadth of Col. Marshall's histrionic interest, indeed preoccupation with Vietnam and its "lessons learned," seemed to invert these assessment efforts from a relevant forward looking center-stage to a retrospective backwater.<sup>208</sup> Moreover, the position remained unfulfilled and the function unaddressed while an intense OSD v. NSC dialogue on the subject of Net Assessment went on between late 1971-mid 1972.<sup>209</sup>

This delay in filling a position that Laird wanted and had invested considerable personal political capital in getting established, was not unique to the Net Assessment function. For example, "in October 1972 Congress passed legislation creating a second deputy secretary of defense position," which was "a

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<sup>205</sup> Douglas Kinnard, The Secretary of Defense, (Lexington, KY: University Press of Kentucky, 1980), p. 236, footnote 42: suggests that "the original motivation may have been to counter Kissinger's net assessment activity within the National Security Council staff." The timing of events would not contradict that, but there is substantial weight that Laird had a commitment to implementing that part of the BRDP recommendation since the fall of 1970.

<sup>206</sup> The date given is from Watts, "Scientific Methods and New Assessment," op cit, p. 4.

<sup>207</sup> The position was set up as a "Schedule C" appointment – "positions in which the incumbent serves at the pleasure of the agency head. These positions are excepted from the competitive service by law, by Executive order, or by the Office of Personnel Management (OPM) based on their responsibility for determining or advocating agency policy or their confidential character." Transition to a New Presidential Administration: Employment Guidance for Agencies, (Washington, DC: United States Office of Personnel Management, August 2000).

<sup>208</sup> Lt. Col. Donald S. Marshall, "Summary of Observations and Recommendations Resulting from a Visit to Vietnam and the PACOM Area," February 1971, Boxes B1-B3 (Not Yet Reviewed for Opening to Research); and "Preliminaries to a Net Assessment of the Vietnam Conflict," 1972 (1)-(2), Box A101 (Not Yet Reviewed for Opening to Research), Ibid..

<sup>209</sup> "Net Assessment - White House," 1972, Box A82 (Open to Research), op cit. T.H. Moorer (CJCS), "Concerning Capabilities Assessment," Memo, 11/2/71, Boxes B1-B3 (Not Yet Reviewed for Opening to Research), op cit.; "Net Assessment - Study Effort," March-April 1972, Ibid; and "Nature and Scope of Net Assessments," 4/26/72, Ibid. The latter is close to the same title of an Andrew Marshall memo dated 4/26/72, and may in fact have been a copy or critique of a version of a "for comment" draft. See: Andrew W. Marshall, "The Nature and Scope of National Net Assessments," (draft NSC memorandum; Washington, DC: National Security Council, 16 August 1972), pp. 1-12.

proposal Laird strongly supported, even though he never filled the position.”<sup>210</sup> Laird was not the only one side-tracked by the politics. Over at the White House:

*.... Bureaucratic tension between the NSC and the Pentagon over who would be in charge of national net assessments prevented Marshall from getting any started in 1972.*<sup>211</sup>

The departure of Secretary Laird early in 1973<sup>212</sup> and the dispersal of his Long-Range Planning staff, compounded the departmental disorganization produced by the short tenure of Elliott Richardson (three Secretaries within six months) left the Net Assessment office stillborn, albeit with a heroic mandate waiting to be filled.

In April 1972 Andrew W. Marshall arrived at the National Security Council as a full time employee to head up the Net Assessment Group.<sup>213</sup> After getting the office organized with both assigned military assistants and secretarial support he laid out the analytical mission:

*In the past the US held a clear edge in nearly every aspect of international competition; certainly we did so in military forces and military R&D. Where and when we were challenged we were always able to divert enough resources to the problem area to restore our superiority. That is, we were able to buy solutions to our problems. This is no longer the case. There is severe pressure to reduce military expenditures, and this pressure is likely to continue. Thus there is a high premium on thoughtful and inventive approaches to the defense problem solution, and on carefully calculated risk taking. To make this work, we must have a very clear description of the comparative situation of ourselves and our rivals.*<sup>214</sup>

It is not clear who this was written for, but the message was clear, “it was time to play smart, not rich.”<sup>215</sup> In the memorandum, Marshall explicitly recognized that “to make this work, we must have a very clear description of the comparative

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<sup>210</sup> “Melvin R. Laird, 10<sup>th</sup> Secretary of Defense,” op cit., notes that by 1972 Laird was a lame-duck: “Because he had stated repeatedly that he would serve only four years ... it came as no surprise when President Nixon on 28 November 1972 nominated Elliot L. Richardson to succeed him.”

<sup>211</sup> Watts, “Scientific Methods and New Assessment,” op cit, p. 4.

<sup>212</sup> Announced on 28 November 1972 and formally succeeded by Elliot L. Richardson on 29 January 1973. “Secretary of Defense – Melvin R. Laird,” SecDef Histories, DefenseLink, undated, < [http://www.defenselink.mil/specials/secdef\\_histories/bios/laird.htm](http://www.defenselink.mil/specials/secdef_histories/bios/laird.htm) > [accessed 20 November 2005].

<sup>213</sup> “Background on Attached Memorandum,” op cit., p. 2.

<sup>214</sup> Marshall, “The Nature and Scope of Net Assessment,” op cit., p. 1.

<sup>215</sup> “Play smart, not rich.” was my phrase, trying to describe what I believed was the dominant theme of the Marshall competitive strategy approach. See: Abshire and Karber, “NATO Net Assessment,” op cit., pp. D23-D28.

situation of ourselves and our rivals.<sup>216</sup>

Although at this stage the function was not called “competitive strategy,”<sup>217</sup> that is the descriptor that best captures what he intended.

*The long-term competitive position of the US military establishment compared with its counterpart should be analyzed and evaluated.*

*Since many of the basic assumptions of US foreign and defense policy are in question and transition, the scope of even military net assessments should be broadened to include political and economic aspects.*<sup>218</sup>

Particularly noteworthy here, was the warning against “bipolar simplicity” and a rejection of the deductive “policy” driven “Estimate of the Situation” approach so typical of past American “military strategy” analysis.<sup>219</sup> Whether intentional or accidental, this was putting meat on the bare bones of Laird’s view of Net Assessment as a form of strategic sociology<sup>220</sup> – systemically integrating cultural, economic, technological, and political trends – and the vehicle for doing so would be “Net Assessment at the National Level.”<sup>221</sup>

Marshall came uniquely prepared, having spent the previous decade addressing most of the problematic issues that would drive a comparison of rival strengths and weaknesses. This experience and reflectivity covered issues of: long range planning for analytical organizations,<sup>222</sup> treating uncertainty,<sup>223</sup> problems of estimating military power,<sup>224</sup> addressing cost and delays in procurement,<sup>225</sup> technological forecasting,<sup>226</sup> employing special intelligence to

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<sup>216</sup> Marshall, “The Nature and Scope of Net Assessment,” op cit., p. 1.

<sup>217</sup> This was the theme of his last paper as a RAND employee: A.W. Marshall, “Long-Term Competition with the Soviets: A Framework for Strategic Analysis,” (R-862-PR; Santa Monica, CA: RAND Corporation, 1972), pp. 1-61.

<sup>218</sup> Marshall, “The Nature and Scope of Net Assessment,” op cit., p. 1.

<sup>219</sup> See earlier discussion in section I. Strategy Development and the Need for Assessment.

<sup>220</sup> See earlier discussion in section III. Laird’s Search for a Strategy Dialectic.

<sup>221</sup> William Baroody to [Henry Kissinger] the Assistant to the President for National Security Affairs, “Concerning Net Assessment at the National Level,” (9/1/1972), Boxes B1-B3 Department of Defense Papers: Baroody Planning Files, Gerald R. Ford Library.

<sup>222</sup> Bernard Brodie, Charles J. Hitch, A.W. Marshall, “The Next Ten Years,” (Santa Monica, CA: The RAND Corp., December 1954).

<sup>223</sup> A.W. Marshall, “A Treatment of Uncertainty,” (Santa Monica, CA: The RAND Corp., May 1955).

<sup>224</sup> A.W. Marshall, “Problems of Estimating Military Power,” (P-3417; Santa Monica, CA: Rand Corporation, 1966).

<sup>225</sup> A.W. Marshall and H. W. Meckling, “Predictability of the Cost, Time, and Success of Development,” (p-1821; Santa Monica, CA: The RAND Corp., 1959).

<sup>226</sup> A.W. Marshall and J. E. Loftus, “Forecasting Soviet Force Structure: The Importance of Bureaucratic and budgetary Constraints,” (p-1821; Santa Monica, CA: The RAND Corp., July

gain insight into opponent decisions and structures,<sup>227</sup> using organization behavior to improve intelligence,<sup>228</sup> asymmetries in “opposed force design,”<sup>229</sup> comparing rival research and development strategies,<sup>230</sup> using bureaucratic behavior to get a deeper appreciation of various balances,<sup>231</sup> as well as thinking about long-term competitive frameworks.<sup>232</sup> The combined breadth and depth of this body of work, led him to be skeptical about single point comparative methods and facile claims of quick fixes, particularly those pitched by technological salesmen. If, within a year, Schlesinger would bring the most relevant resume to the position of Secretary of Defense,<sup>233</sup> Marshall would equal it in breadth and depth of related analytical experience applicable to strategy development, long-range planning and net assessment.

One of the first things Marshall did upon arriving at the NSC, was to lay out a foundational game plan for what he called the “Nature and Scope of Net Assessment.” Again, he went back to the same areas of alleged growing imbalance that had been highlighted in the “Red Book” eighteen months earlier.

*Areas in which the Soviet Union is alleged to have or be moving toward superiority, such as naval forces, strategic nuclear forces, or R&D require investigation.*<sup>234</sup>

The idea was neither to counter nor mirror the “Red Book” hyperbole, but rather substitute a diagnostic approach, and Marshall was candid about the challenge.

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1963).

<sup>227</sup> Project Sovoy was an effort at RAND led by A.W. Marshall and Joe Loftus, where “selected RAND analysts would ‘provide interface with the intelligence community’,” acquiring a deeper appreciation on what was known on the Soviet Union, thus giving them a measure of their own entropy in order to “‘provide better forecasts’.” Based on interview with Marshall by Stephen Peter Rosen, *Winning the Next War: Innovation and the Modern Military*, (Ithaca, NY: Cornell University Press, 1991), pp. 217-218.

<sup>228</sup> A.W. Marshall, “The Improvement in Intelligence Estimates Through Study of Organizational Behavior,” (paper for Board of Trustees Meeting; Santa Monica, CA: The RAND Corp., April 1968).

<sup>229</sup> Marshall, “Net Assessment of US and Soviet Force Posture: Summary, Conclusions and Recommendations,” op cit..

<sup>230</sup> A.W. Marshall, “Comparisons, R&D Strategy, and Policy Issues,” (RAND Working Note WN-7630-DDRE; Santa Monica, CA: RAND, October 1971).

<sup>231</sup> A.W. Marshall, “Bureaucratic Behavior and the Strategic Arms Competition,” (paper presented at the Southern California Arms Control & Foreign Policy Seminar; Los Angeles, CA: October 1971).

<sup>232</sup> A.W. Marshall, “Long-Term Competition with the Soviets: A Framework for Strategic Analysis,” (R-862-PR; Santa Monica, CA: RAND Corporation, 1972).

<sup>233</sup> Work at RAND as well as head of national security programs at the Bureau of the Budget, Director of the Atomic Energy Commission, and Director of the CIA.

<sup>234</sup> Marshall, “The Nature and Scope of Net Assessment,” op cit., p. 2.

*Net assessment in the sense we propose is not an easy task. The single most productive resource that can be brought to bear in making net assessments is sustained hard intellectual effort. The methodologies for doing net assessments are virtually non-existent. Data problems abound.*<sup>235</sup>

Nevertheless, alluding in the same paragraph to the concerns raised in the “Red Book,” he concluded that “whether difficult or not, the need for net assessments is clear.”

Admitting that “clearly the term net assessment is not well defined,” nonetheless in this memo that launched the formal NSC Net Assessment activity, Marshall succinctly articulated the basic principles of a Net Assessment approach, which emphasized seven significant themes:<sup>236</sup>

1. Multi-disciplinary comparative breadth:

*Our notion of a net assessment is that it is a careful comparison of US weapon systems, forces, and policies in relation to those of other countries.*

*Net assessments should aim at a broad and comprehensive examination of the area of interest.*

*They are concerned with national security in its broadest sense, embracing political, economic, and technological problems as well as purely military ones.*

2. Focus on interactive “action-reaction” dynamics and trends:

*They should look comprehensively at rivalries and the various types of competition that ensue.*

*It is comprehensive, including description of the forces, operational doctrines and practices, training regime, logistics, known or conjectured effectiveness in various environments, design practices and their effect on equipment costs and performance, and procurement practices and their influence on cost and lead times.*

*Relevant trends in the international rivalries examined will generally be of interest in net assessments. This will mean that more attention to the recent past, in order to establish a basis for the description and understanding of trends, will be needed than is usual in the current style of analysis.*

3. Side-by-side comparisons should be placed in an operational environment,

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<sup>235</sup> Ibid., p. 2.

<sup>236</sup> Ibid..

theater of conflict, or contingent scenario:

*They should evaluate the status of the competition in terms of outcomes of potential conflicts and confrontations.*

*...Net Assessments, in contrast to other analyses, are the most comprehensive, and in principle concern themselves with actual outcomes of combat or of competitions.<sup>237</sup>*

*...work done in the past, in systems analysis studies and some NSSMs ... tends to focus on weapons systems choices in a simplified context. The results of these studies tend to be expressed in terms of outputs of various force levels and structures, such as submarines sunk, warheads delivered, fatalities caused, etc. The assumptions which are made in achieving the needed simplification may bias assessment outcomes in the more likely contingencies.*

4. Conclusions about combatant effectiveness needed to be modulated in terms of production and support efficiencies which were key to sustaining a long-term advantage:

*They should compare the efficiency with which the various powers, including the US, are conducting the competition.*

*Where there are areas of apparently great efficiency, or inefficiency ... net assessments should explain them.*

5. Claimed competitive efficiencies needed to be deconstructed so they could be better understood, borrowed, and /or targeted:

*Where there are areas of apparently great efficiency, or inefficiency ... net assessments should explain them....*

*It will highlight efficiency and inefficiency in the way we and others do things, and areas of comparative advantage with respect to our rivals.*

6. Include a range of potential competitors, not just the US-Soviet relationship, and include both allies and enemies of our enemies:

*The implications of multiple rivalries and balances, rather than bipolar simplicity, should be examined.*

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<sup>237</sup> "As such, they raise severe problems of data and of analysis methodology." Marshall, "Letter to Col. Harold L. "Hitch" Hitchens, (HQ USAF; Washington, DC: National Security Council memorandum, 26 March 1972), p. 1. Recognizing that "elaborate combat simulations and models or warfare scenarios should be avoided" initially because of their dependence upon implicit assumptions and opaque processing of outcomes, he concluded that "generally, at least in the first instance, the comparison of interest between forces, postures, and programs will be 'side-by-side' rather than 'face-to-face'."

*It can be focused to deal with real or at least credible adversaries, rather than the fictitious, highly abstracted and oversimplified antagonists found in present study efforts.*

7. To be of maximum benefit to security policy and defense planning Net Assessment should be descriptive, not prescriptive:

*Aim at providing diagnosis of problems and opportunities, rather than recommended actions. The focus on diagnosis rather than solutions is especially significant.*

*The use of net assessment is intended to be diagnostic. It is not intended to provide recommendations as to force levels or force structures as an output.*

Although these seven themes were never articulated as formal “rules,” they were reflected in both Marshall’s frequent questions and guidance to anyone tasked with running a “balance” or “competitive” assessment who bothered to ask.

A number of the OSD/NA staff have reflected on what they perceived as a lack of “methodology” for Net Assessment and Marshall’s reticence in trying to inculcate a “school solution” in the staff or promulgate a “cookie-cutter” approach.<sup>238</sup> Too many of them who served in his office as Military Assistants with overlapping service from the mid-1970s to the 1990s, subscribe to this view to doubt it, or suggest that there was an “early” versus “late” Marshall. Nevertheless, for the two-decades of near continuous interaction I had with him, I found it not only easy to get Marshall’s methodological guidance but concluded that he seemed to welcome discussing it. Certainly, the number of times he referenced the need to work on “methodologies” between 1970 and 1974 while architecting what would become Net Assessment argues heavily against the thesis that he was “against method.”<sup>239</sup>

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<sup>238</sup> Watts, “Scientific Methods and New Assessment,” op cit, p. 5, makes a point of later reading the “Nature and Scope of Net Assessment” paper and having been frustrated that it Marshall had not made an effort to show it to him before he did his balance work: “Andrew May and I immediately recognized that this short document contained a conceptual blueprint for diagnostic net assessment that Marshall was still following three decades later. Somewhat miffed and perplexed, I asked Marshall why he had never shown this seminal memo to me—or to any of the other military and civilian assistants who had worked in his office since the late-1970s. With a slight smile he said that he would have gladly shown it to me or anyone else in ONA if they had asked to see it.”

<sup>239</sup> Marshall, “The Nature and Scope of Net Assessment,” op cit., p. 2.

Andy Marshall and I first met in 1973, and almost immediately we started exchanging thoughts on how net assessments should be conducted.<sup>240</sup> In fact he asked me to prepare a methodological brief for him and his full staff.<sup>241</sup> He not only shared his early NSC memos or versions of them with myself, but these seven principles above were subsequently ingrained in the NSSM 186 National Net Assessment.<sup>242</sup> Over the next year, as he recruited me into the Pentagon to serve as Director of the second phase of NSSM-186,<sup>243</sup> we discussed the application of the strategic approach of Sun Tzu to competitive strategy; specifically what he called “the Five Strategic Arts:”<sup>244</sup>

*First, measurements;  
Second, estimates;  
Third, analysis;  
Fourth, balancing;  
Fifth, triumph.*

These components of a “comparative evaluation” have been described by others as “what is termed, in today’s intelligence jargon, ‘net assessment’.”<sup>245</sup>

As a laundry list of important things to consider these items are hardly seemed innovative. But, on reflection, what made Sun Tzu’s list more interesting was that he explicitly explained them as a series of sequential steps, each with

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<sup>240</sup> During 1973-1974 we met almost monthly, about half the time brainstorming some topic in his office, the other half at Albert Wohlstetter’s “New Alternatives Panel,” on which we both served and (in alphabetical order) tended to sit next to each other at the conference table.

<sup>241</sup> P. A. Karber, “Operational Asymmetries in Combined Arms Combat,” (briefing to OSD/NA; McLean, VA: BDM Corporation, 1 May 1974), p. 1: The foreword reads: “analysis of, and methodology for, the assessment of combined arms asymmetries.”

<sup>242</sup> P. A. Karber, “NSSM 186: Tac Air National Net Assessment: Tentative Outline: Main Report,” (memo to AWM; Arlington, VA: OSD/NA P-186, 3 September 1974).

<sup>243</sup> Henry Kissinger signed out NSSM-186 on 1 September 1973 and OSD was designated the executive agent and it was conducted in two sequential phases. The first phase was an interagency effort Directed by OSD civilian Bob Stone with a focus on Ground Forces and included CIA assigned staff. The second phase, A. W. Marshall, “Tentative Terms of Reference: Net Assessment of Tactical Air Forces (186-Phase 2),” (OSD/NA, 23 April 1973) focused on Tactical Air, was headed by myself and involved a military staff from the Air Force, Army and Navy.

went from 1974 to 1977 with the publication of the last of eight volumes. Phillip A. Karber and Bruno Giordano, “Net Assessment of US and Soviet Tactical Aviation: Chapter 1 – Introduction; and Chapter 5 - Hypotheses and Findings,” Volume IV, (NSSM-186 ADC960510; 19 January 1977), pp. 1-57, [SECRET].

<sup>244</sup> We originally used the version translated by Samuel Griffith: Sun Tzu, The Art of War, (New York, NY: Oxford University Press, 1963); but later moved to the R. L. Wing version: Tzu, The Art of Strategy,” op cit., book IV, section 16, pp. 62-63.

<sup>245</sup> Handel, Masters of War, op cit., p. 237.

its own unique method, successively and cumulatively building on the steps of their predecessor, but also adding a different set of unique intellectual tasks.

*The situation give rise to measurements. Measurements give rise to estimates. Estimates give rise to analysis. Analysis give rise to balancing. Balance gives rise to triumph. Therefore, a winning Strategy is like a pound balanced against an ounce. While a losing Strategy is like an ounce balanced against a pound.*<sup>246</sup>

Like Sun Tzu, Marshall defined the ultimate form of “triumph” as dissuading the opponent to drop out of a long-term competition<sup>247</sup> rather than fighting a real war to annihilation.<sup>248</sup>

Like most others, Marshall defined Net Assessment as “a comparison between the US and some rival nation in terms of some aspect of our national security activity,” but explicitly noted that the term had “two connotations” of equal importance. The second meaning being that Net Assessment was “the most comprehensive form of analysis in the hierarch of analysis.” Admitting that “at present, net assessment as a distinctive form of analysis is not clearly defined,” nevertheless he argued that “it is possible to indicate the general nature of the analysis desired, and its objectives.”<sup>249</sup>

*Net assessment as a specific form of analysis will become more fully defined as various net assessments are produced, and specialized methods of analysis evolve....*

*New analytical tools are needed to identify problems and trends, and to assist in shaping changes.*

*We see a number of ways in which net assessment can achieve major advances in the art of analysis.*<sup>250</sup>

In a section entitled “Net Assessment Methodology” Marshall asked:

*How would net assessment studies be different in methodology and style of analysis from other forms of analysis now undertaken to assist top level*

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<sup>246</sup> Tzu, *The Art of Strategy*, op cit., book IV, section 16, pp. 62-63.

<sup>247</sup> Marshall, “Long-Term Competition with the Soviets: A Framework for Strategic Analysis,” op cit.; and Marshall, “The Nature and Scope of Net Assessment,” op cit., p. 2.

<sup>248</sup> “The ideal Strategy, therefore, is to thwart a Plan. The next best is to thwart a Negotiation. The next best is to thwart a Strategy.” Tzu, *The Art of Strategy*, op cit., book III, section 9, pp. 44-45: “Those who are skilled in executing a Strategy, Bend the strategy of others without conflict; Uproot the fortifications of others without attacking; Absorb the organizations of others without prolonged operations.”

<sup>249</sup> Marshall, “The Nature and Scope of Net Assessment,” op cit., p. 2.

<sup>250</sup> Ibid., pp. 3-5.

*decisionmakers? The focus on comparison with rival powers is not entirely new, but new methods of making such comparisons need to be developed. As improved methods of comparing the US and our competitors are developed, they will provide further differentiation for net assessment as a particular type of analysis.*<sup>251</sup>

These are hardly the admonitions of one “against method.” Rather it is recognition that there are different levels of analysis, each of which requiring their own unique methodologies; a candid recognition that the state-of-the-art needed to be improved, as well as a commitment to help develop them relevant approaches.

As I reviewed the various memos and writings on Net Assessment, it appeared to me that Sun Tzu’s “Five Strategic Arts” were a virtual index of Marshall’s multi-tiered analytical framework:

- **Measurements** – collecting empirical data in a comparable format;

*Data is not available in important areas because US Intelligence has not focused on some aspects of Soviet posture needed to make net assessments.... For many ... force components, intelligence is skimpy on matters concerning logistics, general levels of readiness, etc.*<sup>252</sup>

*Data on US allies is incomplete and inaccurate. Data on our own forces and programs is frequently not available in a form which permits ready comparison with that available on the Soviets.*<sup>253</sup>

- **Estimates** – discovering, describing and distinguishing those elements that are unmeasurable but important and not overly depending upon quantitative measurements that are incomplete;

*There are many difficulties in providing a good net assessment of the current military balance and future likely trends. For one thing the Intelligence evaluation of the Soviet posture frequently does not focus on some of the key aspects for making such a comparison. The emphasis in US Intelligence has tended to be on order of battle, and upon the technical characteristics of individual weaponry. Very little effort has been put in to understanding Soviet military organizations, their operational practices, and the basic military economics of the Soviet military establishment.... If the President is interested in establishing a good net assessment capabilities [sic], a substantial Intelligence effort will have to be put on a number of areas that so far have not been studied in depth.*

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<sup>251</sup> Ibid., p. 7.

<sup>252</sup> Marshall, “Net Assessment of US and Soviet Force Posture: Summary, Conclusions and Recommendations,” op cit., p. 1.

<sup>253</sup> Marshall, “The Nature and Scope of Net Assessment,” op cit., p. 2.

*What ... follow ... is my best judgment as to what the state of the current balance is and what trends exist.... Hypotheses about what the situation is provide a framework within which further work could progress.*<sup>254</sup>

*Hypotheses about what the Soviet's might be doing are just as important to the inference process as the data itself. This leads, however, to a biasing problem. Repeatedly in the history of Intelligence, especially in the technological area, there has been excessive mirror-imaging.*<sup>255</sup>

- **Analysis** – evaluating competitive strengths, weaknesses, vulnerabilities and opportunities and their change over time;

*... there are many cases where the sorts of comparisons that we are able to make now probably do not give the US forces enough credit. They are higher cost, but have more capability than the Soviet forces. There are numerous cases where the Soviets in the economical operational practices, their lower readiness levels, etc., give us significant advantage in certain circumstances. In most evaluations, the evaluators are not able to feel sure enough to this kind of assessment because intelligence on crucial aspects of Soviet forces is missing. Moreover, the US military services consistently have an incentive not to give themselves credit for superior capabilities in implicit comparisons made in the course of military planning exercises for operations or for force posture budgeting and programs.*<sup>256</sup>

- **Balancing** – anticipating opportunities for the application of strength to vulnerability in juxtaposed postures over time;

*Differences in US and Soviet force postures make any simple blancing by specific weapons categories inadequate. We need, but ... [do] not have, adequate means of assessing capabilities of ne force to deal with another in specific contingencies. War gaming and other techniques would have to be used in any more systematic effort to make such evaluations.*<sup>257</sup>

*I think, that there is some reason to believe that there is a danger of the US pricing itself out of the military competition with the Soviets. Are the comparative economics of military forces running against us – if so in what areas?*<sup>258</sup>

*The objective should be to supply the President and the NSC with answers to such questions as:*

- *Do we have a problem?*
- *If so, how big is it?*

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<sup>254</sup> Marshall, "Net Assessment of US and Soviet Force Posture: Section B. Facts and Trends in the Current Military Forces," op cit., p. 2.

<sup>255</sup> Ibid., p. 3.

<sup>256</sup> Marshall, "Net Assessment of US and Soviet Force Posture: Summary, Conclusions and Recommendations," p. 2.

<sup>257</sup> Ibid., p. 1.

<sup>258</sup> Marshall, "Net Assessment of US and Soviet Force Posture: Section B. Facts and Trends in the Current Military Forces," op cit., pp. 20, 22.

- *Is it getting worse or better?*
- *What are the underlying causes?*<sup>259</sup>
- **Triumph** – identifying and projecting into the future opportunities for the conversion of favorable balances (i.e., imbalances) into political outcomes.

*What follows is also deficient in not dealing systematically with Hertzfeld's point that it would be highly important to try to assess peace outcomes. I think that is absolutely true, and indeed essential. The net assessment that seems most crucial to me is how do the US and Soviet look in terms of their capabilities for the long-term political and military competition they will be waging in the world.*<sup>260</sup>

*Some months ago ... Dean Acheson.... talked about the very late 40's when in their view current basic US national strategy became fixed in its essentials. The essence of the strategy was alleged to be the notion that by building up our forces and putting some military pressure on the Soviets, and containing them in the shortrun, that the resource strain would tell on them much before it did ourselves. The Soviets would not have the will and the dedication to persist with their policies. What seems to have happened, at least in Acheson's eyes, is that the opposite has taken place. They have persisted, and it is we who now say that we cannot afford to spend the required resources.... This highlights the key role an assessment of the comparative economics and of the comparative effectiveness of the weapons acquisition process and operation of practices can play in planning future US strategy and forces.*<sup>261</sup>

Here was a relatively simple formula for an enormously complex thought process. Sun Tzu's parsimony allowed one to see it sequentially while Marshall's commentary took it out of the realm of philosophy and grounded it in contemporary strategic issues.

Whether discussing how Net Assessment should be approached thematically, or comments in the above Sun Tzu cumulative research paradigm above, there was a definite thematic underpinning evidenced in Marshall commentary. Just as Sun Tzu ends his classic work on the importance of "knowing what we do not know," Marshall is brutally honest about the quality of data and the level of entropy – not knowing what we do not know – involved at all levels of the assessment process.

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<sup>259</sup> Marshall, "The Nature and Scope of Net Assessment," op cit., p. 2.

<sup>260</sup> Marshall, "Net Assessment of US and Soviet Force Posture: Summary, Conclusions and Recommendations," p. 2.

<sup>261</sup> Ibid., pp. 22-23.

*Many aspects of the rivalries in which the US is engaged are frequently neglected in decision oriented studies, and have also not had high priority in our intelligence efforts. Thus the identification of gaps in our intelligence data is likely to be an early by-product of the net assessment process.*<sup>262</sup>

Even more, Marshall viewed Net Assessment as a long-term research program, so highlighting weakness is actually a means of potentially improving the process. Moreover, he not only exercised this level of candor with his superiors, but promoted explicit entropy recognition by all who worked for him.

Admittedly the Sun Tzu approach was my adaptation and juxtapositioning of Marshall's thinking into a framework around which we could organize inter-agency research. In any case, he did not complain and I know that the inferred "methodology" worked because we used it in structuring the Phase II NSSM-186 National Net Assessment of Tactical Air, a three year project that had a successful outcome. It was used again, with the Army's TRADOC when we worked on the Battlefield Development Plan.<sup>263</sup> I used it with Cap Weinberger when the Strategic Concept Development Center worked on "The Counter-Offensive" and "Competitive Strategy" in 1982-1983,<sup>264</sup> and again Ambassador Abshire and I employed this framework in the NATO Net Assessment and Senate testimony on the INF treaty at the end of the Cold War.<sup>265</sup> The point is that over a 15 year period of close interaction with Net Assessment, I believed there was a Marshal "methodology" and productively applied it.

Looking at Marshall's Net Assessment "methodology" this way also illustrates why much of the analytical debate in the Pentagon was a dialogue of the deaf. The Systems Analysis proponents in PA&E were preoccupied with quantitative measurements but tended to leave out "estimates" because they were subjective and too hard to quantify. Military officers in the JCS or operational Commands intuitively knew that their professional military

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<sup>262</sup> Marshall, "The Nature and Scope of Net Assessment," op cit., pp. X-8

<sup>263</sup> "Battlefield Leverage: Hierarchy and Transition in Central Battle." Paper presented at TRADOC Symposium on Battlefield Development Plan, Ft. Monroe, VA: Spring 1979.

<sup>264</sup> P. A. Karber, "The Battle of Unengaged Strategies," in Soviet Power and Eastern Negotiating Policies, Vol. I: The Soviet Asset, edited by Uwe Nerlich, (Cambridge, UK: Ballinger Publishing, 1983).

<sup>265</sup> Abshire and Karber, "NATO Net Assessment," op cit., pp. D23-D28.

“estimates,” even though not demonstrably quantitative, nonetheless included critical variables that the measurers ignored. Proponents of various policy options and systems purchases tended to talk in terms of “inherent strengths” or “windows of vulnerability” but they were not balancing them comprehensively in real world operational environments.<sup>266</sup> Virtually no one, other than the Marshall, was thinking in terms of how long-term competitive postures could be converted into strategic political outcomes. And this highlights a significant collateral advantage of having a centralized Net Assessment function operating at the senior level of the Pentagon, over more than three decades it helped build a *lingua franca* for strategic thought throughout the Department of Defense.

## VII. National Net Assessment Process & Move to SecDef

The existence of a National Net Assessment office and their interests are documented four times at interagency level via the prime policy action vehicles<sup>267</sup> of that day: the National Security Study Memorandum (NSSM) which commissioned cross-departmental research and response; and the National Security Decision Memorandum (NSDM) which recorded NSC formal positions. The authorizing memorandums were:

- NSSM 178 -- Program for National Net Assessment, (29 March 1973);<sup>268</sup>
- NSDM 224 -- National Net Assessment Process, (28 Jun 1973).<sup>269</sup>

The first and only action memorandum commissioning the first and only interagency National Net Assessment was debated for over a year<sup>270</sup> before being signed out by Henry Kissinger:

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<sup>266</sup> A point made well in: Albert Wohlstetter, “Theory and Opposed-Systems Design,” (paper; Chicago, IL: University of Chicago, August 1967) and subsequently published in New Approaches to International Relations, edited by Morton A. Kaplan, (New York, NY: St. Martin's Press, 1968).

<sup>267</sup> For a helpful survey of the evolution of the Kennedy/Johnson Administration's policy action vehicle to the Nixon/Ford Administrations division of labor between “study” (calling for relevant inter-agency input) and “decision” (notifying the inter-agency community that a Presidential decision had been made) memoranda, see: Harold C. Relyea, “Presidential Directives: Background and Overview,” (98-611 GOV; Washington, DC: Congressional Research Service, Library of Congress, revised 7 January 2005), at < <http://www.fas.org/irp/crs/98-611.pdf> > [accessed 24 July 2005].

<sup>268</sup> Henry A. Kissinger, “National Security Study Memorandum: NSSM 178 -- Program for National Net Assessment,” (29 March 1973).

- NSSM 186 -- National Net Assessment of Comparative Costs and Capabilities of US - USSR Military Establishments, (1 September 1973).<sup>271</sup>

The transfer of the office from the National Security Council to the Department of Defense was made in memorandum:

- NSDM 239 -- National Net Assessment Process, (27 November 1973).<sup>272</sup>

These four Memoranda – written over seven months and representing in toto only four pages – not only bracket the short happy life of the NSC “NAG” but more importantly represent the rescue of the Blue Ribbon Defense Panel and Secretary Laird’s vision of Net Assessment at the Pentagon. Combined with personal changes, they ended the NSC v. OSD feud, they filled the vacuum left in DoD’s Net Assessment Office, and brought the function into the immediate proximity of the Secretary.

Apparently NSSM 178 was personally drafted by AWM as a remit for creating a “Program for National Net Assessment.” There were several interesting features about this short NSSM. First it was explicitly treated as a fulfillment of Nixon’s 1971 Memorandum on “Organization and Management of the US Foreign Intelligence Community.”<sup>273</sup> Second, it noted “the President had directed the initiation of a program for the preparation of a **series of national** net assessments.” The words “series” and “national” took on special significance: the former suggested this would be an extended process not a one time product; the latter meant that it would be interagency and not limited to one department.

As a first step in this process, the President has directed that a paper be prepared which would:

-- Define the **national net assessment process**, and discuss the range and types of topics that would be addressed.

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<sup>269</sup> Henry A. Kissinger, “National Security Decision Memorandum: NSDM 224 -- National Net Assessment Process re NSSM 178,” (28 Jun 1973).

<sup>270</sup> Alexander Haig to Daniel Murphy, “Concerning National Security Study Memorandum on National Net Assessment of the Comparative Efficiency and Effectiveness of the US and Soviet Military Establishments,” Memo, 8/17/72, Boxes B1-B3 (Not Yet Reviewed for Opening to Research), op cit.; and the apparent response: Baroody to the Assistant to the President for National Security Affairs, “Concerning Net Assessment at the National Level,” Memo, 9/1/72, Ibid.

<sup>271</sup> Henry A. Kissinger, “NSSM 186 -- National Net Assessment of Comparative Costs and Capabilities of US - USSR Military Establishments,” (1 September 1973).

<sup>272</sup> Henry A. Kissinger, “National Security Decision Memorandum: NSDM 239 -- National Net Assessment Process,” (27 November 1973).

<sup>273</sup> Henry A. Kissinger, “NSSM 178 -- Program for National Net Assessment,” op cit., p. 1.

- Discuss **methodology** appropriate for use in preparing net assessments.
- Establish reporting and coordination procedures for the program.<sup>274</sup>

NSSM 178 gave Marshall the opportunity to write his own NSC mission statement as well as lay out a game plan for how to proceed, not just with the coordination but cooperation of “an ad hoc group comprising representatives.”<sup>275</sup>

The response to NSSM 178 by the Ad Hoc Group was submitted on time,<sup>276</sup> commented on by the NSCIC Principals,<sup>277</sup> and reviewed by the President.<sup>278</sup> NSDM 224 implied that there would be multiple National Net Assessments. Likewise, it ratified the interagency nature of the process under the direction of “a representative of the National Security Council Staff” and specified that “requests for net assessments will be issued as National Security Study Memoranda.”

The only national net assessment to be formally undertaken while Marshall was at the NSC was National Security Study Memorandum 186. For over a year the NSC had discussed the need for and content of a “National Security Study Memorandum on National Net Assessment of the Comparative Efficiency and Effectiveness of the US and Soviet Military Establishments,”<sup>279</sup> Where NSSM 178 and NSDM 224 had dealt with process, NSSM 186 was the vehicle of substance.

Finally, on 1 September 1973, Henry Kissinger signed out NSSM 186 calling for a “National Net Assessment of the Comparative Costs and Capabilities of US and Soviet Military Establishments.”

*The President has directed the preparation of a series of national net assessments under the guidelines approved in NSDM 242. The first*

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<sup>274</sup> Ibid. Note, the NSSM specified a deadline, with the report of the Ad Hoc Group “completed by May 15, 1973.”

<sup>275</sup> Ibid. Consisting of representatives from State, Defense and CIA, “chaired by the Director, Net Assessment Group, of the National Security Council staff.”

<sup>276</sup> The actual report has not been found, the following statements, were all referenced in the subsequent document: Kissinger, “NSDM 224 -- National Net Assessment Process re NSSM 178,” op cit. p. 1.

<sup>277</sup> National Security Council Intelligence Committee.

<sup>278</sup> This was a lot of action for a period of less than six weeks between 15 May and 28 June. Kissinger, “NSDM 224 -- National Net Assessment Process re NSSM 178,” op cit. p. 1.

<sup>279</sup> For example the Haig memo “Concerning National Security Study Memorandum on National Net Assessment of the Comparative Efficiency and Effectiveness of the US and Soviet Military Establishments,” went back to 17 August 1972.

*national net assessment will evaluate the comparative costs to the US and the USSR to produce, maintain, and operate comparable military forces. It will assess the status of the competition between the US and USSR in maintaining such forces, trends in the competition, significant areas of comparative advantage or disadvantage to the US and the nature of opportunities and problems implied.*

*The President has directed that the analyses and comparisons required by this net assessment be prepared by the Department of Defense, in consultation with the Net Assessment Group/NSC, and with the assistance of the Department of State and the Director of Central Intelligence.*

*The complete assessment will cover all aspects of US and Soviet military forces, and will take place over a long period of time. The initial part of the net assessment will focus specifically on the ground forces on each side. Comparisons of interests will include the costs and performance of comparable military units. The analysis should highlight the major determining factors in costs and performance on each side, and any evident trends.*

*A first report on the net assessment of US and Soviet ground forces should be forwarded to the Chairman, NSCIC, by 1 November 1973.<sup>280</sup>*

As originally mandated in NSDM 224,<sup>281</sup> NSSM 186 reiterated that the various National Net Assessments would be managed by the head of the NAG with final acceptance contingent upon review of the NSCIC.

There were several interesting aspects about NSSM 186 from the outset. First, as it had become increasingly evident with NSDM 224 and NSSM 186 that the focus of the initial National Net Assessments would involve comparisons of "military establishments," it was natural that the primary lead should be taken by the Pentagon. But it was somewhat surprising that while the Chairman of the Joint Chiefs of Staff had been copied on the tasking,<sup>282</sup> the JCS were neither directly invited to participate in the production nor comment on the process.<sup>283</sup>

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<sup>280</sup> Kissinger, "NSSM 186 -- National Net Assessment of Comparative Costs and Capabilities of US - USSR Military Establishments," op cit.

<sup>281</sup> Kissinger, "NSDM 224 -- National Net Assessment Process re NSSM 178," op cit. p. 1.

<sup>282</sup> This was the case with NSDM 224 and NSSM 186, where the Chairman, JCS has been "cc," but not with the original NSSM 178.

<sup>283</sup> This was surprising in that just the year before, JCS Chairman had initiated a formal assessment presentation to much fan fare. See: Adm. Thomas H. Moorer, "United States Military Posture for FY 1972," (Washington, DC: Joint Chiefs of Staff, 9 March 1971); Adm. Thomas H. Moorer, "United States Military Posture for FY 1973," (Washington, DC: Joint Chiefs of Staff, 8

Second, there had been a subtle shift in the title from “Comparative Efficiency and Effectiveness” to “Comparative Costs and Capabilities.” The former were very subjective terms: “efficiency” relative to requirement and resources; “effectiveness” relative to mission and opposition. The latter were ostensibly “fixed” in terms of objective scale.

A third feature was also out of the norm. As had already been implied in NSDM 224, NSSM 186 now made it explicit that this comprehensive assessment would involve multiple successive efforts and “take place over a long period of time.” As such, it had an implied variance with the typical NSC standard operating procedure for NSSMs which had focused on producing a timely and tightly argued response – a tasking with a definite built in “sunset clause.” But under NSSM 186, these National Net Assessments would be incremental, iterative and potentially infinite<sup>284</sup> – taking successive bites of the apple as opposed to trying to swallow it whole in one culminating *gazumpt* final report and closure of the Study, as was typical with NSSMs. A last unique feature at the very start of NSSM 186 was the abrupt change in the reporting channel in the middle of the effort.

Per NSDM 224 and NSSM 186, the NSC Net Assessment Group would be responsible for both producing the requirements and tasking for the National Net Assessments as well as monitoring their progress and evaluating their final product.

In the White House the Net Assessment Group was a casualty of several factors: the overwhelming demands on top-level decision makers to focus on near-term foreign policy issues; the realization that the Department of Defense had the depth of resources needed to support a long-term net effort; and a fuller recognition of how difficult it was and how long it would take to develop a net assessment effort in the executive branch.<sup>285</sup>

The credibility of James Schlesinger as one of the most prepared Secretaries of Defense, his personal role in defining the need for Net Assessment two years

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February 1972); and Adm. Thomas H. Moorer, “United States Military Posture for FY 1974,” (Washington, DC: Joint Chiefs of Staff, 28 March 1973).

<sup>284</sup> Up to that point, NSSMs had the general characteristics of being intended to cover the assigned topic comprehensively (rather than incrementally); were a “one shot” activity (rather than iterative); and had a definitive end date (rather than being temporally infinite).

<sup>285</sup> Pickett, Roche, and Watts, “Net Assessment: A Historical Review,” *op cit.*, p. 167.

earlier<sup>286</sup> and strong personal relationship with Marshall<sup>287</sup> all combined to make this a smooth transition.

Within six weeks of the start of NSSM 186, Marshall moved from the NSC and joined the OSD staff being assembled by Secretary James Schlesinger.

By the time Schlesinger had succeeded Eliot Richardson as defense secretary in July 1973 and appointed Marshall to be his Director of Net Assessment on October 13<sup>th</sup>, a further concern had arisen that undermined definitional clarity. Marshall's brief from Schlesinger was to establish a viable net assessment function in the Department of Defense (DoD). But aside from Melvin R. Laird's December 1971 directive establishing the position in the Office of the Secretary of Defense (OSD), little progress had been made on clarifying the nature of net assessment or what it might produce, especially within the Pentagon. In fact, neither Laird nor Richardson had appointed anyone to fill the new position.<sup>288</sup>

Scarcely had Marshall arrived at the Pentagon, and within another six weeks, Kissinger signed out NSDM 239 on the "National Net Assessment Process" which recorded that "the President had directed that the responsibility for the national net assessment program be assigned to the Secretary of Defense."<sup>289</sup>

This was not just the transfer of an individual but the entire Net Assessment Group<sup>290</sup> to a three-room office on the A-ring. Importantly, the intent of the mission that Marshall had written for himself in NSSM 178 and secured with NSDM 224 was neither given over to someone else in the NSC to pick up that portfolio nor was the mandate materially changed with his move to the Pentagon.<sup>291</sup> Marshall was now responsible for conducting the Net Assessment

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<sup>286</sup> Schlesinger, "A Review of the Intelligence Community," op cit..

<sup>287</sup> A close working relationship that went back more than a decade when Schlesinger had been assigned to Marshall's department when he had originally joined RAND and then also became a social relationship in the 1960s. James R. Schlesinger, "Comments,"

<sup>288</sup> Watts, "Scientific Methods and New Assessment," op cit, p. 5.

<sup>289</sup> With NSDM 139, the previous NSDM 224 and NSSM 186 were "rescinded" but the "study required by NSSM 186" – the National Net Assessment of the Comparative Costs and Capabilities of US and Soviet Military Establishments which was still ongoing – "should be completed under the supervision of the Secretary of Defense" and it, along with "all future completed net assessment studies should be forwarded to the Assistant to the President for National Security Affairs..." Kissinger, "National Security Decision Memorandum: NSDM 239 -- National Net Assessment Process," op cit., p. 1.

<sup>290</sup> Which consisted of two military assistants that had been assigned to the NSC: Captain Chip Picket and Lt. Commander Robin Pirie; and even transferred the NSC secretaries: Joan Hunerwadel and Irene Parkhurst.

<sup>291</sup> For example, NSSM 186, the first interagency tasking under the original organization mantel, had been let before the move occurred it's tasking was not modified in any way other than the transfer of reporting authority.

he himself had commissioned but he would not be reporting to himself to grade his own work. The structure that had been established but unfilled gave James Schlesinger the opportunity to not only set up the office but create and reinforce the precedent of the Director of Net Assessment reporting directly to the Secretary of Defense. With its arrival, Net Assessment initiated a new era in Pentagon thinking, one that would make a significant difference over the next thirty-five years. But that is another story.

### **VIII. Future Implications**

The strongest supporters of an independent and high level Net Assessment function seem to fall into two groups – former Secretaries of Defense and former staffers in OSD/NA. Unfortunately, the former have said little publicly about the utility and importance of having this kind of confidential strategic advice; and the over-selling of the latter have made it sound more like a cult than a critical national security function. However, when we review the early origins of Net Assessment – the need for independent and confidential insight at the level of SecDef, the proposals of the Blue Ribbon Defense as well as Secretary Laird, and the methodological work of Andy Marshall – both the problem and the solution are much clearer. So, when contemplating the future of the enterprise, the evidence and arguments assembled for this paper suggest three lessons should be drawn from the early origins of the Net Assessment concept.

**LESSON 1:** There is a coherent and reasonably clear methodological approach that can be applied in the conduct of Net Assessments. It is not mystical, it is not arcane; it was well thought out by Andy Marshall over a several year period in the early 1970s, and taken as a whole, it is well documented in his writings of that period. Although never formally stated as such, the Marshall method can be summarized in five sequential steps:

- Measurements – collecting empirical data in a comparable format;
- Estimates – discovering, describing and distinguishing those elements that are unmeasurable but important;

- Analysis – evaluating competitive strengths, weaknesses, vulnerabilities and opportunities;
- Balancing – anticipating opportunities for the application of strength to vulnerability in juxtaposed postures;
- Triumph – identifying and projecting into the future opportunities for the conversion of favorable balances (i.e. imbalances) into political outcomes.

The successful implementation of these steps can be as complex in application as they are simple in articulation but this method is as relevant to today’s emerging challenges of strategic rivalry as it was 2,500 years ago when so elegantly laid out by Sun Tzu. The success of this approach has been demonstrated in the productive application of that methodology over the last thirty-five years by the Net Assessment staff. Its value is not diminished by the fact that many of the those who successfully applied it, did so as a product of sub-conscious enculturation and the guiding hand of their mentor in trailblazing new intellectual territory rather than using a cookie cutter formula or realizing that the approach had high strategic pedigree.

**LESSON 2:** The Blue Ribbon Defense Panel had it right, the office of Net Assessment has to be independent and report directly to the Secretary of Defense. Thus, going back to the need for Net Assessment and the cogent organizational arguments for its structure as an independent advisory office reporting directly to the SecDef:

The Office of the Secretary of Defense and the armed services of the United States have many agencies that measure current military performance against current military goals. That is not the purpose of net assessments. Each net assessment concludes, not with a statement about whether we would win or lose a war today or with recommendations for new programs, but with a discussion of the issues and problems about which the Secretary of Defense may wish to think, because they affect the future of American national security. Net Assessment is a tool for the Secretary of Defense that may better enable him to do strategic planning for the American military, if that is desired.<sup>292</sup>

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<sup>292</sup> Rosen, “Net Assessment as an Analytical Concept,” in On Not Confusion Ourselves, op cit., p. 300.

Not every Secretary may want or value having Net Assessment as a direct report, but then that is a pretty good indication that they are not planning on taking their role as “chief strategist” seriously.

**LESSON 3:** The recommendations of Blue Ribbon Defense Panel member Robert C. Jackson need to be reconsidered – specifically that long-range planning, net assessment and strategy development should be combined into an Assistant Secretary of Defense level position. The reason for this has more to do with the effectiveness of OSD than it does Net Assessment. An independent and intellectually driven Net Assessment office, with sufficient research resources and reporting directly to the Secretary of Defense can do its own thing. But, as the BRDP suggested, there is a need, at the Secretary level for a group also to be conducting Long-Range Planning. Likewise, as Secretary Laird and later Cap Weinberger found out, there is great value in having Strategy Development also working in close proximity to the Secretary. These are three different functions. Net Assessment is diagnostic; Long-Range Planning is prognostic; and Strategy Development is prescriptive. Nonetheless, they all share some common attributes, need to work closely together, and could efficiently utilize some of the same resources. Thus, as Jackson originally recommended, creating a combined office under an Assistant Secretary addressing these functions, as long as they remained discrete entities, could be a very powerful and effective combination.

In summary, some of the key players involved at the origin of Net Assessment had the idea right. Laird and Jackson presciently anticipated and envisaged the value of a Net Assessment office to a SecDef interested in strategy development. The Blue Ribbon Panel were right on target in specifying the need for independence and direct reporting to SecDef. And Andrew Marshall, was fundamentally correct in his unsung, and subsequently underappreciated, role of making the case for methodological innovation. The continued appropriateness of their arguments, combined with the thirty-five year legacy of Marshall’s critical contribution as “proof of principle” in demonstrating continuous product improvement provides a very positive road map for the future of Net Assessment as a tool for future Secretaries of Defense – **IF** they appreciate its function, choose to utilize its insights for strategy development and institutionalize the office as the SecDef brain trust that they are.