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**The Military Pension Promise: Autonomous Policy Subsystems, Blue Ribbon
Defense Commissions, and the Twenty-First Century All-Volunteer Force**

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**The Military Pension Promise: Autonomous Policy Subsystems, Blue Ribbon
Defense Commissions, and the Twenty-First Century All-Volunteer Force**

by

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*To my late mother, Vera, whose education, service, perseverance, and unconditional love
have been guiding lights for me throughout my life. This is for her.*

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Preface

This dissertation project came about through my own experiences as a young Army officer serving alongside tremendously talented and patriotic soldiers in Iraq and Afghanistan. Seeing so many of my close friends leave the military in search of greater career flexibility after enduring multiple combat deployments, I began to question the military's archaic personnel policies, particularly the rigid "up or out" promotion system and industrial era retirement policy that purportedly aim to retain talented leaders. While senior commanders did everything they could to encourage these outstanding junior officers to "give the Army another chance," many of my peers, unsure about serving a full 20 year career to merit pension benefits, felt that any additional time in uniform kept them from moving on with their post-military lives. Ultimately, the Army proved unable to offer appealing incentives for their continued service, leaving many to separate from the military in pursuit of further education and rewarding civilian careers.

I came to graduate school at the University of Texas at Austin hoping to address a lingering question: why has there been little meaningful change to military personnel and pension policies in the post-9/11 era? After all, from my perspective, these policies had proven insufficient. But I soon realized that to understand these static military pension policies, I would first have to appreciate how they developed over the course of American history and how the insular military personnel policy subsystem controls pension policy outputs and shapes their outcomes. This project aims to better understand where military pension policies have been and where they are going.

**The Military Pension Promise: Autonomous Policy Subsystems, Blue Ribbon
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The University of Texas at Austin, 2015

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Drawing from previous scholarship, contemporary policy debates, historical records, and 53 interviews with policymaking elites, this dissertation project takes a qualitative, field-based approach to expose the internal dynamics of *autonomous policy subsystems*. I contend that these subsystems are characterized by insular, expert-based channels of information, specialized media attention, parochial interest groups, a politically inactive – yet advantaged – target population, and an inherent lack of policy conflict. The military personnel policy subsystem operationalizes this renewed theory of autonomous policy subsystems. From the American Revolution and the Civil War through the first and second World Wars and beyond, this dissertation traces the American political development of military pension policy through the lens of the policy subsystem, documenting the subsystem’s formation, evolution, and ultimate transformation into the autonomous military personnel policy subsystem. Through field-based interviews of contemporary policy elites, I offer five key findings that contribute to

the policy subsystems literature. First, high rates of congressional and bureaucratic turnover on the military personnel subcommittees and within the Pentagon are detrimental to the subsystem's institutional memory. Second, the Pentagon marginalizes itself by stove piping expert information through bureaucratic hierarchies leaving it unresponsive to the subsystem's demands for timely information. Third, subsystem actors see a clear distinction between power and influence within the subsystem as the congressional subcommittees on military personnel wield power and prominent Veterans' Service Organizations wield influence. Fourth, subsystem actors search for and prioritize interinstitutional signals from policy elites. Finally, issues surrounding military social policy attract a whole new set of competing actors and institutions into the subsystem's policymaking process. Though powerful, autonomous policy subsystems of this sort are still susceptible to breakdown and policy change. Beyond exogenous shocks and policy entrepreneurs, I contend autonomous policy subsystems are particularly vulnerable to jurisdictional threats from blue ribbon commissions chartered to gather new information, reframe policy images, alter issue definitions, and make policy recommendations. As institutional venues for policy change, blue ribbon defense commissions are well-positioned to breakdown autonomous policy subsystems and bring about meaningful policy change. The dissertation concludes with a broad set of recommendations along with ideas for future research agendas.

Table of Contents

List of Figures	xvi
Chapter 1: Introduction	1
Integrating Policy History, Theory, and Recommendations	2
Historical Contribution	3
Theoretical Contribution.....	4
Recommendations	6
Guiding Research Questions	6
A Renewed Theory of Autonomous Policy Subsystems	8
Qualitative Methodology.....	9
Historical Analysis	11
Elite Interviews.....	13
Case Studies.....	15
Plan for the Dissertation.....	15
Chapter 2: Contemporary Issues in Military Pension Policy.....	21
Military Retirement Policy.....	21
The Beltway Policy Debate.....	25
The Military Retirement System vs. Public Pension Systems	31
The Military Personnel Policy Subsystem	33
Subsystem Players	34
Chapter 3: Re-Imagining Autonomous Policy Subsystems.....	39
Theoretical Foundations	39
Policy Subsystems	41
Subsystem Conflict and Competition.....	45
Subsystem Typologies.....	47
Subsystem Breakdown and Policy Change	49
Interinstitutional Signals as Sources of Policy Conflict	54
A Renewed Theory of Autonomous Policy Subsystems	55

Expert-Based Channels of Information	58
Specialized Media Attention	59
Parochial Interest Groups	60
A Politically Inactive – Yet Advantaged – Target Population	61
Blue Ribbon Defense Commissions as Institutional Venues for Policy Change	63
Chapter 4: The Subsystem Takes Form, 1776 – 1890	70
Revolution and the Origins of American Military Pension Policy	70
Civil War Pensions, 1861-1879	75
Rise of the Policy Subsystem	79
Pension Committees	81
Partisanship in the Pension Bureau	83
Pension Attorneys, Claim Agents, and the Grand Army of the Republic	89
Presidents, Politics, and Pensions	96
Sectionalism and the Tariff	100
Watchdog Media and Growing Public Concern	102
Confederate Pensions	106
Summary	111
Chapter 5: The Subsystem Evolves, 1917 – 1935	113
World War I and Subsystem Evolution	114
The Doughboys Sign Up for War Risk Insurance	114
Promotions, Classifications, and Retirements	119
Influential Veterans’ Organizations	122
The Grand Army of the Republic Fades Away	122
Veterans of Foreign Wars Organize	123
The American Legion Forms in Paris, 1919	125
The Harding Administration Battles Congress	127
Consolidating the Veterans’ Bureaucracy	129
Scandal at the Veterans’ Bureau	137

World War Adjusted Compensation Act of 1924	139
Bonus Expeditionary Force Invades Washington	141
From the Veterans’ Bureau to the Veterans’ Administration	142
National Defense Efficiency Act of 1935	146
Summary	148
Chapter 6: The Subsystem Transforms and Endures, 1944 – 2000	150
World War II and Subsystem Transformation	151
Servicemen’s Readjustment Act of 1944	152
The American Legion Weighs In	154
An Alternative Form of Compensation	155
Armed Forces Voluntary Recruitment Act of 1945	156
Legislative Reorganization Act of 1946.....	158
The Joint Committee Recommends Restructure	159
National Security Act of 1947.....	161
The Personnel Policy Board Advises Secretary Forrestal	163
Secretary Marshall Nominates a Personnel Expert	164
Officer Personnel Act of 1947	166
General Eisenhower Goes to Washington	166
Separating the “Deadwood”	167
An Institutional Personnel Framework.....	169
Army and Air Force Vitalization and Retirement Equalization Act of 1948.....	170
Congress Addresses Retirement Inequities	171
Military Retirement Reform Act of 1986.....	172
Les Aspin, Budget Deficits, and Accrual Accounting.....	172
Congressman Aspin Ascends to Chair the House Armed Services Committee.....	175
Chairman Aspin Tackles Retirement Reform	176
Secretary Aspin’s Mixed Legacy	180
Reversing REDUX: 1998 – 2000.....	182

General Shelton Sounds the Alarm	183
Soldiers', Sailors', Airmens', and Marines' Bill of Rights Act of 1999	185
National Defense Authorization Act of 2000	187
A Failure of Policy Implementation	190
Summary	191
Chapter 7: Getting Inside the Military Personnel Policy Subsystem.....	194
Institutional Memory.....	195
Personnel Turnover.....	197
Unquestioning Assumptions.....	201
Information Stove Pipes	204
Limited Analytical Firepower	205
Political and Bureaucratic Hierarchies	208
Information Undersupply Smothers Policy Conflict	211
Power and Influence.....	213
Powerful Congressional Subcommittees for Military Personnel	214
Influential Veterans' Service Organizations.....	215
DOD is Missing in Action.....	220
Interinstitutional Signaling.....	221
Strong Signals from the Joint Chiefs of Staff.....	222
The President's Budget and Administration Documents	227
Congressional Hearings.....	230
"Storming the Hill".....	232
Political Appointments	234
Reports, Articles, and Op-Eds	236
Private Signals	237
Responsive Subsystem Behavior	240
Reflecting Public Sentiment	241
Policy Entrepreneurs Expand the Scope of Conflict	244

External Groups Enter the Fray	248
Summary	252
Chapter 8: Blue Ribbon Defense Commissions as Institutional Venues for Policy Change	254
Case Study Selection.....	256
1948 Hook Commission Reforms Service Pay	259
Appointing a Committee of “Eminent Civilians”	260
Hook Gathers the Facts and Makes Recommendations	261
The Subsystem Strikes Back: Career Compensation Act of 1949	266
Setting a Modern Precedent.....	272
1970 Gates Commission Clears Way for an All-Volunteer Force.....	273
Nixon’s Campaign Promise.....	275
Establishing the Commission	277
The Honorable Thomas Gates at the Helm	280
Gathering Information and Building Political Support	283
Policy Entrepreneurs in the Nixon Administration	290
1986 Packard Commission Earns its Blue Ribbon	295
President Reagan’s Announcement	297
Information Sharing with the Senate Armed Services Committee.....	299
“Powerful, Activist, Energetic Chairman”	301
Political Momentum for Reform	305
Packard Commission Supports the 1986 Goldwater-Nichols Act.....	308
Summary	312
Chapter 9: Recommendations for the Twenty-First Century All-Volunteer Force	315
The 2013 Ryan-Murray Budget Deal.....	315
Working outside the Subsystem	316
The Subsystem Fights Back	317
Period of Subsystem Vulnerability.....	320

Prospects for Commission Success	321
Activist Chairman.....	322
Emphasizing Information and Analysis	324
Building a Political Strategy.....	326
Practical Subsystem Recommendations.....	328
Addressing Pentagon Turnover and Bureaucratic Capacity.....	329
Opening the Subsystem’s Insular Information Processes.....	334
Personnel Management for the Twenty-First Century	337
Summary	342
Chapter 10: Conclusion.....	343
Theoretical Conclusions.....	343
Future Research Agendas.....	348
Final Thoughts.....	349
Appendices.....	350
Appendix 1: Military Personnel Policy Subsystem Players.....	350
Appendix 2: Information Processing within the Military Personnel Policy Subsystem Interview Questions (Ch. 7)	353
Appendix 3: Interview Responses Coded By Hypothesis (Ch. 7)	355
Appendix 4: Gates Commission and Policy Change Interview Questions (Ch. 8).....	382
Appendix 5: Packard Commission and Policy Change Interview Questions (Ch. 8). 383	
Appendix 6: Interview Responses Coded By Hypothesis (Ch. 8)	384
Appendix 7: Military Compensation and Retirement Modernization Commission Interview Questions (Ch. 9)	387
Appendix 8: Interview Responses Coded By Hypothesis (Ch. 9)	389
Appendix 9: Members of the 2015 Military Compensation and Retirement Modernization Commission	405
Works Cited	406
Vita.....	433

List of Figures

Figure 1: Operation of DOD Retirement Fund. Source: RAND Corporation (1997).	24
Figure 2: Change in Total Compensation Costs, 2002-2012 (\$Billions). Source: <i>Center for Strategic and International Studies</i> (2011).	28
Figure 3: Military Personnel Policy Subsystem (May 2015).....	35
Figure 4: McCool's Policy Subsystem Typology.	48
Figure 5: Zegart's Conceptual Framework of Presidential Commission Ideal Types.	67
Figure 6: Subsystem Historical Development.	150

Chapter 1: Introduction

After more than a decade at war in Iraq and Afghanistan, service members have earned the collective thanks of a grateful nation. But as defense policymakers prepare to meet the nation's future threats, the Pentagon's internal debate between "guns and butter" has become more important than ever. Despite unconditional and bipartisan appreciation for their service, the troops – active, guard, and reserve – have seen these policymakers scrutinize military compensation in an effort to reduce and rebalance the defense budget as dictated by the 2011 Budget Control Act and the subsequent budget sequester.¹ As the military draws down and reduced defense spending remains likely for the foreseeable future, a thorough examination of military pension policy is especially timely and relevant for scholars and policymakers wrestling with the future of American defense policy.

Military pension policies are as old as the Republic itself and reside at the intersection of America social, economic, and defense policy. But they have become so nuanced and complex that few policymakers actually have a truly holistic understanding of pension issues and their many implications for the long term viability of the All-Volunteer Force. Indeed, military retirement policy generally receives little public attention as subsystem actors – politicians, bureaucrats, lobbyists, analysts, researchers, and journalists – monopolize the pension policymaking process out of public view. These

¹ U.S. Congress, Senate, *Budget Control Act of 2011*, 112th Cong, 1st Sess, (Washington, DC: Government Printing Office, 2011). Available from <http://www.gpo.gov/fdsys/pkg/BILLS-112s365enr/pdf/BILLS-112s365enr.pdf>; Internet.

formal and informal actors compose what I term the “military personnel policy subsystem.” This small, insular, and autonomous group of policymakers has been responsible for maintaining military pension policy since the end of World War II. Thus, studying the subsystem’s internal dynamics can reveal the bureaucratic processes, legislative strategies, and information flows that have dominated the military pension policymaking process for so long.

The remainder of this introductory chapter follows in five parts. First, I discuss this dissertation’s historical, theoretical, and practical contributions to policy scholarship and policy practice. Second, I propose two research questions to guide the project. Third, I preview a renewed theory of autonomous policy subsystems. Next, I discuss the qualitative methodology for the project, including historical analysis, elite interviews, and case studies. Finally, I outline a plan for the rest of the dissertation. For convenience, I use the phrases “military pension” and “military retirement” interchangeably as the difference is technical, not substantive.

Integrating Policy History, Theory, and Recommendations

This dissertation project integrates policy history, policy theory, and policy recommendations to make significant contributions to the study and practice of defense policy. Historically, I explore the rise, evolution, and transformation of the military pension policy subsystem from the American Revolution through World War II to understand how it achieved the autonomy it has enjoyed for more than 65 years. Theoretically, I build on previous scholarship to offer a renewed theory of autonomous

policy subsystems, reinvigorate the subsystem literature, and explain long term pension policy stasis from World War II to present day. Further, I draw lessons from three twentieth century blue ribbon defense commissions to examine how information oversupply can breakdown an autonomous policy subsystem and induce non-incremental policy change. Practically, I offer insights and make recommendations for the 2015 Military Compensation Retirement Modernization Commission and the All-Volunteer Force. When taken together, this dissertation offers the most holistic scholarly effort to explain where military pensions have been, where they are, and where they might be going. Hopefully, policy scholars and policymakers alike can build on this line of research to develop new and innovative policy ideas to maintain the twenty-first century All-Volunteer Force.

Historical Contribution

Despite previous efforts by tremendous scholars, no other work on the American political development of military pension policy has examined its rise, evolution, and transformation through a subsystems lens. This dissertation aims to address this glaring omission in America's military pension policy story by tracing the subsystem's development from the American Revolution through World War II by way of the political institutions that generated the policies. Far from autonomous, the subsystem faced several challenges from dissident actors and institutions over the course of its political development. Consequently, military pension policy has not always been controlled by an autonomous policy subsystem. Rather, military pension policy was once

an issue that pervaded American life and saw new actors and institutions fluidly enter and exit the fray. Military pensions were so much a part of public psyche from 1776 to 1945 that no subsystem could possibly have controlled the issue with complete autonomy. Examining the American political development of military pensions through the lens of a policy subsystem offers new insights into this already well-trod, but still fertile, research area.

Theoretical Contribution

This dissertation aims to make two significant contributions to the policy subsystems literature. The first contribution is by exploring and elucidating the internal dynamics of an autonomous policy subsystem. Previous conceptualizations of policy subsystems largely ignore these internal dynamics and place primary attention on theoretical frameworks, subsystem typologies, and policy outputs. Therefore, this dissertation “gets inside” the military personnel policy subsystem to determine how its internal dynamics – institutional memory, power and influence, information stovepipes, and interinstitutional signals – facilitate policy stasis or policy change under various environmental conditions. With 53 elite interviews, qualitative and field-based research of this sort will help policy scholars understand how insular groups of policymakers deal with information undersupply and lacking policy conflict to maintain existing issue definitions, policy images, and the pension policy status quo. Similarly, policymakers within these autonomous policy subsystems can benefit from this work by learning how to better prioritize information oversupply and accommodate policy conflict.

The second theoretical contribution provides new insights and perspectives into blue ribbon commissions and the role information plays in inducing non-incremental policy change. Policy scholars have long since dismissed traditional conceptions of incremental policy change, preferring instead theories that tend toward rapid policy punctuation following an exogenous shock to the American political system. Like a major focusing event or policy tragedy that captures public attention and galvanizes elite action, scholars have recently acknowledged the role new information can play in educating policymakers, raising public awareness, and inducing durable policy change.² By gathering facts, generating ideas, and offering recommendations, these external groups bring new information to bear on the subsystem's policymaking processes. Further, the competitive dynamic between commission and subsystem introduces heightened levels of policy conflict to the insular and closed subsystem. Under certain conditions – a strong commission chairperson, inclusive information gathering process, and coherent political strategy – these blue ribbon commissions can facilitate information induced policy change. Through a series of three short case studies, this dissertation reveals the lasting mark successful blue ribbon defense commissions have had on making non-incremental changes to military compensation, pension, and personnel policies since the end of World War II.

² See Frank R. Baumgartner and Bryan D. Jones, *The Politics of Information: Problem Definition and the Course of Public Policy in America* (Chicago: The University of Chicago Press, 2015).

Recommendations

Finally, this dissertation makes several practical policy recommendations in an effort to contribute fresh ideas to the contemporary military personnel policymaking process. To ensure the long term viability of the twenty-first century All-Volunteer Force, the subsystem will have to find new ways to recruit, retain, and reward promising millennials and netizens – sources of the military’s current and future talent pool – for their service. This includes linking compensation policy with talent management to give service members greater flexibility in selecting operational assignments, following personalized career paths, and pursuing professional and personal development opportunities. Further, the military personnel policy subsystem should institutionalize information oversupply by establishing a Service Member Advisory Council, for instance, to draw input, insight, and ideas from mid-career enlistees and officers across the military, thereby giving this underrepresented target population a voice in the policymaking process.

Guiding Research Questions

This dissertation project raises two central research questions: *First, why has there been no fundamental change to military pension policy since immediately following World War II? Second, when and how do autonomous policy subsystems breakdown and become susceptible to policy change?*

I contend the answer to the first question lies in the military personnel policy subsystem – the small and insular cabal of actors and institutions with a stake in military

personnel issues – that generates military pension policy. Generally, these actors and institutions include policy entrepreneurs, congressional committees, bureaucracies, interest groups, think tanks, media outlets, and a target population, among others. The inherent lack of policy conflict in this insular and closed subsystem has perpetuated pension policy stasis for over 65 years. An autonomous policy subsystem's low policy conflict derives, in large measure, from information undersupply. When a small group of likeminded policymakers agree on the subsystem's goals, policy images, and issue definitions, it has no reason to seek ideas, information, or support from external actors or institutions. Consequently, subsystem policymakers fall victim to groupthink as they draw their information from a small sample of think tank reports and newspaper articles, hear hackneyed testimony from the usual circle experts and lobbyists, and never have reason to bother questioning their own assumptions regarding the prevailing policy paradigm.

The answer to the second research question lies with those external stakeholders who insert themselves into the subsystem's policymaking process, namely blue ribbon commissions. Here I offer that beyond exogenous shocks and savvy policy entrepreneurship, blue ribbon commissions are well-equipped to breakdown an autonomous policy subsystem by flooding it with new information, ideas, and policy recommendations. This significantly expands the scope of policy conflict within the subsystem. Indeed, these blue ribbon commissions serve as institutional venues for policy change by forcing new information and disparate views on otherwise insular subsystem

matters. Though understudied and underappreciated by scholars and practitioners alike, blue ribbon defense commissions have been particularly successful at using new information to usher in non-incremental policy change.

A Renewed Theory of Autonomous Policy Subsystems

Drawing from and integrating previous scholarship into a more coherent and renewed theory of autonomous policy subsystems, I posit that an autonomous policy subsystem is characterized by insular, expert-based channels of information, specialized media attention, parochial interest groups, a politically inactive – yet advantaged – target population, and an inherent lack of policy conflict. In short, I argue that the insular and closed nature of the autonomous military personnel policy subsystem has perpetuated the military pension policy status quo all these years. While this status quo has proved durable over time, policy durability is a double edged sword. In one sense, enshrined policies give a target population a certain level of comfort and expectation for the future. In another, these rigid policies can also outlive their usefulness and become anachronisms unable to adapt to the demands of a dynamic policy environment. Without flowing channels of information and meaningful policy conflict, the subsystem has continued its autonomous existence without concern. Today, the military pension policy status quo is proving incapable of adapting to the demands of America’s postwar policy environment as the Department of Defense aims to recruit and retain talented millennials and netizens to meet an emerging array of twenty-first century threats.

The right conditions – including public attention, policy entrepreneurship, and information oversupply – can all dramatically change a subsystem’s dominant policy images and alter its issue definitions. While focusing events, policy tragedies, and exogenous shocks are all capable of catalyzing policy change, autonomous policy subsystems typically fly under the public’s radar and resiliently adapt to jurisdictional threats from the policy environment. However, autonomous policy subsystems are still susceptible to insider threats from entrepreneurial policy elites who become intent on policy reform. Further, institutional venues for policy change, like blue ribbon commissions, bring new information, policy images, and issue definitions to bear on an otherwise insular and closed subsystem to facilitate policy change. By incorporating disparate views from subsystem outsiders, blue ribbon commissions leverage this information oversupply to induce non-incremental policy change.

Qualitative Methodology

With durable policies in place since the end of World War II, a relatively short list of subsystem players, and a clearly defined target population, military retirement policy offers the perfect lens through which to explore autonomous policy subsystems and the role of information in non-incremental policy change to make an original scholarly contribution to the field of public policy. Most of the literature on military pension policy has taken one of two forms: American political development or contemporary policy analysis. While the existing literature is certainly fascinating and informative, it fails to adequately examine the military pension policymaking process from the subsystem

perspective. Acknowledging this gap in the literature, I explore the internal dynamics of the military personnel policy subsystem – the insular cabal of actors and institutions that generates military pension policy – and the blue ribbon defense commissions that usher in policy change by oversupplying the subsystem with information, breaking it down, and establishing a new status quo.

I treat the subsystem as the independent variable of interest and the durability of the policy output as the dependent variable. It stands to reason that an autonomous policy subsystem suffering from information undersupply and lacking policy conflict will generate durable policy outputs, incapable of meeting the demands of a dynamic policy environment because only a handful of stakeholders would have had input on the policymaking process. Conversely, a policy subsystem experiencing information oversupply and meaningful policy conflict will generate policy outputs better suited to meet the demands of a dynamic policy environment because multiple stakeholders would have contributed to the policymaking process. Subsystem type and corresponding policy outputs emerge from the varying levels of information supply, policy conflict, and institutional competition within the subsystem. While a given policy subsystem may respond “efficiently” to one policy issue, the same subsystem may respond “inefficiently” to another policy issue. For instance, as I demonstrate in chapter 7, the same policy subsystem responds quite differently when dealing with military compensation policy as compared to military social policy. Consequently, taking a step back and viewing the

entire subsystem as an independent variable is necessary to appreciate the subsystem's central role in the policymaking process.

Indeed, a project of this sort requires an intimate working knowledge of the military personnel policy subsystem. While one could construct statistical models to measure information flows to and from Congress, bureaucracies, interest groups, universities, think tanks, and the media to test and compare varying levels of information flow across multiple subsystems, my aim is to understand how the military personnel policy subsystem actually operates by connecting with the policy elites who maintain the All-Volunteer Force and the pension policy status quo. As such, this dissertation uses a cross-cutting qualitative research design to bring the military personnel policy subsystem to life through historical analysis, elite interviews, and case studies.

Historical Analysis

Scholarly works on the historical aspects of military pension and personnel policy proved to be indispensable for developing this research agenda. These scholars include trailblazers in the field of American political development like Henry Glasson, Roger Daniels, and Richard Bensen, giants like Theda Skocpol, Laura Jensen, and Suzanne Mettler, newcomers like Stephen Ortiz, and scholar-practitioners like Bernard Rostker and Jim Locher. Without their collective works, this well-developed field would undoubtedly be barren. But, to paraphrase Hugh Hechlo, the scholarship on military pensions is not so much wrong as it is woefully incomplete. Despite their contributions,

none of the aforementioned scholars have viewed military pensions through the lens of the dynamic policy subsystem.

Tackling a project with such deep historical roots in American political development requires rediscovering long forgotten primary sources and unearthing new primary sources. Consequently, I pored over the many physical and digital records related to military and veterans' pensions at the Library of Congress and National Archives in Washington, DC. These primary sources included organizational pamphlets, public statements on the House and Senate floors, legislative and bureaucratic documents, personal correspondence from soldiers, widows, and lawmakers, committee hearing transcripts, and archived newspaper articles. With these remarkable primary sources in hand, I traced the pension policymaking process through the development of the veterans' pension policy subsystem from its inception to its subsequent transformation into the military pension policy subsystem. More specifically, I sought evidence highlighting the multitude of competing actors and institutions playing an active and influential role in the pension policymaking process, including Congress, presidents, bureaucracies, private interests, advocacy groups, journalists, newspaper editorial boards, civic and religious leaders, and veterans, soldiers, and their families. This critical mass of stakeholders in the policy process provides a more complete picture than the outdated iron triangle concept could ever hope to achieve. Further, these various documents provided tremendous insights into how policy subsystems absorb and convey information to limit or wage policy conflict through various institutional structures.

Elite Interviews

From June 2013 to February 2015, I conducted 53 in-depth interviews with policy elites in New York, Pennsylvania, Texas, Florida, and the Washington, DC metro area. These elites currently are, or recently were, part of the military personnel policy subsystem and very willing to engage on this topic. As an active duty Army officer conducting research with important implications for the future of the All-Volunteer Force, I benefitted from a great deal of access to subsystem actors across institutions, including especially the Pentagon – a place civilian policy scholars typically do not gain admittance to. Interviewees were often very generous with their time and willing to go on the record with candid answers to my probing questions. While I armed myself with a series of questions on various topics (see appendices 2, 4, & 5), these semi-structured interviews were quite dynamic and flowed organically based on respondent answers to my initial and follow-up questions. Although some questions fell victim to time constraints and went unanswered in certain settings, on the whole, interviewee responses were far more colorful, candid, and informative than I could have hoped. As a matter of practice, I avoided wearing a military uniform, even in the Pentagon, so as not to cue programmed or hackneyed responses from elites. As a result, respondents treated me as a scholar rather than an officer. This work will help policy scholars understand how policymakers conceptualize the internal dynamics of the policy subsystem, including institutional memory, power and influence, information stovepipes, interinstitutional signals, and subsystem responsiveness.

In an effort to protect the identity of interview respondents, especially political appointees and military officers whose responses may break with current administration, institutional, or office policies, interviewees shall remain anonymous. Consequently, I use a simple coding system to identify the institutional affiliation of each respondent: Congressional staffer, Pentagon bureaucrat, scholar, journalist, or lobbyist. *Staffer* includes office and professional staff from both chambers of Congress and both sides of the aisle. Though I did benefit from informal conversations with several members of Congress about this research, I omit any relevant insights in the name of professional courtesy. *Bureaucrat* includes political appointees, senior military officers, and career civil servants in the Pentagon. *Scholar* consists of think tank analysts, research institute fellows, and tenured university faculty. Note that many of these scholars are former congressional staffers, Pentagon bureaucrats, and journalists with extremely well-rounded perspectives. *Journalist* is made up of reporters and columnists from both national and defense media organizations, including traditional print media and new digital media. Finally, *Lobbyist* represents either a registered lobbyist or similarly positioned government affairs representative in a prominent Veterans' Service Organization.

To analyze the interview data, I employ *NVivo* qualitative software to help organize field notes and facilitate content analysis. I use organizational “nodes” to code the field notes under multiple themes, corresponding with hypotheses outlined in chapter 7 (see appendices 3, 6, & 8). The software allowed me to quickly sift through interview

notes, find relevant patterns, and connect similar responses across institutional perspectives.

Case Studies

The final aspect of my qualitative methodology includes case study selection and analysis. Since the 1948 Hook Commission overhauled military compensation policy for the postwar era, numerous presidential commissions and bureaucratic task forces have been chartered to undertake a comprehensive study of military compensation, retirement, or personnel policy. I selected three presidential commissions whose reports and recommendations directly or indirectly led to successful congressional legislation to alter some aspect of military compensation, retirement, or personnel policy. Although bureaucratic task forces are perfectly capable of gathering information for policy analysis and recommendations, they rarely enjoy the political clout necessary to usher in substantive policy change within the subsystem. In contrast, presidentially appointed blue ribbon defense commissions prove to be institutional venues for policy change worthy of close scholarly examination. More specifically, each of my three cases – the 1948 Hook Commission, 1970 Gates Commission, and 1986 Packard Commission – demonstrate how effective blue ribbon commissions can flood the subsystem with information to induce non-incremental policy change.

Plan for the Dissertation

This dissertation breaks down into nine remaining chapters. Chapter 2 briefly outlines contemporary issues in military pension policy, including the policy's current

structure and context on the Washington, DC policy debate surrounding reform. This chapter provides necessary context for the rest of the dissertation by illustrating the many challenges surrounding retirement policy reform.

Chapter 3 lays the theoretical foundation for this project by providing a shared understanding and review of the relevant policy literatures. I begin by outlining the early origins of the policy subsystems literature and delve into more recent definitions and typologies of the policy subsystem. Next, I discuss the insular nature of information processing within autonomous policy subsystems. I follow with a background discussion on bureaucratic autonomy – presumably the cornerstone of an autonomous policy subsystem – social constructions of the military and political participation among service members. I then draw from punctuated equilibrium theory and the multiple streams framework to offer an original perspective on blue ribbon commissions as institutional venues for policy change.

With help from the historical record and previous works by prominent scholars of American political development, chapter 4 begins with the origins of veterans’ pension policy during the American Revolution and contends that a robust veterans’ policy subsystem emerged in the wake of the Civil War as multiple stakeholders entered the pension policymaking fray in dynamic and fluid fashion. These stakeholders include the congressional committees of jurisdiction, bureaucracies dedicated to veterans’ services

and pensions, powerful veterans' lobbies and influential private interests, an attentive media, and policy entrepreneurs attempting to break into the subsystem.

Chapters 5 and 6 trace the evolution and transformation of the veterans' policy subsystem from the Civil War through World War II by way of veterans' interest group lifecycles, bureaucratic consolidation, legislative reorganization, and policy reform. First, powerful veterans' interest groups like the Grand Army of the Republic emerged in the wake of conflict, thrived in the policymaking process for a period of time, and faded out as a generation of Civil War veterans passed away and a new generation emerged. Second, bureaucratic consolidation during the interwar period raised the visibility of veterans' policy within government and professionalized and streamlined the delivery of veterans' services. Third, legislative reorganization in the wake of World War II significantly reduced the number of actors and institutions interested in military pension policy by effectively splitting veterans' policy and military personnel policy into two separate subsystems. Finally, this now-autonomous military personnel policy subsystem successfully fended off various policy reform efforts threatening its jurisdiction, including the fleeting Military Retirement Reform Act of 1986, or "REDUX."

Chapter 7 brings the contemporary military personnel policy subsystem to life and operationalizes this dissertation's renewed theory of autonomous policy subsystems. With data compiled from 50 elite interviews, I offer five important findings. First, the Pentagon stove pipes expert information through bureaucratic hierarchies and is often unresponsive to Congress' demands for timely information. Second, subsystem actors see

a clear distinction between power and influence within the subsystem as members of Congress wield the power and Veterans' Service Organizations (VSOs) wield the influence. Third, high rates of congressional and bureaucratic turnover on the military personnel subcommittees and within the Pentagon are detrimental to the subsystem's institutional memory. Fourth, subsystem actors search for and prioritize public and private interinstitutional signals from the presidential administration, military service chiefs, and prominent members of Congress. Finally, issues surrounding military social policy attract a whole new set of competing actors and institutions into the subsystem's policymaking process, thereby expanding the scope of conflict and bringing about policy change.

Chapter 8 highlights the role of blue ribbon defense commissions as institutional venues for policy change. As such, there is a clear historical precedent for the establishment of blue ribbon defense commissions to explore important matters of military personnel policy. This chapter argues that the most successful blue ribbon defense commissions are chaired by prominent defense leaders, include a wide-spectrum of policy stakeholders in the information gathering process, and devise a coherent political strategy to facilitate subsystem breakdown and policy change. Commissions of this sort aim to gather new information, circumvent bureaucratic stove pipes, redefine problems, reframe policy images, facilitate subsystem breakdown, and usher in policy change.

Three notable blue ribbon defense commissions – the 1948 Hook Commission, 1970 Gates Commission, and 1986 Packard Commission – all successfully flooded the subsystem with new information to induce some important non-incremental policy change. For instance, the Hook Commission recommended a complete restructuring of military compensation policy and led to the 1949 Career Compensation Act. Similarly, the Gates Commission ushered in the end of conscription and the formation of the All-Volunteer Force. Finally, the Packard Commission helped clear the way for the 1986 Goldwater-Nichols Department of Defense Reorganization Act unifying the Pentagon in the wake of the failed Iran hostage rescue and bombing of the Marine barracks in Beirut.

Chapter 9 offers several subsystem recommendations for the twenty-first century All-Volunteer Force. First, I begin with a discussion of the controversial 2013 Ryan-Murray budget deal and its implications for long term change to military retirement policy. Second, I examine the 2015 Military Compensation and Retirement Modernization Commission (MCRMC) and its prospects for success. Established by the 2013 National Defense Authorization Act, President Obama appointed the commission's chairperson while Congress appointed the remaining eight commissioners. In the wake of the wars in Iraq and Afghanistan as the military draws down and the defense budget shrinks, retaining a generation of warfighters will be the military's primary personnel challenge. Significant change to military pension policy, without corresponding changes in the military personnel management system to incentivize retention, could leave the armed forces without the necessary talent pool from which to develop the next generation

of senior leaders. Finally, I end the chapter with a set of practical subsystem recommendations to address frequent bureaucratic turnover, insular information processes, and archaic personnel management.

Chapter 10 completes the dissertation by reiterating my renewed theory of autonomous policy subsystems. Here I also synthesize each chapter's theoretical conclusions. Lastly, I posit qualitative and quantitative ideas for related future research agendas before concluding the dissertation with final thoughts.

Chapter 2: Contemporary Issues in Military Pension Policy

Military pensions have a long history in American political development. First considered as a means to retain volunteers in General George Washington's Continental Army, early lawmakers used disability and service pensions as an expression of national gratitude for those who served in the Revolution. Following the Civil War, northern Republicans rewarded veterans of the *Union Army* with healthy federal pensions at the expense of southern taxpayers and veterans of the confederacy. In the 1920s, Congress and the executive were bitterly divided over the World War Adjusted Compensation Act, or "Bonus Bill," enacted into law by veto override. Veterans of the Second World War received unprecedented education, mortgage, and commercial loan benefits – propelling an entire generation into the American middle class – by way of the Serviceman's Readjustment Act of 1944, more commonly known as the GI Bill. These historical precedents laid the foundation for the current military personnel and pension systems, first codified into law through the 1947 Officer Personnel Act.

This short chapter breaks down into four sections. First, I briefly review current military retirement policy. Second, I place the contemporary Washington, DC policy debate in context. Third, I discuss the differences between military and civilian pensions. Fourth, I review the structure and players of the military personnel policy subsystem.

Military Retirement Policy

Before delving into the ongoing pension debate within the defense community, a brief overview of current military retirement policy – in terms of eligibility, benefits, and

funding – is in order. The current military retirement system is a noncontributory, defined benefit pension program with “cliff vesting” after 20 years of service. Upon vesting, service members become eligible to receive military retired pay³ – deferred cash compensation equal to half of the average of a person’s “high-three” years of basic pay with 100 percent cliff vesting after 20 years of total service.⁴ The high-three varies per person and depends on rank attained, total years of service, and time in grade. Service members generally fall into the “O” or “E” pay scales for officers or enlisted, respectively.⁵ Within the pay scales, a person’s pay grade is designated by a number. For instance, an “O-5” lieutenant colonel who retired after twenty years of service in 2013 would receive approximately \$48,262 per year in retired compensation, adjusted annually for inflation based on the Consumer Price Index (CPI). Similarly, an “E-7” sergeant first class with 20 years of service would receive \$24,362 per year with annual Cost of Living

³ The Department of Defense officially uses the term “retired pay” to differentiate it from a “pension” so that officers, in extreme circumstances, can be called back into service after retirement. For instance, President George W. Bush called General Peter Schoomaker out of retirement to serve as the 35th Army Chief of Staff from 2003 to 2007.

⁴ Paul F. Hogan, “Overview of the Current Personnel and Compensation System,” in *Filling the Ranks: Transforming the U.S. Military Personnel System*, ed. Cindy Williams (Cambridge: MIT Press, 2004), 29-53. Example: $\frac{1}{2} * \frac{(Y_r + Y_{r-1} + Y_{r-2})}{3}$, where Y_r is base pay at year of retirement, Y_{r-1} and Y_{r-2} are base pay at one and two years prior to retirement, respectively.

⁵ Warrant Officers, an important but relatively small population of technical specialists, are coded under the “W” pay scale.

Adjustments (COLA) based on CPI.⁶ In 2013, the total number of living, non-disability, active duty and reserve retirees surpassed 1.85 million.⁷

The basic pay percentage that retirees are eligible to earn grows by 2.5 percent for every additional year of service beyond 20 years. For example, a person who retires after 22 years of service is eligible for 55 percent of his or her high-three average. A service member who retires after 30 years of service, the statutory limit for all but the most senior ranks, receives 75 percent of his or her high-three average. In an effort to retain the most senior generals and admirals, the 2007 National Defense Authorization Act allows these most experienced leaders to earn more in retirement than they do on active duty.⁸ For those in the Reserve Component (National Guard and Reserves), service members generally serve “one weekend a month, two weeks a year” with overseas deployments and humanitarian and disaster relief duty as necessary. Over the course of that reserve service, these individuals earn points toward “qualifying years.” After 20 qualifying years, guardsmen and reservists become retirement eligible at 60 years old.

In 1984, the Department of Defense transitioned from a “pay-as-you-go” to an accrual method to fund military retirement and promote better financial management. As

⁶ These figures are based on the author’s calculations using the aforementioned equation. See the *Defense Finance and Accounting Service* for up to date pay scales and salary figures. Available from <http://www.dfas.mil/militarymembers/payentitlements/militarypaytables.html>; Internet.

⁷ Alphonso Maldon, Jr., “Interim Report,” *Military Compensation and Retirement Modernization Commission* (2014), 44-46. Available from <http://www.mcrmc.gov/public/docs/reports/MCRMC-Interim-Report-Final-HIRES-L.pdf>; Internet.

⁸ Tom Vanden Brook, “Some Top Military Brass Making More in Pension than Pay,” *USA Today*, 3 February 2012. Available from <http://usatoday30.usatoday.com/news/military/story/2012-01-26/military-officers-pensions/52939598/1>; Internet.

such, increases in total force size, personnel pay, and COLAs immediately impact DOD payments to the Military Retirement Fund (MRF). (See figure 1 below). Further, the RAND Corporation, a Federally Funded Research and Development Center (FFRDC), describes the accrual method as follows:

Under this procedure, each year the services transfer into [the Military Retirement Fund] the amount necessary to pay for future retirements. The amount transferred is a percentage of the service's basic pay. Thus, if a service implements policies that affect the future value of retirement benefits, it sees the budgetary consequences of that decision immediately in the form of an increase in the amount transferred to the retirement fund.⁹

As I will discuss in greater detail at the end of chapter 6, this change to accrual accounting came about in large measure through Congressman Les Aspin's efforts to find budgetary savings in the military's retirement system and raise the visibility for potential savings in the out years by tying them to near term congressional decisions.

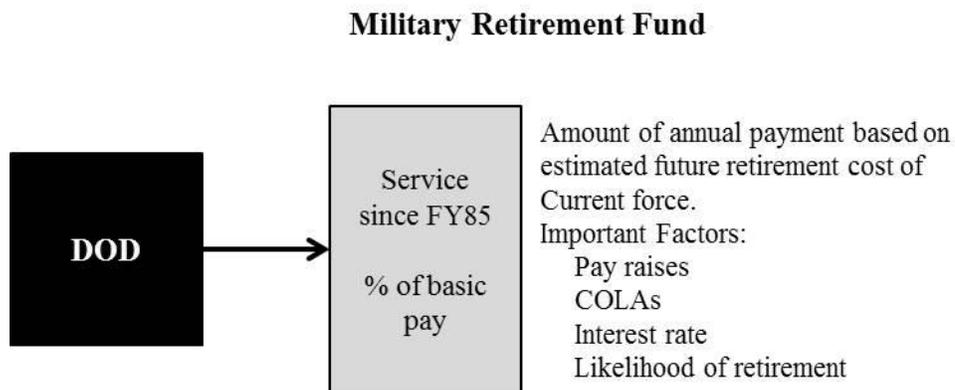


Figure 1: Operation of DOD Retirement Fund. Source: RAND Corporation (1997).¹⁰

⁹ William M. Hix and William W. Taylor, "Research Brief: Funding Military Retirement," *RAND Corporation* (1997). Available from http://www.rand.org/pubs/research_briefs/RB3005/index1.html; Internet.

¹⁰ William M. Hix and William W. Taylor, "A Policymaker's Guide to Accrual Funding of Military Retirement," *RAND Corporation* (1997), xiii.

In 2012, Pentagon appropriations to the MRF amounted to \$23.4 billion.¹¹ That same year, however, outlays from the MRF to military retirees were approximately \$52 billion – more than double the appropriations.¹² In fact, outlays from the MRF to military retirees have increased from \$35.1 billion in 2002 to \$54.7 billion in 2013 – a 55.8 percent increase.¹³ Clearly, this creates a structural mismatch whereby significantly more money is going out than is coming in. What is more, the *Congressional Budget Office (CBO)* expects MRF outlays to reach \$59 billion by 2022.¹⁴ As a result of the military’s growing pension rolls and increased MRF outlays, retirement payments are among the military’s largest personnel costs, second only to basic pay for the entire active force.¹⁵

The Beltway Policy Debate

With some general knowledge of military retirement policy, benefits, and funding, understanding the current policy debate inside the Washington, DC “beltway” will put both sides of this important and understudied issue in context. One fact is scarily apparent: looming defense budget cuts raise concerns about the future of the All-Volunteer Force. According to the *Center for Strategic and Budgetary Assessments (CSBA)*:

¹¹ Maren Leed, “Keeping Faith,” *Center for Strategic and International Studies* (2011), 15. Available from http://csis.org/files/publication/111118_Leed_KeepingFaith_WebS.pdf; Internet.

¹² David F. Burelli and Barbara Salazar Torreon, “Military Retirement: Background and Recent Developments,” *Congressional Research Service* (2014), 12-13. Available from <http://fas.org/sgp/crs/misc/RL34751.pdf>; Internet.

¹³ *Ibid.*, 12.

¹⁴ Douglas W. Elmendorf, “Costs of Military Pay and Benefits in the Defense Budget,” *Congressional Budget Office* (2012), 27. Available from http://www.cbo.gov/sites/default/files/cbofiles/attachments/11-14-12-MilitaryComp_0.pdf; Internet. CBO presents these estimates in 2012 dollars.

¹⁵ Hogan, 49.

The all-volunteer force, in its current form, is unsustainable. Over the past decade, the cost per person in the active-duty force increased by 46 percent, excluding war funding and adjusting for inflation. If personnel costs continue growing at that rate and the overall defense budget remains flat with inflation, military personnel costs will consume the entire defense budget by 2039.¹⁶

CSBA is just one of many Washington, DC based think tanks raising questions about escalating personnel costs.

The *Center for a New American Security (CNAS)* estimates that from 2002 to 2012, military personnel costs rose some 46 percent in constant dollars as the actual number of military personnel in uniform remained “relatively constant.”¹⁷ The same report further states:

On the military side, personnel costs are the fastest growing segment of the Pentagon budget, squeezing out other segments such as procurement of new weapons systems and operations and maintenance. By 2014, the costs of military benefits, such as retirement pay, post-service medical care for retirees (Tricare for Life), G.I. Bill benefits, and housing benefits will overtake direct personnel costs for the active force, meaning that the Pentagon will spend more on former troops than on current ones.¹⁸

Former Assistant Secretary of Defense Lawrence Korb, et al. of the *Center for American Progress (CAP)* outlines three main problems with current military retirement policies. First, only 17 percent of service members stay in uniform long enough to earn retirement benefits. Second, the 20 year retirement policy hinders effective force shaping

¹⁶ Todd Harrison, “Rebalancing Military Compensation: An Evidence Based Approach,” *Center for Strategic and Budgetary Analysis* (2012), i. Available from <http://csbaonline.org/publications/2012/07/rebalancing-military-compensation-an-evidence-based-approach/>; Internet.

¹⁷ Phillip Carter, “Upholding the Promise,” *Center for a New American Security* (2012), 8. Available from <http://www.cnas.org/publications/reports/upholding-the-promise-supporting-veterans-and-military-personnel-in-the-next-four-years>; Internet. This estimate includes all forms of compensation – basic pay, retirement benefits, health care, etc.

¹⁸ *Ibid*, 21.

as Pentagon officials are often reluctant to separate mid-career service members. Finally, aggregate costs of the retirement benefit exceed \$100 billion per year as military retirees typically reap about 40 years of benefits for 20 years of service.¹⁹

Maren Leed of the *Center for Strategic and International Studies (CSIS)* echoes Korb, et al. Figure 2 below illustrates the growth in personnel costs from \$126.9 billion in 2002 to \$186.8 billion in 2012. Of the \$186.8 billion in personnel costs for 2012, \$23.4 billion of that was allocated toward retirement benefits.²⁰ Leed offers four reasons retirement costs have grown from 2000 to 2012. First, rising salaries for service members created a “multiplier effect” as retirement benefits are calculated based on the individual’s average high-three basic pay. Second, approximately 60 percent of retirement eligible service members decided to continue their service, thereby increasing future entitlements. Third, military retirees are simply living longer. Finally, the Department of Defense was forced to make up for retirement account shortfalls based on faulty actuarial assumptions.²¹

¹⁹ Lawrence J. Korb, Alex Rothman, and Max Hoffman, “Reforming Military Compensation: Addressing Runaway Personnel Costs Is a National Imperative,” *Center for American Progress* (2012), 4-5. Available from <https://www.americanprogress.org/issues/security/report/2012/05/07/11573/reforming-military-compensation/>; Internet.

²⁰ Leed, 15. \$23.4 billion represents \$19.1 billion in retirement costs and \$4.3 billion in social security contributions.

²¹ *Ibid*, 15-16.

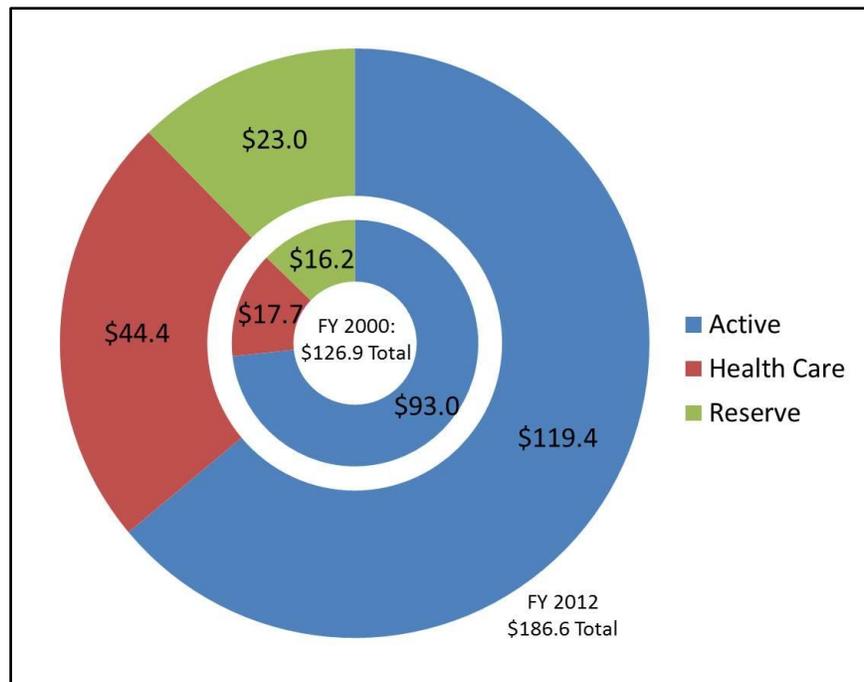


Figure 2: Change in Total Compensation Costs, 2002-2012 (\$Billions). Source: *Center for Strategic and International Studies* (2011).

The 2012 Quadrennial Review of Military Compensation (QRMC) estimates that the federal government spent approximately \$186.9 billion on military compensation in Fiscal Year 2010, with \$17.7 billion of that specifically dedicated to retired pay accrual – roughly 9.5 percent annually.²² Additionally, the 2011 Budget Control Act and subsequent sequester required the Department of Defense to reduce baseline spending by \$259 billion over the next decade, an almost 9 percent cut.²³ Finally, in a 2011 review of military compensation, the *Defense Business Board (DBB)* labeled the current retirement

²² Clifford Stanley, *Report of the 11th Quadrennial Review of Military Compensation* (Washington, DC: U.S. Department of Defense, 2012), 17. Available from [http://militarypay.defense.gov/reports/qrmc/11th_QRMC_Main_Report_\(290pp\)_Linked.pdf](http://militarypay.defense.gov/reports/qrmc/11th_QRMC_Main_Report_(290pp)_Linked.pdf); Internet.

²³ Anthony H. Cordesman and Robert M. Shelela II, “Defense Budget Cuts, Sequestration, and the 2014 Budget Submission,” *Center for Strategic and International Studies* (2013), 4. Available from http://csis.org/files/publication/130429_us_defense_budget_cuts.pdf; Internet.

system “unfair, unaffordable, and inflexible” as the 20 year cliff vesting requirement means that only 17 percent of service members will ever see retirement benefits.²⁴

The Army’s *Office of Economic and Manpower Analysis (OEMA)* estimates that officers who approach 10 years of service have an 80 percent probability of serving a full 20 year career and earning retirement benefits.²⁵ Consequently, some 49 percent of all officers retire from the military; whereas, only 17 percent of enlisted personnel retire.²⁶ Clearly, of the sliver of active duty troops who manage to serve a full 20 year career and earn pension eligibility, the current retirement system disproportionately favors the officer corps, arguably the population of active duty service members who need the working age retirement income the least.

Commissioned officers enter the service with a bachelor’s degree and many are able to obtain a graduate degree during their military careers. With significant management experience and strong educational backgrounds, officers are better equipped to translate their military skills into a compelling civilian resume. Meanwhile, enlisted service members often struggle in this regard and consequently rely upon their service pensions to supplement their post-military incomes. With 83 percent of service members receiving no pension benefits whatsoever, equity in the current retirement system has become a glaring problem for defense policymakers. What is more, the current military

²⁴ “Modernizing the Military Retirement System,” *Defense Business Board* (2011), 8-11.

²⁵ Casey Wardynski, David S. Lyle, and Michael J. Colarusso, “Toward a U.S. Army Officer Corps Strategy for Success: Retaining Talent,” *Strategic Studies Institute* (2010), 23. Available from <http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=965>; Internet.

²⁶ Stanley, 20.

retirement system creates a structural mismatch between personnel retention and talent management. According to the *Strategic Studies Institute (SSI)*, “The current cliff-vested military retirement pension may encourage the military to retain service members who are not sufficiently productive simply so that they may receive a retirement benefit.”²⁷

While the aforementioned think tank and defense department reports highlight concerns with the current retirement system, prominent VSOs, like the *Military Officers Association of America (MOAA)*, are steadfastly opposed to any reform they see as potentially harmful to the long term viability of the All-Volunteer Force. In a 2012 internet video, Navy Vice Admiral (Ret.) and MOAA spokesperson, Norbert Ryan, speaks to “set the record straight” on military personnel costs. He passionately argues that personnel costs, contrary to analyst and policymaker claims, are not “spiraling out of control.” Ryan continues, “Military pay and health care costs are not eating up more and more of the Pentagon’s budget. They are roughly one-third of the budget. The same as they have been for the past 30 years. [Claims otherwise] are exaggerated, insincere, and simply wrong.”²⁸

Ryan’s point that personnel costs historically consume one-third of the defense budget is an accurate portrayal of reality. However, Ryan ignores the fact that defense budgets have skyrocketed since 9/11, meaning that personnel costs have too. Moreover,

²⁷ Roy A. Wallace, David S. Lyle, and John Z. Smith, “A Framework for Restructuring the Military Retirement System,” *Strategic Studies Institute* (2013), 6. Available from <http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=1162>; Internet.

²⁸ Norbert Ryan, “The Truth about Military Personnel Costs,” *Military Officers Association of America* (2013). Video available from <http://www.moaa.org/personnelcosts/>; Internet.

his argument rests on the normative assumption that defense spending ought to remain high in order to accommodate current levels of personnel spending. But as the defense budget shrinks, policymakers are now being forced to choose between “keeping faith” with the troops by dipping into training and readiness accounts to cover personnel costs or dramatically cutting the size of the force to maintain a balance across defense accounts. The dangerous consequence of lopsided defense spending is the inadvertent creation of a “hollow force,” a military that is structurally too large to adequately man and too cash strapped to adequately train and equip. With so much of the defense budget tied to personnel costs, a continuing need to recruit and retain a generation of talented service members, and an ever changing twenty-first century economy, military retirement policy is ripe for a renewed scholarly examination.

The Military Retirement System vs. Public Pension Systems

With the end of conscription and the advent of the All-Volunteer Force in 1973, increasingly lucrative benefits of all kinds – basic pay, comprehensive healthcare, and housing and subsistence allowances – were necessary to recruit and retain a military workforce in a competitive market-based economy. The military is hardly the only public institution to rely on lucrative benefits to recruit and retain its labor pool. City and state governments all across the country have struggled to fund public pension liabilities in the wake of the 2008 financial crisis. Analysts and pundits often blame labor unions and

irresponsible politicians for these seemingly national pension woes.²⁹ Like other American public institutions, the Department of Defense is not immune to fiscal uncertainty. However, unlike other public institutions, the Pentagon does not make collective bargaining agreements with members of the U.S. military.

Whereas many federal, state, and local government employees around the country can join public sector labor unions to leverage their collective strength relative to their public employers', service members have no such ability. The American military is not a unionized institution. Certainly, collective bargaining has no place in an institution where good order and discipline and command and control are central to war-fighting and mission accomplishment in far-flung, dangerous combat zones around the world. This reality makes the military retirement policymaking process much simpler than in other public institutions. For instance, while the VSOs that represent service members are quite influential, as I demonstrate throughout this dissertation, they have nowhere near the ability to expand the scope of policy conflict the way public labor unions do. In short, VSOs cannot call for or lead boycotts, walkouts, sit-ins, or strikes to protest military compensation or retirement policies the way labor unions might. On the contrary, these groups find other ways to influence the policymaking process while service members remain on the job to protect and defend the nation. Consequently, any direct comparison

²⁹ Jeffrey Dorfman, "Public Pensions Are Still Marching To Their Deaths," *Forbes Magazine*, 11 September 2014. Available from <http://www.forbes.com/sites/jeffreydorfman/2014/09/11/public-pensions-are-still-marching-to-their-death/>; Internet.

to the military retirement system and other public pension systems is untenable at best. As such, I make no such attempt to do so in this dissertation.

The Military Personnel Policy Subsystem

The four main goals of the military personnel policy subsystem are to *recruit* able-bodied young men and women, *retain* talented and experienced mid-career professionals, *separate* the most senior troops from the military, and *reward* these veterans with generous benefits as an expression of national gratitude for their service. This policy subsystem has leveraged each of these goals at different points in American history to meet the needs of the military in times of both war and peace. The military pension, in its various forms over time, has been a particularly effective tool in achieving these four subsystem goals. For instance, Congress passed legislation instituting service and disability pensions on the eve of the Civil War to *recruit* volunteers.

Although not very effective at recruiting young troops, the 20-year service pension *is* a very effective tool to *retain* service members in times of war and mid-way through their careers. As I highlight in chapter 4, General George Washington pressed the Continental Congress to authorize service pensions as a means to retain his crumbling Continental Army during the harsh Valley Forge winter of 1777-1778. Conversely, at the end of World War II, General Dwight Eisenhower called upon Congress and the armed services committees to pass the Officer Personnel Act of 1947, tying the 20 year pension policy to an “up or out” promotion system as a means to *separate* “deadwood” from the ranks and trim the Army’s bloated personnel rolls.

Beyond recruitment, retention, and separation, the subsystem has always excelled at *rewarding* service members with, at times, tremendous generosity and governmental largess. Policy entrepreneurs and subsystem actors and institutions advocate for increased pension benefits for years after conflict. These constant lobbying efforts result in financial support that can last for generations. In short, the military personnel policy subsystem's primary function within the American national security and defense apparatus is to effectively recruit, retain, separate, and reward service members. It has relied and will continue to rely upon any and all available tools to accomplish these policy goals.

Subsystem Players

With an operating definition of the policy subsystem and a framework to understand military pension policy in mind, the next step is to identify subsystem players. In abstract terms, the military personnel policy subsystem is composed of congressional subcommittees for military personnel, defense and military bureaucrats, VSOs, policy entrepreneurs, a small but dedicated group of policy analysts from prominent Washington, DC think tanks, university scholars, and specialized defense media. Meanwhile, service members and military retirees act as the subsystem's target population. Note that no one subsystem actor or institution is "in charge." Policy subsystems are unique in that each institution sits on a level playing field bringing with it a specific function that helps the subsystem operate, i.e. representation, expertise,

information, attention, advocacy. Figure 3 below illustrates the military personnel policy subsystem. See Appendix 1 for lists of subsystem actors and institutions.

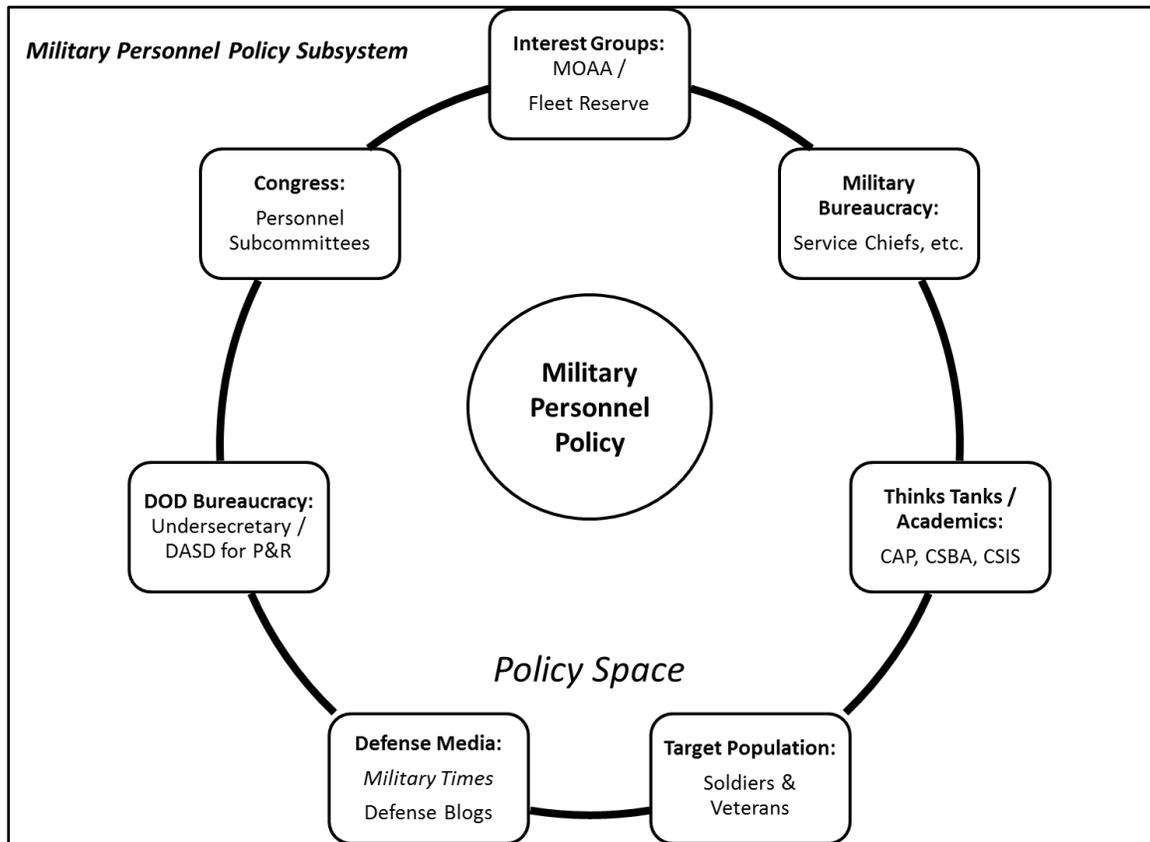


Figure 3: Military Personnel Policy Subsystem (May 2015).

Moving a step beyond this abstract conceptualization, it may be helpful to bring the subsystem to life by specifying who these actors and institutions are. For instance, 14 representatives make up the House Armed Services Committee’s (HASC) Military Personnel Subcommittee chaired by Congressman Joseph Heck of Nevada. Similarly, 11 senators make up the Senate Armed Services Committee’s (SASC) Personnel

Subcommittee chaired by Senator Lindsey Graham of South Carolina. Though assigned to the personnel subcommittees, these members of Congress have varying levels of interest in military personnel policy and often look to the subcommittee chair, ranking member, and professional staff for advice and guidance.

In the Pentagon, the Undersecretary of Defense (USD) for Personnel and Readiness (P&R) leads a relatively small office, compared to the other undersecretaries, with just three Assistant Secretaries of Defense (ASDs) and only a handful of Deputy Assistant Secretaries of Defense (DASDs). Of the DASDs in P&R, two in particular have jurisdiction on matters of personnel and compensation policy, the DASD for Military Personnel Policy and the DASD for Reserve Affairs. These DASDs are supported by several career bureaucrats who have been working on military personnel issues in some capacity or another for much of their professional careers. Only the undersecretary and assistant secretaries are subject to Senate confirmation.

The undersecretary also works with assistant secretaries within the military services – Army, Navy, and Air Force. These three assistant secretaries are also Senate confirmed political appointees, reporting to their respective service secretaries. The assistant secretaries work hand in hand with general or admiral counterparts in the services charged with directing personnel policy for the service chiefs. While the assistant secretaries of the Army and Air Force have direct general officer counterparts, in the Department of the Navy, the assistant secretary works with the Chief of Naval

Personnel and Deputy Commandant of the Marine Corps for Manpower and Reserve Affairs.

The most senior military leaders in the Pentagon with purview on personnel matters are the seven members of the Joint Chiefs of Staff: Chairman of the Joint Chiefs of Staff General Martin E. Dempsey; Vice Chairman Admiral James A. Winnefeld, Jr., Chief of Staff of the Army General Raymond T. Odierno, Chief of Naval Operations Admiral Jonathan Greenert, Chief of Staff of the Air Force General Mark A. Welsh III, Marine Corps Commandant General Joseph F. Dunford, Jr., and Commandant of the National Guard Bureau General Frank J. Grass. Each of these 4-star officers charges a subordinate general or admiral with jurisdiction on manpower and personnel issues.

Prominent interest groups within the personnel policy subsystem are VSOs like the Military Officers Association of America (MOAA), Fleet Reserve Association (FRA), American Legion, Veterans of Foreign Wars (VFW), Reserve Officers Association (ROA), and, more recently, Concerned Veterans of America (CVA) and Iraq and Afghanistan Veterans of America (IAVA). Among these various groups, The Military Coalition (TMC) is especially noteworthy. TMC is a powerful umbrella organization that mobilizes its network of veterans groups and associations to rally their respective members for lobbying and advocacy purposes.

Subsystem media institutions include defense reporters from national media outlets like the *New York Times*, *Washington Post*, and *Wall Street Journal* and

journalists from smaller defense media outlets. Beyond traditional newspapers, defense blogs and websites like *The Best Defense*, *Defense One*, *Breaking Defense*, and *Real Clear Defense*, among others, have gained a great deal of traction among service members and defense specialists interested in a wide spectrum of defense, security, and international issues.

Media coverage of military personnel issues is sparse at best. Among the national news outlets, reporting on personnel policy generally revolves around budgets and personnel costs, especially when the armed services committees mark-up and vote on each chamber's version of the annual NDAA. Meanwhile, defense blogs and websites tend to be more willing to delve into policy specifics and explore proposal details for their more interested and better informed readerships.

Only a handful of policy scholars and analysts at influential think tanks, research institutes, universities, and Federally Funded Research and Development Centers (FFRDCs) work on military personnel issues. This analysis ranges from budget proposals and economic models to policy recommendations and implementation evaluations. What is especially noteworthy is that each think tank or institute typically only employs one or two personnel specialists; whereas, the FFRDCs employ entire departments worth of personnel specialists. Beyond their institutional affiliation, any of the aforementioned subsystem players can act as a subsystem policy entrepreneur to bring about change by coupling the problem, policy, and politics streams through a window of opportunity.

Chapter 3: Re-Imagining Autonomous Policy Subsystems

Scholars of all stripes have offered various definitions, conceptualizations, and typologies for the policy subsystem. But the literature has grown stagnant over the past two decades as few scholars have attempted to address this important subject in new and innovative ways. The time has come for scholars to re-imagine autonomous policy subsystems to better understand policy stasis and change. The purpose of this chapter is twofold. First, I draw from prior works and previous definitions to provide the theoretical foundation of the policy subsystem. Here I also examine subsystem typologies to reveal varying levels of subsystem conflict, including a discussion on subsystem breakdown and policy change. Second, I offer a renewed theory of autonomous policy subsystems and highlight its contribution to the subsystems literature.

Theoretical Foundations

From whirlpools and subgovernments to iron triangles and issue networks, political scientists have wrestled with various conceptions of the policy subsystem for more than 75 years. For example, Washington *whirlpools* – “centers of activity focusing on particular problems” – include civil servants, members of Congress, lobbyists, researchers, and journalists who come together to share ideas for programs, policies, and strategies.³⁰ Although the whirlpool construct offers a helpful list of participants who collaborate in the policymaking process, it fails to account for policy conflict between these participants.

³⁰ Ernest S. Griffith, *The Impasse of Democracy: A Study of the Modern Government in Action* (New York: Harrison-Hilton, 1939), 182.

Like the whirlpool, *subgovernments* are composed of an array of actors and institutions, including “the expert, the interested, and the engaged,” who “strive to become self-sustaining” by maintaining control of everything within their respective policy arenas.³¹ For example, scholars have argued that the largest and most pervasive of these subgovernments is the defense subgovernment, stemming from the rise of the powerful “military-industrial complex” in the years following World War II through present day.³² Clearly, the subgovernment construct speaks to control and autonomy in the policymaking process. But its list of participants is rather vague and could encompass parties with seemingly no interest, influence, or power in the process.

The most common and often misapplied of these various conceptions is the *iron triangle*. The defining feature of an iron triangle is that it is a “relatively closed policy arena emphasizing stable relations among a limited number of participants.”³³ Iron triangles maintain control of various public policies through a series of connections between “executive bureaus, congressional committees, and interest group clienteles with a stake in particular programs.”³⁴

But “[t]he iron triangle concept,” as scholar Hugh Hecllo contends, “is not so much wrong as it is disastrously incomplete...Looking for the closed triangles of control,

³¹ Douglass Cater, *Power in Washington: A Critical Look at Today's Struggle to Govern in the Nation's Capital* (New York: Random House, 1964), 17.

³² *Ibid.*, 26-48.

³³ Daniel McCool, “The Subsystem Family of Concepts: A Critique and a Proposal,” *Political Research Quarterly* 51, no. 2 (1998): 551.

³⁴ Hugh Hecllo, “Issue Networks and the Executive Establishment,” in *The New American Political System*, ed. Anthony King (Washington, DC: American Enterprise Institute, 1978), 88.

we tend to miss the fairly open networks of people that increasingly impinge upon government.”³⁵ As such, he offers the *issue network* – “a shared knowledge group having to do with some aspect of public policy” – as an alternative.³⁶

While this dynamic conceptualization is more helpful than the static iron triangle, the issue network as a theoretical construct presents three problems of its own. First, as issue network participation is all inclusive, frameworks that place high importance on *everything* and *everyone* ultimately place importance on *nothing* and *no one*. Second, government is not organized to deliver benefits and burdens to this fluid and complicated web of issue networks. Rather, government delivers benefits and burdens to discrete sets of actors and institutions with a stake in the policymaking process. Third, issue networks hold no actor or institution accountable for policy formulation as the only requirement for membership is “watching, reading, talking about, or trying to act on particular policy problems.”³⁷ In the digital age, anyone who actively or passively receives emails or newsletters on a given policy issue meets the prerequisites for issue network membership. Surely, this is too low a barrier for entry into an elite-driven policymaking process.

Policy Subsystems

While whirlpools, subgovernments, iron triangles, and issue networks each account for some important facet of the policymaking process, each also falls short in some other way. Consequently, the policy subsystem, as it has evolved theoretically over

³⁵ Ibid.

³⁶ Ibid, 103.

³⁷ Ibid, 102.

the years, offers a more comprehensive means by which to understand the policymaking process. A *policy subsystem* is closely related to an iron triangle, subgovernment, or policy monopoly. While the iron triangle is quite narrow in scope, a policy subsystem is broader and much more inclusive.

This theoretical evolution, from whirlpool to subsystem, is in part due to the work of three scholars: J. Leiper Freeman, Emmette Redford, and Daniel McCool. Freeman argues that a subsystem is made up of “patterns of interactions of participants, or actors, involved in making decisions in a special area of public policy...formed by an executive bureau and congressional committees, with special interest groups intimately attached.”³⁸ Freeman’s definition of “subsystem” – nearly identical to the aforementioned “subgovernment” or “iron triangle” – belies his contribution to the literature’s theoretical evolution. Rather than studying macro-institutional relationships or micro-interpersonal relationships, Freeman understood that real policymaking takes place within and between “semi-autonomous” organizational sub-units of political institutions, i.e. bureaucratic divisions, congressional subcommittees, and interest group departments.³⁹ He writes, “It is out of their positions as leaders of these semi-autonomous, specialized organizations that the major participants in the subsystems derive status as policy-makers.”⁴⁰ Freeman uses “semi-autonomous” to describe subsystem organizations because in his view, institutions like the Presidency and Congress still retain ultimate authority over their

³⁸ J. Leiper Freeman, *The Political Process: Executive Bureau-Legislative Committee Relations* (New York: Double Day & Company, Inc., 1955), 5.

³⁹ *Ibid*, 10-15.

⁴⁰ *Ibid*, 15.

organizational sub-units. Freeman's perspective, however, lends too much credence to "hierarchical control" of policy subsystems. In fact, subsystems can prove adaptable and resilient when competing actors and institutions consolidate power in the face of jurisdictional threats from macro-political leaders like the president or speaker of the House.⁴¹

Like Freeman, Emmette Redford recognizes that subsystems require interinstitutional relationships to thrive in a given policy area. He defines subsystem politics as follows:

[Subsystem politics] is the politics of function, involving the interrelations of bureaus and other administrative operating agencies, the counterpart congressional committee structure, and the interest organizations, trade press, and lobbyists concerned with a particular area of program specialization.⁴²

Subsystems perpetuate these existing interrelations by institutionalizing access to the policymaking process over specific policy areas for vested stakeholders. Adding to his definition, Redford makes several important observations about the nature of subsystems:

First, subsystems provide stability for existing equilibriums among interests...Second, subsystems provide continuous access and superior opportunities for influence to high-quantity, aggregated interests...Third, subsystems provide some access and representation to interests that are not dominant...Fourth, substantial changes in the balances among interests served by subsystems can be expected to occur only through macropolitical intervention that modifies the rules and roles operating in the systems.⁴³

⁴¹ Charles O. Jones and Randall Strahan, "The Effect of Energy Politics on Congressional and Executive Organization in the 1970s," *Legislative Studies Quarterly* 10, no. 2 (1985): 151-179. In studying Richard Nixon and Gerald Ford's failed responses to the 1970s energy crisis, Jones and Strahan find that presidents have a difficult time breaking into subsystems to effect policy change.

⁴² Emmette S. Redford, *Democracy in the Administrative State* (New York: Oxford University Press, 1969), 83.

⁴³ *Ibid.*, 102-105.

Redford's observations suggest that the more powerful and dominant the interest or institution, the more continuous and regular its access to the policymaking process. An institution with limited clout in the subsystem's routine policymaking processes may only receive access when the issue in question is pertinent to its area of expertise. Within the military personnel policy subsystem, for instance, gay rights organizations have little business in the subsystem's day to day work. However, when repeal of the military's controversial "Don't Ask, Don't Tell" (DADT) policy was on the Pentagon agenda in 2010 and 2011, prominent gay rights groups certainly had seats at the table. This "substantial change in the balance among interests," as Redford puts it, was precipitated by a "macropolitical intervention" – President Obama's public support for repeal of DADT in his 2010 State of the Union address.⁴⁴

Finally, Daniel McCool offers the most recent definition of a policy subsystem. He defines a subsystem as "a coalition of policy-influencing and policy-making entities that work together via one or more identifiable strategies in response to conflict or potential conflict over policy."⁴⁵ Subsystems work to maintain stability and retain control of their issue areas. This stability comes about through institutional structure and issue definition.⁴⁶ More clearly, institutional arrangements among familiar actors, agencies,

⁴⁴ Barack Obama, "Remarks by the President in State of the Union Address," 27 January 2010. Available from <http://www.whitehouse.gov/the-press-office/remarks-president-state-union-address>; Internet.

⁴⁵ Ibid, 558.

⁴⁶ Frank Baumgartner and Bryan Jones, *Agendas and Instability in American Politics* (Chicago: University of Chicago Press, [1993] 2009), 15.

and groups perpetuate a particular policy definition that enables the subsystem to maintain its control over issue definition.

Subsystem Conflict and Competition

By its very nature, the politics of the policymaking process involve varying levels of conflict and competition. Subsystem players do everything they can to restrict the scope of policy conflict to minimize the potential for jurisdictional threats from the policymaking environment. If autonomous policy subsystems fail to contain the scope of conflict, as E.E. Schattschneider puts it, “the original participants are apt to lose control of the conflict altogether.”⁴⁷ Surely, no political actor or institution wants to engage in a fair fight if victory is the only acceptable outcome. As such, overwhelming an opponent by mobilizing powerful forces to maintain the policy status quo is one means by which a subsystem can claim victory. These powerful forces typically include the subsystem’s various players – congressional committees, bureaucracies, interest groups, analysts, scholars, and journalists. For the subsystem, “control of the scale of conflict has always been a prime instrument of political strategy.”⁴⁸ Consequently, subsystems create “institutional and intellectual barriers to participation in the policy process.”⁴⁹

One of the most significant barriers to subsystem entry comes by way of bureaucracy. If, as Jeffrey Worsham claims, the congressional committee is the

⁴⁷ E.E. Schattschneider, *The Semisovereign People: A Realist’s View of Democracy* (New York: Holt, Rinehart, and Winston, 1960), 3.

⁴⁸ *Ibid.*, 6.

⁴⁹ Jeffrey Worsham, “Up in Smoke: Mapping Subsystem Dynamics in Tobacco Policy,” *The Policy Studies Journal* 34, no. 3 (2006): 438.

subsystem's anchor⁵⁰ – basing its legitimacy in legislative statutes – the autonomous bureaucracy is the subsystem's propeller – adding power and thrust to policy implementation. The bureaucracy literature is rich with works on the historical development of America's most powerful and autonomous bureaucracies. Bureaucratic autonomy prevails when agencies can establish political legitimacy, including a reputation for expertise, efficiency, moral protection, and a uniquely diverse and complex set of ties to organized interests and the media.⁵¹ A strong bureaucratic reputation and network induces politicians to defer to the preferences of agency officials, giving the bureaucracy wide latitude to operate and innovate without interference, hence "autonomy." No doubt, an autonomous bureaucracy is a key ingredient for subsystem autonomy and necessary for restricting the scope of policy conflict.

For the subsystem challenger, widening the scope of policy conflict through a public call-to-arms is often in its best interest.⁵² As Schattschneider says, "It is the *loser* who calls in outside help."⁵³ Subsystem opponents do so by inviting the policy's target population and even the general public to intervene in the policymaking process, thereby transforming the subsystem's micro-politics into macro-politics. Competition and the "socialization of conflict" break up policy monopolies and raise issue visibility to a

⁵⁰ Ibid, 439.

⁵¹ See Daniel P. Carpenter, *The Forging of Bureaucratic Autonomy: Reputations, Networks, and Policy Innovation in Executive Agencies, 1862-1928* (Princeton: Princeton University Press, 2001).

⁵² Schattschneider, 5.

⁵³ Ibid, 16.

national scale.⁵⁴ Once subsystem opponents have successfully widened the scope of conflict, two things happen. First, the original subsystem players lose control of the policymaking process. Second, “a host of new considerations and complications” become readily apparent as new participants flood the subsystem with information to redefine issues and reframe policy images.⁵⁵ Once these new actors and institutions “become permanent fixtures in Washington,” the subsystem landscape changes forever.⁵⁶

Subsystem Typologies

To characterize subsystem conflict and competition, policy scholars have gone to great lengths to develop subsystem typologies based on the level of conflict within the subsystem.⁵⁷ For instance, McCool contributes to this literature with his two-by-two conception of autonomous, dominant/dissident, pluralized, and conflictual subsystems. See figure 4 below.

⁵⁴ Ibid, 15-16.

⁵⁵ Ibid, 11.

⁵⁶ Thomas L. Gais, Mark A. Peterson, and Jack L. Walker, “Interest Groups, Iron Triangles, and Representative Institutions in American National Government,” *British Journal of Politics* 14, no. 2 (1984): 166.

⁵⁷ See Jeffrey Worsham, *Other People's Money: Policy Change, Congress, and Bank Regulation* (Boulder: Westview Press, 1997). Worsham describes three subsystem types: dominant, transitory, and competitive.

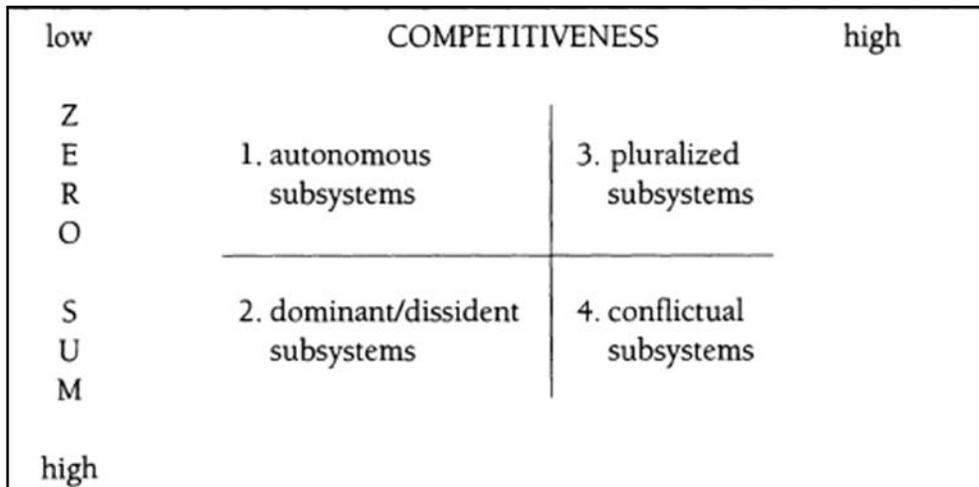


Figure 4: McCool’s Policy Subsystem Typology.⁵⁸

McCool uses two measures to determine the level of conflict in a given subsystem: competitiveness and zero-sum largess. He writes, “Subsystem competitiveness is determined by the relative political resources of competing coalitions, such as financial resources, expertise, intensity of commitment, and ability to utilize information to generate public support.” Likewise, zero-sum largess “refers to the perceived extent and relative availability of resources that can be used to cover outcome costs and benefits. Low zero-sum indicates an allocation of outcome costs/benefits that is perceived as not creating a direct loss to others.”⁵⁹ In describing and defining an autonomous policy subsystem, McCool asserts:

In this strategic context, the subsystem on one side of an issue virtually controls policy, due to overwhelming political power in the face of weak opposition. They have a great deal of autonomy from other political forces, and use their strategic overhead to maintain their competitive advantage. Because of their political dominance, subsystems operating

⁵⁸ McCool, 562.

⁵⁹ Ibid, 561.

in this context can request desired outcome benefits in a zero-sum environment because the losers are not sufficiently powerful to make their losses a political issue...Perhaps the best example of this today is veterans policy, which has continued to receive considerable government largess even in times of budgetary stringency.⁶⁰

The military personnel policy subsystem, especially with regard to retirement policy, most definitely meets this description of an autonomous subsystem as policies supporting generous military pensions face rather limited and weak opposition.

Finally, subsystems also have territorial, functional, and substantive dimensions that often nest or overlap with related subsystems.⁶¹ For instance, scholars use California water policy as an example of these dimensions and how they relate to agriculture policy at large. Such a specific policy area will have researchers, advocacy groups, and journalists dedicated to the issue with some level of expertise. McCool agrees, acknowledging that policy subsystems often include lobbyists, intellectuals or “policy wonks,” and other wealthy elites with a stake in controlling government.⁶² This certainly is true of military (territorial) pension policy (functional/substantive).

Subsystem Breakdown and Policy Change

Two popular and well-studied versions of subsystem breakdown and policy change are punctuated equilibrium theory and the multiple streams framework. Only

⁶⁰ Ibid. 562-563.

⁶¹ See Matthew Zafonte and Paul Sabatier, “Shared Beliefs and Imposed Interdependencies as Determinants of Ally Networks in Overlapping Subsystems,” *Journal of Theoretical Politics* 10, no. 4 (1998): 473-505. See also Paul Sabatier and Christopher Weible, “The Advocacy Coalition Framework: Innovations and Clarification,” in *Theories of the Policy Process*, ed. Paul Sabatier (Boulder: Westview Press, 1997), 192.

⁶² McCool, 553.

recently have scholars examined the role new information plays in inducing subsystem breakdown and policy change. This section offers a brief overview of the three.

Exogenous Shocks and Punctuated Equilibrium Theory

Unlike classic theories that consider policy change an incremental process,⁶³ Punctuated equilibrium theory accounts for both incremental and rapid change in public policy. For instance, True, Jones, and Baumgartner assert, “Punctuated-equilibrium theory includes periods of equilibrium or near stasis, when an issue is captured by a subsystem, and periods of disequilibrium, when an issue is forced onto the macropolitical agenda.”⁶⁴ These periods of equilibrium or disequilibrium are characterized by negative versus positive feedback. Negative feedback maintains policy stability by dampening efforts to change policy. Conversely, positive feedback amplifies modest policy changes by creating a “feeding frenzy” or “bandwagon effect.”⁶⁵

Punctuated equilibrium theory follows a classic pattern. First, a focusing event, policy tragedy, or exogenous shock in American politics occurs. Second, public attention and extensive media coverage soon follow. Third, members of Congress take notice of the evolving policy environment and press the issue by holding congressional hearings to establish the facts, attribute blame, and hold stakeholders accountable. Next, the policy

⁶³ See Otto A. Davis, M.A.H. Dempster, and Aaron Wildavsky, “A Theory of the Budgetary Process,” *The American Political Science Review* 60, no. 3 (1966): 529-547. The authors argue (incorrectly) that budget policy is developed incrementally, rather than holistically, with just minor increases or decreases from year to year.

⁶⁴ James L. True, Bryan D. Jones, and Frank R. Baumgartner, “Punctuated Equilibrium Theory: Explaining Stability and Change in Public Policymaking,” in *Theories of the Policy Process*, ed. Paul Sabatier (Boulder: Westview Press, 2007), 160.

⁶⁵ *Ibid.*

issue in question leaves its jurisdictional subsystem with only minor changes and enters the macro-political arena where Congress passes major legislation to address the problem. Finally, along with these major legislative changes, Congress also increases agency budgets to address the matter and implement the new policy changes.⁶⁶

Policy Entrepreneurs and the Multiple Streams Framework

The military personnel policy subsystem, while powerful, does not operate alone. Rather, understanding both the political development of military pension policy and the contemporary policy debate requires an appreciation for the role of the policy entrepreneur from the American Revolution through World War II to present day. A policy entrepreneur is an advocate and powerbroker who manipulates the problem, politics, and policy streams of an issue during a specified window of opportunity to advance a particular policy agenda.⁶⁷ The most successful policy entrepreneurs must have access, resources, and a strategy.⁶⁸ While policy entrepreneurs are only one aspect of the pension story, I pay particular attention to the role of elite policy entrepreneurs – American presidents, popular members of Congress, and prominent military officers, among others – who enjoy the requisite access, resources, and strategies necessary to champion military pension policy. For instance, Presidents Washington, Monroe, Coolidge, and Harding, along with Congressman Sam Rayburn and General Dwight D.

⁶⁶ Ibid, 161.

⁶⁷ See John W. Kingdon, *Agendas, Alternatives, and Public Policies*, 2ed. (New York: Harper Collins, 1995).

⁶⁸ Nikolaos Zahariadis, “The Multiple Streams Framework: Structure, Limitations, Prospects” in *Theories of the Policy Process*, ed. Paul Sabatier (Boulder: Westview Press, 2007), 74.

Eisenhower, all played prominent roles in the evolution of military pension policy. These policy entrepreneurs leveraged social constructions of the military, veterans, and national security as a means to advance their policy preferences.

Information Induced Policy Change

Subsystems are fluid and dynamic and facilitate continuous interaction between actors and institutions. This interaction often (though not always) includes the effective exchange of ideas and information. As such, subsystem information processing is central to determining the level of policy conflict within a subsystem. For instance, an autonomous policy subsystem holds a tight grip on institutional structure and issue definition by limiting the channels of information into the subsystem, thereby maintaining subsystem primacy and policy monopolies. Conversely, multiple sources of conflicting information from competing institutions and policy entrepreneurs entering the fray and encroaching on the existing subsystem arrangement leads to subsystem breakdown and policy change by manipulating information and redefining issues.

Information processing theory holds that “Groups, organizations, and individuals have motive to produce and communicate information so that their preferred problem definitions will weigh on the decision making process.”⁶⁹ With multiple stakeholders and interests competing to define problems and set the agenda, policymakers are often saturated with information and must prioritize the policy agenda. In this conception of subsystem breakdown, policy change requires mass amounts of information to flood the

⁶⁹ Ibid, 78.

subsystem's insular channels with new facts, figures, and findings to generate the positive feedback necessary to elicit "disproportionately large responses from political institutions as government lurches into action to address [this] new information."⁷⁰

Information saturation tends to be the rule in most policy subsystems.⁷¹ Redundant sources of information exist as the number of agencies, actors, and advocacy groups create jurisdictional overlap in a policy area.⁷² This leads to information oversupply and leaves policymakers sifting through mass amounts of information, looking for credible sources in a sea of self-interested parties with disparate policy perspectives. More importantly, information oversupply reveals an inefficient channel of information processing. Conversely, hierarchical, unitary, and efficient channels of information lead to information undersupply.⁷³ This information undersupply is ultimately a consequence of the limited number of interested stakeholders in a given policy area attempting to define the problem and set the agenda, as in the autonomous military personnel policy subsystem. These comfortable subsystem actors have little incentive to devote the time, attention, and decision resources necessary to search for, prioritize, and accept new information. As a result, subsystem actors are able to maintain their hold on policy monopolies as there are few threats to their jurisdiction. Without subsystem conflict, there can be no policy change.

⁷⁰ Samuel Workman, Bryan D. Jones, and Ashley E. Jochim, "Information Processing and Policy Dynamics," *Policy Studies Journal* 37, no. 1. (2009), 78.

⁷¹ Bryan D. Jones, Frank R. Baumgartner, and Erin de la Mare. "The Supply of Information and the Size of Government in the United States," *Center for American Politics and Public Policy* (2005): 7.

⁷² Workman, Jones, and Jochim, 85.

⁷³ *Ibid*, 82-83.

Interinstitutional Signals as Sources of Policy Conflict

Understanding signals between governmental institutions – interinstitutional signals – requires an appreciation for the role information plays in the policy process.⁷⁴ Subsystem actors rely on interinstitutional signals from policy elites to gauge conflict or potential conflict by “collecting, assembling, interpreting, and prioritizing signals from the environment.”⁷⁵ Interinstitutional signaling is defined as a set of dynamic interactions between organizations, characterized by a back and forth exchange of information inputs and outputs.⁷⁶ Interinstitutional signaling occurs when an actor in one institution (e.g. Congress) transmits information to an actor in another institution (e.g. the Pentagon), indicating that he or she is interested in taking action (or inaction) on a particular policy. Signaling can thus take place in both formal (e.g. congressional hearings) and informal (e.g. information briefings) institutional venues.

Signals often relate to detectable changes in the environment. More specifically, “Policymakers and political institutions, in general, monitor changes in their environment, discern meaning in these ‘signals,’ and prioritize signals to arrive at a policy agenda for government.”⁷⁷ For instance, public statements from policy elites calling for reforms to military compensation and benefits send signals to the military

⁷⁴ Workman, Jones, and Jochim, 87.

⁷⁵ Bryan D. Jones and Frank R. Baumgartner, *The Politics of Attention: How Government Prioritizes Problems*, (Chicago: University of Chicago Press, 2005), 7.

⁷⁶ Ibid. See also Richard Rose, “Signals for Steering Government: A Symposium of the Wissenschaftszentrum Berlin,” *Journal of Public Policy* 9, no. 3 (1989): 233-240.

⁷⁷ Samuel Workman, Bryan D. Jones, and Ashley E. Jochim, “Information Processing and Policy Dynamics,” *Policy Studies Journal* 37, no. 1. (2009): 78.

personnel policy subsystem that conflict is likely to occur once reform advocates and opponents dig-in to fight. As such, signaling is a two-way street. Change in issue salience and bureaucratic routine can lead a policy principal to signal interest in an agent's policy agenda through one of multiple [policy] venues.⁷⁸ Agents, looking for support on a particular policy, often take the initiative to send signals to interested principals rather than simply waiting passively for signals from the policy environment. This is tied to the notion that information flows upward as authority flows downward.⁷⁹ By actively seeking support, an agent can garner principal interest and build a network of likeminded policy entrepreneurs within the subsystem to champion policy change or policy stasis. It follows then that politically astute subsystem actors look for interinstitutional signals to help them formulate appropriate policy priorities within their limited agenda.⁸⁰

A Renewed Theory of Autonomous Policy Subsystems

The military personnel policy subsystem, composed of devoted actors and institutions, is like every other subsystem with policy entrepreneurs, congressional committees, bureaucracies, interest groups, scholars, and journalists aiming to shape policy outcomes for a target population. But the significant autonomy the military personnel policy subsystem enjoys sets it apart from its policymaking peers. Previous scholarly definitions have failed to fully capture the internal dynamics of autonomous policy subsystems. Building on prior works, I contend that an autonomous policy

⁷⁸ Jeffrey Worsham and Jay Gatrell, "Multiple Principals, Multiple Signals: A Signaling Approach to Principal Agent Relations," *The Policy Studies Journal* 33, no. 3 (2005): 363-376.

⁷⁹ Workman, Jones, and Jochim, 87.

⁸⁰ *Ibid*, 87-88.

subsystem is characterized by insular, expert-based channels of information, specialized media attention, parochial interest groups, a politically inactive – yet advantaged – target population, and an inherent lack of policy conflict. The result is a closed subsystem that benefits from a lack of policy conflict and is able to maintain primacy over its policy agenda.

The inherent lack of subsystem conflict perpetuates policy stasis. Further, policies generated by an autonomous policy subsystem are incapable of adapting to the demands of a dynamic policy environment. Among the most demanding of dynamic policy environments is postwar defense policy. At the end of a major American conflict, the military services and defense department (previously the war department) struggle with recasting themselves in the wake of war. This period typically includes personnel reductions, budget cuts, force restructuring, and threat uncertainty. While the military personnel policy subsystem has relented to some significant demands on social policy over the past six decades (e.g. end of conscription, repeal of “Don’t Ask Don’t Tell,” and reversing the ban on women in combat) military pension policy has remained largely static and unchanged.

Following the punctuated equilibrium model, autonomous policy subsystems can breakdown and lose control of their policy monopoly following a focusing event that floods the subsystem with demands for policy change from a growing number of

stakeholders.⁸¹ An autonomous policy subsystem is no different than any other subsystem in this regard: it too is susceptible to shock-induced policy change. Beyond focusing events and punctuated equilibria, however, autonomous policy subsystems are susceptible to policy change when external stakeholders open the usually closed subsystem and bring new information, research, and analysis to light, thereby significantly increasing the level of subsystem conflict and facilitating policy change.

One such underappreciated and understudied external subsystem stakeholder is the blue ribbon commission. American presidents have successfully employed these commissions to gather information to assist the nation's chief executive discharge the duties of his office since George Washington first "[appointed] an ad hoc group of commissioners to investigate the Whiskey Rebellion."⁸² Politicians generally charge these commissions with gathering new information, challenging existing assumptions, and generating policy recommendations. As such, I contend that blue ribbon commissions act as institutional venues for policy change when a strong commission chairperson leads an inclusive information gathering process and creates a coherent

⁸¹ See Baumgartner and Jones, 1-55, for a complete treatment on the theoretical foundations of punctuated equilibrium theory.

⁸² Wendy R. Ginsberg, "Federal Advisory Committees: An Overview," *Congressional Research Service* (2009), 2 & 7-8. For President Tyler's constitutional argument for employing an information commission, see Carl Marcy, *Presidential Commissions* (New York: King's Crown Press, 1945), 8. For treatment on presidential commissions in the nineteenth and early twentieth centuries, see David Filtner, Jr., *The Politics of Presidential Commissions: A Public Policy Perspective* (New York: Transnational Publishers, 1986).

political strategy, thereby generating policy conflict, subsystem breakdown, and ultimately policy change.⁸³

Expert-Based Channels of Information

A common complaint among policymakers in Washington is that they rarely have time to read, study, or reflect upon new ideas to draw relevant scholarly lessons for their work. Consequently, they increasingly rely on experts to provide information to them in short memorandums and briefings. These experts include but are not limited to bureaucrats, analysts, and scholars. Due to the short list of participants in an autonomous policy subsystem, policymakers tend to draw their information from the same handful of insular sources, rarely looking for information to challenge the policy status quo or bring new participants into the fray.

Policymakers use this expert-based information for one of three purposes: learning, political, and instrumental. While each of these is present in the policymaking process at any given time, policymakers tend to leverage one over the others to suit their policy preferences.⁸⁴ In terms of learning, while a single policy report, study, or finding is unlikely to alter a policymaker's decision, information that compiles over time can "gradually [alter] the belief systems of the actors involved in a policy process."⁸⁵ Policymakers can also easily politicize information to support prior policy decisions by

⁸³ Baumgartner and Jones, 31. A policy venue is an institution or group in society that has the authority to make decisions concerning an issue.

⁸⁴ Weible, 621.

⁸⁵ Ibid, 619-620.

distorting facts, manipulating truth, and selecting only supportive evidence. Finally, the instrumental purpose of expert-based information comes from “the rational, ideal approach to problem solving where a problem exists, research is conducted, and the decision follows the research findings...[requiring] a willingness to entertain outcomes that conflict with beliefs.”⁸⁶

Specialized Media Attention

Public policy has become increasingly complex over the past half-century. This complexity has “encouraged the development of specialized subcultures of highly knowledgeable policy watchers.”⁸⁷ Among these highly knowledgeable policy watchers are journalists who develop the experience and expertise necessary to cover and report on complex issues and policies. These journalists develop a trusted network of subsystem contacts that they share information with and seek information from. As a result, specialized journalists are co-opted by the subsystem and become subsystem players themselves. This certainly does not imply that specialized media are not objective. Rather, specialized journalists are simply more likely to be sympathetic and appreciative of the subsystem’s internal dynamics than a reporter fresh to the beat.

As Hugh Heclo notes, “the value of policy specialists who understand the complex Washington environment has appreciated in the eyes of all of the private

⁸⁶ Ibid, 620.

⁸⁷ Heclo, 99.

organizations with a stake in government activity.”⁸⁸ This certainly includes the media. Beyond his or her expert audience, a specialized journalist is responsible for distilling and simplifying complex subsystem information for mass consumption in the “marketplace of attention.”⁸⁹ These “specialized media [are] dedicated to the citizens’ [who] need to know what like or right-minded others are thinking.”⁹⁰ One of the best ways to do this is to focus on the conflict and competition in the subsystem’s policymaking process. By parsing complex issues along party, interest, or organizational lines, “reporters make useful allies to policymakers seeking to alter the prevailing conception of an issue and to move it from one venue to another.”⁹¹ This is especially the case for subsystem policy entrepreneurs who attempt to exploit reporters for agenda-setting purposes. Understanding how specialized media interact with other subsystem players, cover subsystem conflict and competition, and add to subsystem autonomy contributes to this renewed theory of autonomous policy subsystems.

Parochial Interest Groups

Beyond the media, this theory offers new insights into how interest groups behave once they are common staples in the policymaking process. While an advocacy group, by definition, is narrowly focused on a particular set of interests, a parochial interest group, I argue, goes a step further and leverages strategies that “burn the house down” in order to

⁸⁸ Ibid, 100.

⁸⁹ See James G. Webster, *The Marketplace of Attention: How Audiences Take Shape in a Digital Age* (Boston: MIT Press, 2014).

⁹⁰ Elihu Katz, “And Deliver Us from Segmentation,” *Annals of the American Academy of Political and Social Science* 546 (1996): 23.

⁹¹ Baumgartner and Jones, 104.

“save it.” In other words, these groups fight for the status quo to the bitter end and rarely prove willing to negotiate or compromise at the risk of appearing weak to their stakeholders and members. The most powerful interest groups, with the requisite access to the subsystem’s policy process, “enjoy an intimate, co-optive relationship with government, and would seldom be directly challenged by hostile groups fundamentally opposed to their interests.”⁹² This is especially true in an autonomous policy subsystem where prominent interest groups, with a regular seat at the table, effectively manipulate and monopolize policy images and issue definitions to suit their policy goals. For example, prominent VSOs loudly characterize cuts to military compensation and pensions as “breaking faith” with the troops, painting service members and veterans as victims of misguided government officials who never *truly* served their country a day in their lives. What is more, many of these organizations insist that reforming military entitlements should come only after policymakers overhaul the entire American welfare state. Here is a clear case of an interest group burning the house down in order to save it.

A Politically Inactive – Yet Advantaged – Target Population

Heuristics, biases, and social constructions help policymakers sort through interinstitutional signals. Social constructions of a policy’s target population contribute to the heuristics and biases policymakers rely on to make decisions. Target populations divide into four groups with descending levels of positive social constructions and corresponding degrees of public support: advantaged, dependents, contenders, and

⁹² Gais, Peterson, and Walker, 164.

deviants. Small businesses, homeowners, and the military fall into the advantaged group. For instance, “*Advantaged* groups have high levels of political power resources and enjoy positive social construction as deserving people important in the political and social hierarchy in general and, more specifically, in social welfare broadly construed.”⁹³ No doubt, policymakers rely on the positive social constructions of the institutional military and individual service members as helpful information shortcuts when making policy decisions related to compensation, pensions, and benefits.

While the military certainly benefits from a positive social construction, the thought that service members enjoy political power merits further treatment. Department of Defense Directive 1344.10 dictates guidelines for what is considered appropriate political participation by members of the armed forces. For example, service members may vote, contribute money to political campaigns, and express personal opinions as private citizens. However, they may not use their rank, authority, or position to actively campaign on behalf of a candidate for partisan office.⁹⁴ Non-partisan, apolitical military service is the cornerstone of the professional military ethic and healthy civil-military relations.⁹⁵

⁹³ Helen Ingram, A.L. Schneider, Peter deLeon, “Social Construction and Policy Design,” in *Theories of the Policy Process*, ed. Paul Sabatier (Boulder: Westview Press, 2007), 101-104.

⁹⁴ U.S. Department of Defense, *Directive 1344.10: Political Activities by Members of the Armed Forces*, (2008), 2-5.

⁹⁵ See Samuel P. Huntington, *The Soldier and the State: The Theory and Politics of Civil-Military Relations* (Cambridge: Belknap Press, 1957).

Recent work on civil-military relations finds, “Members of the army participate in the political process to a lesser degree than their civilian counterparts.”⁹⁶ Given the strict DOD rules governing political behavior, political participation among service members is best understood as voting, publicly displaying campaign paraphernalia, and donating to political candidates. While political participation among service members is generally lower than that of their civilian counterparts, participation rates among the officer corps – especially among strong partisans – is actually comparable to civilians at large. While the military culture does not explicitly discourage political participation,⁹⁷ senior military leaders have historically reaffirmed the ideal of non-partisan, apolitical military service.⁹⁸ Though the military is an advantaged target population, service members are actually a *politically inactive* group as they generally fall short on measures of political activism.⁹⁹

Blue Ribbon Defense Commissions as Institutional Venues for Policy Change

Blue ribbon commissions are understudied and underappreciated institutional venues for policy change that contribute to this dissertation’s renewed theory of autonomous policy subsystems. The three legitimate and authoritative means by which a president delegates his power to a presidential commission are legislative statute, executive order, or presidential announcement. Scholar Thomas R. Wolanin writes, “There does seem to be some relationship between ‘importance’ of a commission and the

⁹⁶ Jason K. Dempsey, *Our Army: Soldiers, Politics, and American Civil-Military Relations* (Princeton: Princeton University Press, 2010), 149. See pages 127-151 for a comprehensive examination of political participation in the military.

⁹⁷ *Ibid*, 150.

⁹⁸ Heidi Urben, “Civil Military Relations in a Time of War: Party, Politics, and the Profession of Arms,” (PhD diss., Georgetown University, 2010), 8.

⁹⁹ *Ibid*, 150-154.

kind of instrument used to authorize it. Important commissions...are more likely to be created by executive order or statute.”¹⁰⁰ But Wolanin is also quick to clarify that commissions by announcement can also be meaningful and effective. Presidents use each of these methods to delegate investigatory and information gathering duties to blue ribbon defense commissions. But as presidential scholar Carl Marcy notes, “[T]he largest number of commissions created by the president...are those authorized by Congress and appointed by the president.”¹⁰¹ As such, authorizing legislation passed by Congress is one important way presidents have been able to successfully delegate power, employ commissions, and build early support for their work on Capitol Hill.

There are several goals, characteristics, and advantages of presidential commissions. First, the primary goals in creating presidential commissions include policy analysis, window dressing, long range education, crisis response, issue management, and issue avoidance, among other purposes.¹⁰² Second, presidential commissions have six special characteristics. Commissions are competent and qualified, representative in

¹⁰⁰ Thomas R. Wolanin, *Presidential Advisory Commissions: Truman to Nixon* (Madison: University of Wisconsin Press, 1975), 65.

¹⁰¹ Marcy, 14.

¹⁰² Wolanin, 11-28. First, the policy analysis goal is the most straightforward and includes the expectation that the commission will examine a particular set of policy issues, devise innovative (though not necessarily original) recommendations, and report its findings to the president. Second, Wolanin defines window dressing as “to help sell or market a proposal to which the president is already committed.” Third, the purpose of a long range education commission is “either to begin a long range support-building effort for solving a problem that is well recognized but one which there is little prospect of immediate action, or to elevate a problem to a prominent position on the national agenda.” Next, crisis response commissions aim to “satisfy a public expectation” of presidential action. Finally, issues management and issue avoidance commissions reflect a common theme that “commission are set up to defer or avoid acting or deciding.” On the one hand, deferring action is a way to manage a complex or controversial policy issue through commission timelines and deliberations. On the other, avoiding an issue can be useful to an executive when there is “no appropriate or effective presidential response to be made.”

nature, prestigious, highly visible, composed of private citizens, and ad hoc and temporary. “When taken together,” Wolanin writes, “all six of these characteristics of commissions...define the most important special attributes of commissions, their *independence* and *objectivity* (original emphasis).”¹⁰³ Finally, presidential commissions have three distinct advantages: commissions engage in policy analysis and formulate innovative recommendations; commissions have the ability to persuade political actors to adopt recommendations; commissions are an effective forum for education, consensus, and agreement.¹⁰⁴

In 2004, national security and foreign policy scholar Amy Zegart aimed to synthesize previous literature on presidential commissions and offer her own conceptual framework for understanding when and how presidents choose to delegate powers to blue ribbon commissions. She writes:

[C]ommissions are used by presidents to garner greater public support for a policy to which the president is already committed; show symbolic concern over a situation at the highest level of government; establish a fact base for others to use; respond to crises; deflect political heat from the president and allow passions to cool when issues become explosive; overcome the “stovepipes” and parochial thinking of the permanent bureaucracy; gather more information about a problem and its policy alternatives; forge consensus among the interests represented on the commission itself; and change the hearts and minds of men.¹⁰⁵

Acknowledging the skepticism surrounding presidential commissions, Zegart concedes that a blue ribbon commission “conjures up” the image of a “panel of

¹⁰³ Ibid, 29-31.

¹⁰⁴ Ibid, 32-33.

¹⁰⁵ Amy Zegart, “Blue Ribbons, Black Boxes: Toward a Better Understanding of Presidential Commissions,” *Presidential Studies Quarterly* 34, no. 2 (2004): 372.

distinguished civilians, appointed directly by the president, that defuses, deflects, or delays presidential action on some controversial domestic issue without producing much in the way of substantive policy change.”¹⁰⁶ She further grants, “The conventional view is that presidents create commissions to deflect blame, buy time, and give the appearance of action on issues that are too politically charged, or too difficult, to solve.”¹⁰⁷ However, this conventional view falls well short of reality when considering defense commissions.

Zegart proposes that presidential commissions should meet a broad definition according to three specific criteria. First, commissions must be ad hoc. This is to suggest that commissions should be temporary bodies with a clear and “discrete task” from the outset. As such, commissions should last no longer than four years – one presidential term. Second, commissions must be official. “Official” implies that commissions must be established by presidential, executive, or legislative action. Finally, commissions must be corporate bodies operating somewhat independently from government with at least three members, including one private citizen.¹⁰⁸

To operationalize her definition of presidential commissions, Zegart offers a thorough typology to convey when and how presidents use blue ribbon commissions. She posits three commission ideal types – agenda, information, and political constellation – and describes each commission’s purpose. First, Zegart writes, “[agenda commissions’] primary goal is to generate mass public attention and support for the president’s policies

¹⁰⁶ Ibid, 366-367.

¹⁰⁷ Ibid, 372.

¹⁰⁸ Ibid, 369.

rather than influence narrow political constituencies or organized interests.” Second, information commissions “target a much more narrow band of government officials...by providing new ideas, new facts, and new analysis to the policymakers who can make a difference.” Finally, political constellation commissions “aim to foster consensus, compromise, and cooperation in a policy domain” among competing groups and conflicting interests.¹⁰⁹ Figure 5 below breaks these three ideal types into their core functions, proactive forms, reactive forms, and target audiences.

	Core Function	Proactive Form	Reactive Form	Target Audience
Agenda Commission	Influence public agenda	Generate attention, support for new presidential initiatives	Respond to issues already on the agenda (avoid blame, stall, give appearance of action)	Mass public
Information Commission	Provide information	Provide new facts, analysis, ideas about current or future policy challenges, options	Asses what went wrong, lessons learned	Government officials
Political Constellation Commission	Alter constellation of political opposition	Foster consensus, cooperation among policy stakeholders	Break logjams between conflicting interests, solve collective action problems	Commission members and the organized interested they represent

Figure 5: Zegart's Conceptual Framework of Presidential Commission Ideal Types.¹¹⁰

Zegart’s understanding of a *proactive* information commission to “Provide new facts, analysis, [and] ideas about current or future policy challenges, [including] options,”¹¹¹ parallels recent work by Baumgartner and Jones. They write:

¹⁰⁹ Ibid, 374-376.

¹¹⁰ Ibid, 375.

The agenda-setting perspective has recognized the critical role of information in the policy process... Problem definition does not generally occur in a vacuum; it occurs when the flows of information indicate that a situation is worthy of governmental attention. As a consequence, agenda changes can occur in the absence of elections or public opinion.¹¹²

Jordan Tama applies all of this previous scholarship to his 2011 book, *Terrorism and National Security Reform: How Commissions Can Drive Change During Crises*. Like Baumgartner and Jones, Tama also argues that the most fertile period for policy reform occurs post-crisis. Naturally, this is when blue ribbon commissions would be at their most influential and effective. With an original and comprehensive data set at his disposal, Tama concludes, “[S]tatistical analysis indicates that national security commissions are much more likely to influence policy when they are formed in response to crisis, established by the executive branch, or given a narrow mandate.”¹¹³

Recent research on state appointed blue ribbon commissions suggests these bodies serve as institutional battlegrounds for competing stakeholder interests. Ritchey and Nicholson-Crotty find that “task forces will likely be an attractive tool for relatively powerless groups, who wish to increase their access to lawmakers; grow salience for their issue; and, ultimately, increase the likelihood of securing policies that match their preferences.”¹¹⁴ In other words, weak groups use blue ribbon commissions to expand the scope of policy conflict, breakdown prevailing policy images, and overcome the

¹¹¹ Ibid.

¹¹² Jones and Baumgartner, 2012, 7.

¹¹³ Jordan Tama, *Terrorism and National Security Reform: How Commissions Can Drive Change During Crises* (New York: Cambridge University Press, 2011), 71.

¹¹⁴ Mark Ritchey and Sean Nicholson-Crotty, “‘Blue Ribbon’ Commissions, Interest Groups, and the Formulation of Policy in the American States,” *The Policy Studies Journal* 43, no. 1 (2015): 87.

stakeholder policy monopoly. In contrast to weak interest groups, more powerful advocacy organizations typically oppose the formation of blue ribbon commissions because they have more to lose if policy reform actually takes hold.¹¹⁵ Thus their interest is in minimizing the scope of policy conflict. But if policymakers appoint a commission over the objections of powerful interest groups, these groups do not sit idly by. Rather, they use their resources to influence the commission's recommendations and the ensuing policy outputs as best they can.

Indeed, a proactive blue ribbon information commission is an institutional venue by which the president or Congress can bring new players, perspectives, and information flows to an issue. Further, an effective information commission redefines a policy problem and compels policymakers to set the agenda and act. While some scholars see commissions of this sort as trivial and of little political influence,¹¹⁶ information commissions on defense policy have proven quite effective at disrupting the military personnel policy subsystem and facilitating meaningful policy change. Three historical examples, detailed in chapter 8, include the 1948 Hook Commission, 1970 Gates Commission, and 1986 Packard Commission. These commissions provide insights for the 2015 Military Compensation and Retirement Modernization Commission (MCRMC).

¹¹⁵ Ibid.

¹¹⁶ See Hugh Davis Graham, "The Ambiguous Legacy of American Presidential Commissions," *The Public Historian* 7, no. 2 (1985): 5-25.

Chapter 4: The Subsystem Takes Form, 1776 – 1890¹¹⁷

Following a brief history of the origins of military pension policy and Civil War pensions from 1861 to 1879, this chapter examines the rise of the veterans' pension policy subsystem. In short, I argue that a robust veterans' pension policy subsystem emerged in the wake of the Civil War. As such, the historical record and previous scholarship on Civil War pensions point to a dynamic and fluid interaction among five institutions: congressional committees of jurisdiction, bureaucracies dedicated to veterans' services and pensions, powerful veterans' lobbies and influential private interests, an attentive media, and policy entrepreneurs attempting to break into the subsystem.

Revolution and the Origins of American Military Pension Policy

Military pensions have a long and, at times, controversial history in American political development. This controversy draws from the distinction between disability and service based pensions. Soon after the outbreak of the American Revolution, the Continental Congress acknowledged the need to explore a disability or "invalid-pension system" for those wounded in the service of the new Republic. In a letter dated 2 June 1776, General Nathaniel Greene wrote to John Adams "urging that provision be made for disabled officers and soldiers."¹¹⁸ On 20 June 1776, the Continental Congress appointed a

¹¹⁷ This chapter is adapted from Brandon J. Archuleta, "Recruit, Retain, Separate, and Reward: Military Pension Policy and the American Experience," (Master's Report, The University of Texas at Austin, 2014), 2-7 and 17-55.

¹¹⁸ Henry Glasson, *Federal Military Pensions in the United States* (New York: Carnegie Endowment for International Peace, 1918), 19.

five member committee¹¹⁹ to explore the matter and by 26 August, the members adopted pension legislation stipulating half-pay for life for the severely wounded and disabled.¹²⁰

Service pensions were another matter. General George Washington expressed serious misgivings about a service pension when soldiers first raised the question. His fear revolved around creating a heavy debt burden for the colonies and his belief that the public would loathe the idea.¹²¹ In November 1777, Washington writes:

The allowance of Land to the disabled Officers may be proper enough, but will not half pay be attended with enormous expence? (sic) and would not this, and allowing half pay to the Officers of reduced regiments at the end of the War, add such weight to a debt already, and probably will be, of such magnitude, as to sink the Colonies under the load of it, and give great disgust to the people at large?¹²²

Beyond Washington's misgivings, public concerns regarding military service pensions were twofold. First, colonists were reluctant to form a standing, professional Army. Second, most Americans believed that monetary incentives were contrary to the citizen-soldier ideal.¹²³

By December 1777, a mere month later, Washington reconsidered service pensions as the harsh winter at Valley Forge took its toll and his fledgling Continental Army began to fall apart at the seams. Washington realized, "the necessity of some better

¹¹⁹ Worthington Chauncey Ford, *Journals of the Continental Congress*, vol. v, 1776, ed. Library of Congress (Washington, DC: Government Printing Office, 1907), 469.

¹²⁰ *Ibid.*, 702-705.

¹²¹ Laura Jensen, *Patriots, Settlers, and the Origins of American Social Policy* (Cambridge: Cambridge University Press, 2003), 50.

¹²² George Washington, "Remarks on Plan of Field Officers for Remodeling the Army," in *The Writings of George Washington*, vol. 10, ed. John C. Fitzpatrick (Washington, DC: Government Printing Office, 1931), 125-126.

¹²³ Jensen, 50.

provision for binding the Officers by the tie (sic) of Interest to the Service (as No day, nor scarce hour passes without the offer of a resigned Commission) otherwise I much doubt the practicability of holding the army together much longer.”¹²⁴ From December 1777 through January 1779, General Washington pressed Congress to enact a “half-pay for life” pension measure that would incentivize continued military service and tie Continental officers to the cause of freedom.¹²⁵ By 1780, after much negotiation, Congress adopted a half-pay for life pension plan that would provide for veterans and widows alike.¹²⁶

Three years later, however, the Continental Congress had yet to fulfill its financial obligation to serving soldiers and veterans as plans to disband the Continental Army developed. Infuriated by Congress’ empty promises, a few hundred soldiers from billets in Lancaster, Pennsylvania and the Philadelphia city barracks demonstrated outside Independence Hall. Though the protest was largely peaceful, Congress fled Philadelphia for Princeton, New Jersey in fear of its own Army. In Princeton, the Congress continued its business, leading some to argue that were it not for the “Philadelphia Mutiny of 1783,” the nation’s capital might well be Philadelphia rather than Washington, DC.¹²⁷ While this

¹²⁴ Fitzpatrick, 197.

¹²⁵ Glasson, 25-27

¹²⁶ Jensen, 56-59.

¹²⁷ Kenneth R. Bowling, “New Light on the Philadelphia Mutiny of 1783: Federal-State Confrontation at the Close of the War for Independence,” *The Pennsylvania Magazine of History and Biography* 101, no. 4 (1977): 419-420. Bowling draws on primary sources from the period to highlight the widely held disgust and anger Continental soldiers held toward the Congress under the new Articles of Confederation. Additionally, he alludes to the mistrust and animosity congressmen felt for John Dickinson, President of Pennsylvania, for not intervening to protect the federal government.

was the first time soldiers and veterans marched against the federal government, it would not be the last.

Congress revisited disability pensions several times over the next fifteen years. In 1778, “all who had fought for the common defense...were embraced within the scope of the invalid-pension system.” In 1782, “all soldiers sick or wounded [and] unfit for duty,” preferring discharge to continued service, were eligible for \$5 per month in lieu of regular pay. In 1785, Congress recommended a uniform plan to administer the pension program across the states. Finally, legislation in 1788 limited the timeline for petition and required veterans to furnish proof of service or service-related-disability.¹²⁸ As a result of these and other pension bills, the United States spent \$120,000 a year on military pensions by 1816, worth approximately \$1.67 million in 2014.¹²⁹

Although support for revolutionary war pensions would ebb and flow for the next several decades through emotionally charged national debate and congressional deliberation, George Washington proved to be the first elite policy entrepreneur to vigorously lobby Congress for a pension measure. Seeing the central role service pensions played in keeping his crumbling Army intact, Washington realized pensions could be effectively used to recruit and retain a wartime Army. Scholar Henry Glasson

¹²⁸ See Glasson, 21-23.

¹²⁹ Ibid, 64. Conversion formula drawn from the Federal Reserve Bank of Minneapolis. $1816 \text{ Price} \times (2014 \text{ CPI} / 1816 \text{ CPI}) = \$120,000 \times (708.7 / 51) = \$1,667,529.41$. Available from http://www.minneapolisfed.org/community_education/teacher/calc/hist1800.cfm; Internet.

writes, “In a long bloody war, Washington thought patriotism might accomplish much but that it would not endure unassisted by interest.”¹³⁰

In 1817, with congressional precedent set during the Revolution, former Continental officer, revolutionary veteran, and President of the United States James Monroe also advocated for a revolutionary pension. In his first annual message to Congress, Monroe states:

In contemplating the happy situation of the United States, our attention is drawn with peculiar interest to the surviving officers and soldiers of our Revolutionary army, who so eminently contributed by their services to lay its foundation. Most of those very meritorious citizens have paid the debt of nature and gone to repose. It is believed that among the survivors there are some not provided for by existing laws, who are reduced to indigence and even to real distress. These men have a claim on the gratitude of their country, and it will do honor to their country to provide for them. The lapse of a few years more and the opportunity will be forever lost; indeed, so long already has been the interval that the number to be benefitted by any provision which may be made will not be great.¹³¹

On Christmas Eve 1817, the House of Representatives passed such a measure, per the President’s eloquent plea, for those veterans suffering from “indigence” and incapable of labor. The Senate followed suit soon thereafter in 1818. This iteration of pension legislation provided \$20 per month for every officer and \$8 per month for every soldier who fought in the Revolution and met the indigence and disability provisions.¹³²

Washington’s initial efforts to frame military pensions as necessary to recruit and retain an Army and Monroe’s later efforts to frame pensions as a matter of national

¹³⁰ Ibid, 28.

¹³¹ James Monroe, “First Annual Message,” 12 December 1817, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/?pid=29459>; Internet.

¹³² See Jensen. 70-71. See also Glasson, 67.

gratitude and reward for service is telling. This precedent, as subsequent wars and other scholars have demonstrated, reveals a pattern in which wartime pensions pass the Congress to recruit and retain citizen-soldiers and old age pensions, years later, serve to relieve poverty among the same veterans' community.

Unlike previous scholars who have studied this topic, I contend that this pattern comes about by way of a dynamic policy subsystem that emerges in the wake of the Civil War, evolves through World War I, and finally splits into the veterans' policy and military personnel policy subsystems following World War II. First, policymakers rely on military pensions to recruit and retain service members in the midst of a wartime emergency. Next, in the wake of war, prominent veterans' service organizations form to foster camaraderie and provide policy advocacy within that veterans' community, including more generous pension benefits for their service and sacrifice. As time passes, one generation of veterans gives way to a new generation of veterans. Similarly, language framing pensions as a tool to recruit and retain gives way to language framing pensions as rewards for service. The pattern repeats.

Civil War Pensions, 1861-1879

With an historical precedent set during the American Revolution and affirmed following the War of 1812,¹³³ Union lawmakers considered military pension policy once again as the nation found itself torn asunder by a gruesome Civil War. On 22 July 1861,

¹³³ See Glasson, 108-113 for a thorough treatment of military pensions for veterans of the War of 1812. Congress enacted disability pensions in 1816 and service pensions for living survivors and widows in 1871, contingent upon loyalty to the Union during the Civil War.

Congress authorized President Lincoln to raise 500,000 soldiers for the Union cause against the Confederacy. Buried in section six of “An Act to authorize the Employment of Volunteers to aid in enforcing the Laws and protecting Public Property,” was a provision of \$100 to any volunteer (their widow or living relative) who would be wounded or disabled in the service of his country, in addition to overdue pay, allowances, and disability benefits.¹³⁴ Rather than simply rely on patriotism to recruit an Army, as General Washington originally had, Union lawmakers looked to pensions as an effective policy instrument for wartime recruitment and retention.¹³⁵ No doubt, reluctant patriots were comforted by the fact that should the unthinkable happen, their families would be financially cared for. In addition to legislation providing for wounded veterans, Union lawmakers also authorized voluntary retirements for Army and Marine Corps officers with 40 consecutive years of military service in August 1861.¹³⁶ Like their wounded comrades in arms, voluntary retirees would also be eligible for retirement pay and benefits.

The following year, Congress went even further with the General Law Pension Act of 1862. This was the most generous disability pension law to date as it expanded eligibility beyond benefits for veterans, widows, and orphans and extended them to

¹³⁴ U.S. Statutes at Large, 37th Congress, Session 1, Chapter 9, Page 270, 22 July 1861. Available from <http://memory.loc.gov/ammem/amlaw/lwsllink.html>; Internet.

¹³⁵ This is what political scientist Peter May dubbed, “Instrumental Policy Learning” in his 1992 article, “Policy Learning and Failure.” By the time of the Civil War, lawmakers had become accustomed to the notion that disability and service pensions were necessary in times of war.

¹³⁶ U.S. Statutes at Large, 37th Congress, Session 1, Chapter 42, Page 289, 3 August 1861. Available from http://www.constitution.org/uslaw/sal/012_statutes_at_large.pdf; Internet.

mothers and sisters as well.¹³⁷ Even more notable, the pension act signed into law on 14 July 1862 created an open ended clause for which any service member wounded in the service of his nation since 4 March 1861 would be entitled to disability benefits. Additionally, the statute did not specify “volunteer,” thus leaving an opening for conscripts to claim their benefits as well. Most important, Union loyalty was required of any beneficiary.¹³⁸

Though military pension scholar, Henry Glasson, describes passage of the Pension Act of 1862 as “rather uneventful” in Congress as public attention focused on more pressing matters,¹³⁹ there is evidence that lawmakers held major reservations with the bill’s specifics. While much of the floor debate in the House of Representatives on 13 May 1862 focused on bureaucratic implementation of the proposed pension policy, a second term Congressman from Indiana, William Holman, raised serious objections to the bill’s details as the provisions did not go far enough, he argued. With regard to the *rank based* pension scale, Representative Holman states:

The object in making the [monthly salary] discrimination is to induce the best material which the country can afford to join the Army...The Government engaged to pay higher salaries to officers and less salaries to soldiers, while in the service; the engagement must be carried out. But this bill proposed to pay a [pension] bounty on the part of Government in consideration of hardships endured, the perils incurred, the sufferings borne, by those soldiers who may be disabled in the service of the country, an expression of gratitude and a provision against want...I know of no reason why the soldier who shoulders a musket and loses a leg or an arm in battle, or his wife and children, if he is slain, should receive

¹³⁷ Jensen, 211.

¹³⁸ U.S. Statutes at Large, 37th Congress, Session 2, Chapter 166, Pages 566-569, 14 July 1862. Available from <http://memory.loc.gov/ammem/amlaw/lwslink.html>; Internet.

¹³⁹ Glasson, 128.

less sympathy or aid from the Government than the colonel, the brigadier general, or the major general who may have suffered a similar loss.¹⁴⁰

Although Congressman Holman's efforts failed to win the support of his colleagues, his inclination towards pension equity – a recurring theme in future pension debates – is quite clear. Interestingly, Mr. Holman largely agrees that rank based salaries were necessary to recruit and retain talented soldiers for the Union cause, and even frames it that way. However, he sees similarly structured pension policies as discriminatory because they ought to be “an expression of gratitude and a provision against want.” Even before the bloodiest battles of the Civil War, politicians openly debated and framed salaries and pensions as instruments to recruit, retain, and reward.

Despite little controversy in Congress, the Pension Act of 1862 raised concerns about burdening the public purse. The Pension Bureau received some 4,411 applications from wounded veterans by 15 November 1862.¹⁴¹ Pension Commissioner Joseph Barrett predicted that an annual appropriation of \$7 million would be sufficient to cover Civil War pensions in any given year.¹⁴² However, by 1865, annual payments exceeded \$8.5 million.¹⁴³ Despite Commissioner Barrett's prediction, early “apprehensions in some

¹⁴⁰ William Holman, “Remarks on the House Floor,” 13 May 1862, in *Congressional Globe*, 37th Congress, Session 2, 1861-1862, Part 3, 2102.

¹⁴¹ “The Pension Bureau; Abstract of the Annual Report of Hon. Joseph H. Barrett, Commission of Pensions,” *The New York Times*, 13 December 1862. Available from <http://www.nytimes.com/1862/12/03/news/pension-bureau-abstract-annual-report-hon-joseph-h-barrett-commissioner-pensions.html>; Internet.

¹⁴² Glasson, 129.

¹⁴³ “Pension Bureau, Report of Commissioner Barrett,” *The New York Times*, 9 December 1865. Available from <http://www.nytimes.com/1865/12/09/news/the-pension-bureau-report-of-commissioner-barrett.html?pagewanted=2>; Internet.

quarters of an extravagant, if not unsupportable, annual burden resulting from the law” proved to be warranted.¹⁴⁴

Social policy scholar, Laura Jensen contends, “Not surprisingly, the outbreak of the war had led immediately to Congressional consideration of military disability benefits.”¹⁴⁵ This reveals a telling pattern. Since the Revolution, Congress authorized disability pensions at the outset or soon after the end of conflict, growing more generous over time; whereas, generous service pensions tended to come years, even decades, after the end of war. This was true of the Pension Act of 1818 for veterans of the Revolution, the Pension Act of 1871 for veterans of the War of 1812, and the Dependent Pension Act of 1890 for *Union* veterans of the Civil War. With the exception of half-pay service pensions during the Revolution (which clearly had mixed outcomes, i.e. the Philadelphia Mutiny of 1783), Congress established disability benefits well before ever granting service pensions to survivors in their old age.

Rise of the Policy Subsystem

The fight to pass the Arrears Act of 1879 not only exacerbated pension disparities and raised regional tensions it more importantly marked the rise of the veterans’ pension policy subsystem, precursor to the military personnel policy subsystem. This legislation held that those Civil War veterans or their survivors who never filed for a service or disability pension were still entitled to do so, with a retroactive start date at the time of

¹⁴⁴ Glasson, 128.

¹⁴⁵ Jensen, 210. This paragraph draws heavily from pages 207-210.

the soldier's discharge.¹⁴⁶ In some instances, new applicants would be entitled to a lump sum upwards of \$1000 for back pay in addition to monthly benefits.¹⁴⁷ Pension costs to the federal government actually started a slow and steady decline from 1873 to 1878. But after years of strong support from organizations like the Grand Army of the Republic, business interests like private claim agents and pension attorneys, and of course, the target population of veterans' themselves, passage of the Arrears Act seemed inevitable.

Glasson speculates that mounting political pressure within State Legislatures before Senate reelections might have pushed some senators to ultimately support the bill.¹⁴⁸ He writes, "Senator Ingalls [Chairman of the Senate Pension Committee] brought the bill before the Senate and championed its passage on 16 January 1879, not long before balloting began in the Kansas Legislature." The Senate went on to pass the House version of the bill, 44 to 4, with 28 absent. President Hays signed the bill into law on 25 January 1879.¹⁴⁹ Although a triumph for pension interests and veterans, *The New York Times* would later call the Arrears Act a "raid on the treasury."¹⁵⁰

With passage of the Arrears Act, evidence of an independent and fluid veterans' pension policy subsystem emerged in the 1880s as prominent policy entrepreneurs

¹⁴⁶ U.S. Statutes at Large, 45th Congress, Session 3, Chapter 23, Page 265, 25 January 1879. Available from http://constitution.org/uslaw/sal/020_statutes_at_large.pdf; Internet.

¹⁴⁷ Glasson, 151.

¹⁴⁸ *Ibid.*, 161. Glasson notes that Senator Ingalls was politically "attacked" by strong pension interests in his state with circular letters opposing his reelection.

¹⁴⁹ *Ibid.*, 162-163.

¹⁵⁰ "Military Pensions," *The New York Times*, 21 July 1921. Available from <http://query.nytimes.com/mem/archive-free/pdf?res=FA0815FD3C551A738DDDAE0994DF405B818EF1D3>; Internet.

continued to advocate for the cause. Pension Bureau bureaucrats processed pension claims with an eye toward earning the Republican Party political favor. Private interests like veterans' service organizations and pension claim agents frequently lobbied for revisions to existing pension legislation and enactment of new pension bills to maintain political relevance and draw members and clients to the issue. Politicians happily sponsored, revised, and enacted said pension legislation into law hoping to curry constituent votes. Interested national and local media covered the process as it unfolded. During this time, the only opposition to the emerging pension policy subsystem came by way of Democrats, President Grover Cleveland especially, who opposed using pensions to curry political favor and redistribute wealth.

Pension Committees¹⁵¹

The House of Representatives experienced several transitions in its pension committee evolution. For instance, one of the first standing committees in the House was the Committee on Claims, chartered in 1794. Its jurisdiction covered “all petitions and matters or things touching claims and demands on the United States.”¹⁵² Overwhelmed with revolutionary war pensions, however, the House created a Committee on Pensions and Revolutionary War Claims (1813-1825), a Committee on Revolutionary Pensions

¹⁵¹ The entire section draws heavily from the National Archives' Congressional Records, specifically House Record Group 233 and Senate Record Group 46 documenting the various congressional pension and claims committees.

¹⁵² *Committee on Claims (1794-1946)*, Guide to the Records of the U.S. House of Representatives (Record Group 233), Chap. 6, Para. 15. Available from <http://www.archives.gov/legislative/guide/house/chapter-06-claims.html>; Internet.

(1825), a Committee on Military Pensions (1825-1831), and finally settled on the Committee on Invalid Pensions (1831-1946).¹⁵³

The House Committee on Invalid Pensions was charged with reviewing individual Civil War pension claims and drafting general and special pension legislation.¹⁵⁴ Accordingly, the Committee on Invalid Pensions wielded a great deal of jurisdictional oversight of the U.S. Pension Bureau, its executives, and was a key component to the policy subsystem that would arise in the wake of the Civil War. One other House committee of note is the Committee on Pensions (1880-1946). Created in 1880, the Committee on Pensions' jurisdiction included all other war related pension matters, leaving the Civil War to the Committee on Invalid Pensions.

The Senate Committee on Pensions (1816-1946) enjoyed primary jurisdiction and oversight on war related pension matters throughout its existence. While the Senate Committee on Military Affairs and Finance would occasionally take up pension issues, the Senate Committee on Pensions remained the most important for veterans' pension issues in the upper chamber.¹⁵⁵

¹⁵³ See <http://www.archives.gov/legislative/guide/house/chapter-06.html>; Internet.

¹⁵⁴ *Committee on Invalid Pensions (1831-1946)*, Guide to the Records of the U.S. House of Representatives (Record Group 233), Chap. 6, Para. 46-47. Available from <http://www.archives.gov/legislative/guide/house/chapter-06-invalid-pensions.html>; Internet.

¹⁵⁵ *Committee on Claims (1816-1946)*, Guide to the Records of the U.S. Senate (Record Group 46), Chap. 6, Para. 4. Available from <http://www.archives.gov/legislative/guide/Senate/chapter-06.html#claims>; Internet. Note that while the National Archives Record Group refers to the Senate Committee on "Claims," most other government documentation, even records of the Committees own hearings refer to it as the Committee on "Pensions."

Throughout their existence, the House and Senate pension committees worked diligently to process individual pension claims and offer pension legislation to aid America's ailing and indignant veterans. In fact, as Pension Bureau correspondence to the Congress increased in the 1880s, the pension committees institutionalized a review claims process through Friday evening "pension nights."¹⁵⁶ However, this diligent work was hardly altruistic as members of Congress often treated veterans' pension policy as a partisan issue and paid little attention to details before voting to approve applications. Henry Glasson notes, "On 'pension day' there is commonly no quorum present"... as the few members present pass bills reported by the committee "in a perfunctory manner and with remarkable speed."¹⁵⁷

Congress disbanded all of the aforementioned committees in 1946 as a result of the Legislative Reorganization Act of the same year. While I address congressional reorganization in great detail in chapter 6, the two congressional committees at the center of the veterans' pension policy subsystem were the House Committee on Invalid Pensions and the Senate Committee on Pensions.

Partisanship in the Pension Bureau

In 1881, some sixteen years after the war between north and south had ended, President James Garfield appointed W.W. Dudley, a former Union colonel, to head the Pension Bureau. When he assumed office, Commissioner Dudley later testified that the

¹⁵⁶ Theda Skocpol, *Protecting Soldiers and Mothers* (Cambridge: Harvard University Press, 1992), 122.

¹⁵⁷ Glasson, 277.

Pension Bureau had between “seven hundred and eight hundred” employees. When he left office in 1884, the Pension Bureau had grown to “between sixteen hundred and seventeen hundred” employees. In fact, as of 30 June 1884, there were 1,552 pension employees with another 150 special examiners to be added to the rolls.¹⁵⁸ This explosion in pension bureaucrats might simply be attributed to the growth in pension claims requiring adjudication and the need for special examiners to investigate such claims in the field. However, there is a far more political reason for such immense growth in the Pension Bureau – Republican Party politics.

After assuming office, Dudley issued a pamphlet titled, “General Instructions to Special Examiners,” outlining duties for those Pension Bureau employees charged with investigating pension claims. The pamphlet, an 85 paragraph guide for pension agents in the field, covered material on claims processing, witnesses interviews, fraud, widows, minors, and “colored claimants, among other topics.”

Following an introductory letter by Commissioner Dudley, the pamphlet begins with its purpose. It states:

These instructions are intended to allow Special Examiners a greater discretion than has formerly been permitted in the examination of claims before this Office, and their duties call for the most vigorous efforts and soundest judgment...It is the duty of the Government to ascertain who are [sic] entitled to receive pensions as provided by existing law, and Examiners are expected and required to obtain whatever facts are necessary to prevent the payment of improper pensions, and to assist in bringing to

¹⁵⁸ *Hearings on Administration of the Pension Office, Day 1, Before the House Committee on Payment of Pensions, Bounty, and Back Pay*, 48th Congress, 242 (1885) (statement of W.W. Dudley).

punishment those who are knowingly guilty of violating the provisions of the pension law.¹⁵⁹

While this excerpt signals a bureaucratic intention towards fairness and equity, Commissioner Dudley's implementation of his own guidance was wanting. In fact, Dudley used his position as commissioner to dole out and expedite pension claims to veterans in battleground states like Indiana to garner electoral favor for the Republican Party. An 1886 Democratic Party campaign book illustrates a wide ranging Republican Party agenda in the Pension Bureau highlighting internal documents as evidence. For instance, in a letter dated 9 September 1880 from Fort Wayne, Indiana, Colonel Richard Burke requests that the commissioner of pensions place three names on the "special list [to] receive the most prompt attention of his office."¹⁶⁰ In a similar letter, dated 11 September 1880, S.W. Dorsey writes the chairman of the Republican National Committee, Marshall Jewell, referencing Burke's letter to the pension commissioner. Dorsey notes Burke's letter and asks Jewell to "induce, if possible, the Commissioner of Pensions to report to each one of these men that their cases are made special [as] it will help us [win] hundreds of votes in Ft. Wayne."¹⁶¹ As the Democratic National Committee notes in its own analysis, "us," in this case refers to the Republican Party and its effort to garner votes through bureaucratic favors.

¹⁵⁹ W.W. Dudley, "General Instructions to Special Examiners of the United States Pension Office," *U.S. Pension Bureau* (Washington: Government Printing Office, 1881), 7.

¹⁶⁰ Democratic National Committee, "Republican Abuses in the Pension Bureau," in *The Campaign Book of the Democratic Party, 1886* (Washington: R.O. Polkinhorn, Printer and Publisher, 1886), 8.

¹⁶¹ *Ibid.*

Commissioner Dudley teamed the Pension Bureau with the Grand Army of the Republic, a prominent veterans' service organization, and pension claim agents to politicize pensions for the Republican cause.¹⁶² Sure enough, politicizing the pension system left an enduring partisan legacy by mobilizing veterans into the Republican Party's fold. To illustrate the effects of this powerful partnership, Heywood T. Sanders writes, "[T]he Republican Party had established, in the case of ex-soldiers, a national political machine – a formal organization which provided specific material inducements to a mass of voters."¹⁶³ Similarly, Morton Keller notes, "The Bureau of Pensions was the most uncompromisingly political branch of the late nineteenth century federal bureaucracy."¹⁶⁴

Despite the realities of the Pension Bureau's partisanship, Commissioner Dudley maintained a public position of objectivity. In a 6 March 1884 letter to special examiners in the field, Dudley states:

As the time approaches when politics become the universal and often the sole topic of conversation, special examiners will find it more difficult than ever to obey the injunctions laid upon them when going out, that they should in no way participate while on duty...in political discussions or work, by word or act...It is hoped that each examiner will heed this timely warning, and to such effect that no just criticism can be laid against him on this ground.¹⁶⁵

¹⁶² This paragraph draws heavily from Skocpol, 122-124.

¹⁶³ Heywood T. Sanders, "Paying for the Bloody Shirt: The Politics of Civil War Pensions," in *Political Benefits, Empirical Studies of American Public Programs*, ed. Barry S. Rundquist (Lexington: Lexington Books, 1980), 138.

¹⁶⁴ Morton Keller, *Affairs of State* (Cambridge: Harvard University Press: 1977), 311.

¹⁶⁵ Democratic National Committee, 21.

Although he publicly reminded special examiners to remain apolitical during the 1884 election season, Dudley again did not heed his own guidance. On 20 September 1884, Dudley tendered his resignation as commissioner of pensions – effective 10 November 1884 – to lead the Republican campaign effort in Ohio.¹⁶⁶ From the Garfield Administration’s perspective, a large Pension Bureau responsive to the needs of veterans who vote their pocket books was a huge political asset leading up to the 1884 campaign. As such, Dudley’s charade of apolitical bureaucratic administration did not fool anyone, especially not members of Congress.

Following his campaign stint in Ohio, Dudley returned to Washington from his home in Indiana throughout 1885 and testified before the House Select Committee on Payment of Pensions, Bounty, and Back Pay, an ad hoc investigatory panel. In one such hearing on 25 February 1885, the *New York Times* reports:

[The] Witness’s attention was called to the allegation that claims from Ohio and Indiana had been pushed ahead of those of other states for political reasons. In reply, [Commissioner Dudley]...declared that no class or section had been unduly favored by his order or with his knowledge, and that had any favoritism been shown by any subordinate the man would have lost his place.¹⁶⁷

Later that year on 26 November 1885, the committee chairman, A.J. Warner of Marietta, Ohio, further pressed Commissioner Dudley on his political influence in the Pension Bureau.

¹⁶⁶ *Ibid*, 77.

¹⁶⁷ “Mr. Dudley and Pension Office Abuses,” *The New York Times*, 26 February 1885. Available from <http://timesmachine.nytimes.com/timesmachine/1885/02/26/109780574.html?pageNumber=3>; Internet.

CHAIRMAN WARNER: [Y]ou would doubtless admit (I know you would) that if a man has a right to a pension, it is because of disabilities incurred in the service and not because of politics?

COMMISSIONER DUDLEY: I shall agree with you fully on that proposition.

CHAIRMAN WARNER: And that politics ought not to enter into the question of a settlement of claims?

COMMISSIONER DUDLEY: They certainly ought not.

CHAIRMAN WARNER: Would you not think it quite as objectionable and as grave an offense for a man holding a judicial position [such as yourself] to allow politics to affect cases, as for a judge on the bench to let it be known, or have it understood, that the political opinions of a man would affect his rights in court?

COMMISSIONER DUDLEY: Yes, and if anything more so.

CHAIRMAN WARNER: You have spoken about an order which you issued forbidding special examiners to engage in politics.

COMMISSINER DUDLEY: Yes, sir.

CHAIRMAN WARNER: When you left the office as Commissioner of Pensions, where did you leave it to go?

COMMISSIONER DUDLEY: To go on leave of absence.

CHAIRMAN WARNER: Where?

COMMISSIONER DUDLEY: I went to Ohio.

CHAIRMAN WARNER: What to do?

COMMISSIONER DUDLEY: I went there for the purpose of assisting my party.

CHAIRMAN WARNER: You went there to conduct a political campaign?

COMMISSIONER DUDLEY: I do not assume that I conducted it. I went to render such assistance as I could.

CHAIRMAN WARNER: Did you not virtually take charge of the campaign under the direction of the Republican central committee of the State?

COMMISSIONER DUDLEY: That is a matter personal to myself. I do not regard it as a proper subject of inquiry for this committee. I regard it as a matter personal to myself,

and not a matter subject to be inquired into by the committee; and I decline to answer the question. I state, very frankly, that I went there and did what I could to help my party.¹⁶⁸

This contentious exchange between the committee chairman and witness highlights an emerging policy subsystem at work. The members of Congress, clearly prepared with information beforehand, knew the answers to their questions ahead of time and pushed Commissioner Dudley for the truth about his undue political influence on the claims process. By doing so, Congress asserted its legislative oversight functions of an executive agency by holding its leaders accountable, on occasion even earning public attention from the most prominent newspaper in the country on matters of veterans' pension policy. Preparation, information, oversight, and accountability proved to be key facets of the committee hearing venue by the mid-1880s.

Pension Attorneys, Claim Agents, and the Grand Army of the Republic

Pension attorneys and professional claim agents used pension legislation, especially the new Arrears Act of 1879, to grow their businesses and build wealth by advertising their services in newspapers, journals, and magazines to raise awareness and attract eligible clients throughout the 1880s.¹⁶⁹ This proliferation of private business interest in military pension policy, in part, facilitated the enormous growth of applications to the Pension Bureau and cost to the taxpayers.

¹⁶⁸ *Hearings on Administration of the Pension Office, Day 2, Before the House Committee on Payment of Pensions, Bounty, and Back Pay*, 48th Congress, 259 (1885) (exchange between Chairman A.J. Warner and W.W. Dudley).

¹⁶⁹ *Ibid.*, 149-150.

One such private interest pamphlet is titled, *A Manual of Instructions for the Preparation of Government Claims for Bounty and Back Pay, Pensions, Prize Money, Navy Pay, and for Horses Lost in Battle*. In it, claim attorneys Gardner and Burgess publish a guide for pension claim agents and veterans, describing applicable laws on the books as of 1864. The manual outlines order and eligibility for pension entitlement (soldier, widow, children, mother, and sister) and rules for presenting evidence of disability, dependence, and or loss of property during military service (including horses under an 1849 law). Finally, the pamphlet even includes pre-filled application forms and example statements of dependence to help applicants as much as possible. The bottom of one form even states:

Please remit or deliver the Certificate or Warrant payable on and under my Claim for value... herewith attached, to my duly authorized Attorneys, **Gardner & Burgess**, of **Washington City, D.C.**, (original emphasis) who are fully authorized by me to receive and conduct all correspondence in the claim and to receive and receipt the Certificate when issued.¹⁷⁰

With just a simple form, veterans and dependents could easily apply for a pension claim while simultaneously becoming clients of Gardner and Burgess, without so much as ever meeting these attorneys at law. These simple pamphlets helped veterans understand the application process and allowed them to send and receive information regarding their pension claims to the Pension Bureau, through their attorneys or claim

¹⁷⁰ Gardner and Burgess, *A Manual of Instructions for the Preparation of Government Claims for Bounty and Back Pay, Pensions, Prize Money, Navy Pay, and for Horses Lost in Battle* (Washington: Gibson Brothers Printers, 1864), 27. This paragraph draws from the 32 page pamphlet to highlight its simplicity and easy use for veterans and their dependents. The authors write in the introduction, “It was our intention to publish...to enable correspondents to fill out applications for claims.”

agents. The information processing role that these private interests played was vital in helping veterans navigate a cumbersome and often politically motivated bureaucracy.

For veterans, employing a pension attorney or claim agent did not come without the risk of exploitation. According to disability scholars Blanck and Song, “Never before in American History had advocates been involved in activities of such grand and social and political scale, in efforts to help veterans pursue monetary gain, public acceptance and recognition.”¹⁷¹ Veterans’ pension policy clearly holds the key to understanding the beginnings of the sophisticated policy subsystem. As such, there is evidence that unscrupulous claim agents and pension attorneys looked for ways to profit from the pension system at the expense of their veteran clients. Historian Herbert Agar writes, “As a result [of generous Union pensions], claim agents traveled the country looking for ex-soldiers who had something the matter with them and persuading them to blame it on the war.”¹⁷²

As authorized under the Pension Act of 1862, pension attorneys and claim agents earned a fixed \$5 fee for every application filed on a veteran’s behalf with an extra \$1.50 for any necessary sworn statements testifying to the veteran’s disabilities.¹⁷³ “As a result,” Blanck and Song assert, “the more soldiers who applied for pensions, the greater the attorneys’ profits, since it was a volume business. For obvious reasons, pension

¹⁷¹ Peter Blanck and Chen Song, “Civil War Pension Attorneys and Disability Politics,” *University of Michigan Journal of Law Reform* 35, no. 1-2 (2001-2002): 5.

¹⁷² Herbert Agar, *The Price of Union* (Boston: Houghton Mifflin Company, 1950), 582.

¹⁷³ Pension Act of 1862, sec. 6.

attorneys tried to enlarge their claimant pool...and lobbied aggressively in Washington for the expansion of the pension system.”¹⁷⁴ Blanck and Song further conclude, “For the first time in American history, the Civil War pension system also created an ongoing relationship among the federal government, individual veterans, and their advocates and lobbying organizations that represented their interests.”¹⁷⁵

Beyond the private interests of claim agents and pension attorneys, powerful soldier advocacy groups like the Grand Army of the Republic (GAR) actively lobbied the Congress on behalf of the veterans’ community. On 8 March 1884, the Senate Committee on Pensions heard testimony from representatives of the GAR who claimed to represent some 220,000 veteran soldiers and sailors of the Civil War.¹⁷⁶ In fact, the GAR formed its own Committee on Pensions to mirror the committee in the U.S. Senate. GAR representative, General Louis Wagner states, “...Grand Army has continued its pension committee as a breakwater between Congress and those [veterans] who demanded pensions.”¹⁷⁷ This organizational innovation gave senators direct counterparts, effectively raising the political clout of the GAR and signaling that in order for the Congress to revise or consider new pension policies, the Senate Committee on Pensions could only proceed with the concurrence of its GAR counterpart.

¹⁷⁴ Blanck and Song, 12.

¹⁷⁵ Ibid, 11.

¹⁷⁶ *Hearings on the Grand Army of the Republic Committee on Pensions, Day 1, Before the Committee on Pensions of the United States Senate, 48th Congress, 1 (1884)* (statement of General George S. Merrill).

¹⁷⁷ Ibid, 5 (statement of General Louis Wagner).

Senators and GAR representatives used this 1884 committee hearing and its question and answer period as an opportunity to exchange information, signal policy preferences, raise concerns, and clarify positions. General George S. Merrill, representing the GAR, followed the chairman with a prepared opening statement and a litany of GAR policy positions. He reads:

We desire to give whatever weight we may have as a body or as individuals in favor of such measures as we deem just, which may now or hereafter be before you. We likewise desire to protest against and condemn certain propositions, which are now on your files, ostensibly in the interest of the old soldier or sailor, but which seem to us to be inconsiderate, impolitic, and calculated to bring into disrepute the general standing of the saviors of the nation.¹⁷⁸

Senators and witnesses discussed everything from rank based pension eligibility to fraudulent claims. Without robust congressional staffs to assist members with preparation, committee hearings served as a most powerful venue for effective and efficient information processing and exchange. Aside from brief prepared statements from the committee chairman and GAR representatives, the most substantive information exchanges occurred during the candid question and answer period.

During this unscripted series of back and forth exchanges, GAR laid the groundwork for what would become most extensive expansion of military pension policy in American history – the Dependent Pension Act of 1890. Arguing in favor of pensions for widows, General Merrill states:

¹⁷⁸ Statement of General George S. Merrill.

In regard to the continuance of a soldier's pension to his widow...if a soldier having a pension today for a cause, is killed in a railroad accident, or dies from any cause not directly traceable to the disability which gives him the pension, then his pension is wiped out, and the widow gets no pension. That seems to us to be very unjust.¹⁷⁹

The question of pension expansion to poor widows soon led to the following exchange between General Merrill and Senator Henry Blair of New Hampshire.

MR. BLAIR: If a man who rendered service in any war, and there is no war later than that of the rebellion, is actually disabled, or pecuniarily dependent [sic] –

GENERAL MERRILL: I would leave out the dependent part in all bills. I do not like the idea of making paupers of our soldiers.

MR. BLAIR: But you do make paupers of the mothers. I do not like the idea that poverty is dishonorable, whether it is on the pension list or elsewhere.

GENERAL MERRILL: [A] mother who at the time of the death of her son was in comfortable circumstances, and therefore not entitled to a pension, may be the reverses of business or fortune have become a candidate for the almshouse. Yet she cannot get today a pension because she was not dependent upon the son at the time of the son's death. We think that is wrong, and that if she became dependent since, that at the time and during the continuance of the dependence a pension should be granted.¹⁸⁰

GAR used the committee hearing venue to explicitly recommend particular policies, including dependent pensions, for the Senate committee to consider. GAR clearly signaled its policy preferences and made no qualms about continued pension expansion. In a dynamic policy subsystem, ideas and information that permeate and flow from one institution to another provide the necessary frame of reference for future legislation. Whether GAR believed the political mood in Washington was ready for pension expansion in 1884 is unclear. However, what is clear is that GAR representatives

¹⁷⁹ Ibid.

¹⁸⁰ Statements of General George S. Merrill and Senator Henry W. Blair. The author condensed the exchange for brevity and relevance.

believed in their mission to represent veterans and would use information and anecdotes to frame their arguments for new pension policies.

The GAR's Committee on Pensions pursued pension expansion again two years later. On 19 January 1886, the Senate Committee on Pensions held another hearing for GAR to present its position. In his opening statement before the committee, General Merrill asserts, "We come to you today with precisely the same recommendations without change, except in the form in which they are here given, as we presented to your committee two years ago."¹⁸¹ He further claims GAR membership had grown to some 300,000 veterans and that the organization's Committee on Pensions was the designated "mouth-piece" for its members "in all matters of pension legislation."¹⁸² In a circular presented to the Senate committee, GAR once again laid out its policy preferences in terms of pension expansion to widows, minor children, and mothers under various circumstances of a veteran's death. Additionally, GAR recommended specific dollar amounts for pensions to disabled veterans. For instance, GAR recommended \$100 a month "for men who lost both eyes, or arms, or legs, or an arm and a leg, or disability equivalent thereto."¹⁸³ By recommending specific pension awards for varying degrees of disability, the GAR Committee on Pensions signaled its close study and intimate

¹⁸¹ *Hearings on Pension Act of 1886, Day 1, Before the Committee on Pensions of the Senate of the United States and the Committee on Pensions of the Grand Army of the Republic*, 1 (1886) (statement of General George S. Merrill).

¹⁸² *Ibid.*

¹⁸³ *Ibid.*, (circular presented to Senate Committee on Pensions during hearing testimony).

understanding of the challenges facing disabled veterans as they attempted to make a living and support their families.

General Merrill also asserts GAR's universalism as "the only great organization that represents everybody, that has no possible connections with political questions, and takes in all parties and all organizations."¹⁸⁴ As such, GAR again advocated pension expansion to widows whose husbands died from disease or causes unrelated to wartime disabilities and the parents of veterans who became impoverished since their son's death. What is more, General Merrill highlights GAR's rather liberal perspective on pension eligibility and lackluster fraud prevention stating, "If 100 men are standing in line and 5 of them are not really entitled, I would say give it to the 5 rather than denying the 95 who are deserving."¹⁸⁵ This statement, as bold as it was, elicited no response from the Senate committee, signaling to GAR its countenance of such a liberal practice.

Presidents, Politics, and Pensions

In 1881, the Indiana State Legislature elected former Union general and rising Republican star, Benjamin Harrison, to the U.S. Senate. As a colonel in General Sherman's Army, Harrison commanded a brigade during the Atlanta campaign. He garnered significant praise from his superiors for displaying valor at the battle of Peachtree Creek in 1864.¹⁸⁶ And in 1865, just months before leaving the service for Indiana, Harrison earned his final promotion to brigadier general, solidifying his

¹⁸⁴ Ibid, (statement of General George S. Merrill).

¹⁸⁵ Ibid.

¹⁸⁶ Charles W. Calhoun, *Benjamin Harrison* (New York: Times Books, 2005), 24.

reputation as a warrior, patriot, and leader. Not surprisingly, Senator Harrison was a champion of Civil War service pensions. Senator Harrison's position and consistent advocacy for generous pension benefits was in stark contrast to the Democrat occupying the Oval Office from 1885 to 1889 – President Grover Cleveland.

In his first term, President Cleveland was ever suspicious of growing pension rolls and frustrated with the Congress that happily contributed to the pension bloat. Speaking to this point, Agar writes, “By 1885, 325,000 pensioners were on the roll. The pension authorities were lax and the list was growing rapidly; but the authorities were not lax enough to satisfy the more sentimental or the more vote-hungry Congressmen.”¹⁸⁷ Recall that in 1884 and in 1886, respectively, the Senate Committee on Pensions heard testimony from the GAR favoring a broad expansion of pension benefits to relatives of Union veterans. As an old soldier himself and ally of the GAR,¹⁸⁸ Senator Henry Blair of New Hampshire pushed the “Blair bill” through Congress. House Bill 10457 was officially titled, “An act for the relief of dependent parents and honorably discharged soldiers and sailors who are now disabled and dependent upon their own labor for support.” The bill called for anyone (including surviving parents) with three months of honorable service to the Union during the war – whether engaged in combat or not – to be awarded a pension for “any form of disability, no matter how or when acquired,

¹⁸⁷ Agar, 582.

¹⁸⁸ Agar notes that Blair was a “Republican Senator with a gallant war record [who] claimed that every union soldier should be pensioned, [because] every soldier came out of the war weaker than he went into it.”

including the disability of old age.”¹⁸⁹ Needless to say, President Cleveland opposed the legislation.

On 11 February 1887, President Cleveland vetoed the Blair bill, contributing to his long list of first term vetoes numbering in the hundreds. In his 4,193 word veto message to Congress, Cleveland cites growing pension statistics, the nation’s prior experience with military pensions, and points to historical trends which grant old age pensions to veterans nearly four decades after war, not a mere 22 years as the Blair bill would do. Moreover, President Cleveland alludes to a postwar peace dividend by framing his veto in terms of public tax burdens and federal revenues. He writes:

Under [Civil War pension] statutes 561,571 pensions have been granted from the year 1861 to June 30, 1886, and more than 2,600 pensioners have been added to the rolls by private acts passed to meet cases, many of them of questionable merit, which the general laws did not cover...If this bill should become a law, with its tremendous addition to our pension obligation, I am thoroughly convinced that further efforts to reduce the Federal revenue and restore some part of it to our people will, and perhaps should, be seriously questioned...I am not willing to approve a measure presenting the objections to which this bill is subject, and which, moreover, will have the effect of disappointing the expectation of the people and their desire and hope for relief from war taxation in time of peace.¹⁹⁰

Aside from the tax burden, the reality of party politics throughout this period suggests Cleveland had little to gain, politically, by backing pension legislation. Cleveland only won the election of 1884 by carrying his home state of New York by

¹⁸⁹ Ibid, 582-583.

¹⁹⁰ Grover Cleveland, “Veto Message,” 11 February 1887, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/index.php?pid=71488&st=Veto&st1=>; Internet.

1,149 votes.¹⁹¹ Ardently opposed to party patronage, Cleveland ran for the White House on an anti-corruption platform and at the time, the Pension Bureau and pension system were bastions of political corruption and patronage. As president, Cleveland vetoed some three hundred individual pension bills and earned himself the ire of Civil War veterans, most especially the Grand Army of the Republic.¹⁹² This undoubtedly contributed to his election downfall in 1888.

With several pension vetoes contributing to the political context, most especially Cleveland's 1887 veto, Benjamin Harrison found himself seeking the Republican Party's nomination for president just seven years after his election to the U.S. Senate. The following excerpt from the 1888 Republican Party platform summarizes the argument in favor of veterans' pensions, framed within the context of a budget surplus, giving the Republicans, ever wishing to be the favorite for veterans, a clear advantage over the Democrats and President Cleveland.

The gratitude of the Nation to the defenders of the Union cannot be measured by laws. The legislation of Congress should conform to the pledges made by a loyal people and be so enlarged and extended as to provide against the possibility that any man who honorably wore the Federal uniform shall become the inmate of an almshouse, or dependent upon private charity. In the presence of an overflowing treasury it would be a public scandal to do less for those whose valorous service preserved the government. We denounce the hostile spirit shown by President Cleveland in his numerous vetoes of measures for pension relief, and the action of the Democratic House of Representatives in refusing even a consideration of general pension legislation.¹⁹³

¹⁹¹ Roland Huggins, *Grover Cleveland: A Study in Political Courage* (Washington, DC: The Anchor-Lee Publishing Company, 1922), 28.

¹⁹² *Ibid.*, 29-30.

¹⁹³ "Republican Party Platform of 1888," 19 June 1888, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/index.php?pid=29627>; Internet.

In September 1888, Harrison accepted the Republican nomination for the presidency. In his letter to the committee, he responded most favorably to the party's position, framing veterans' pensions as an expression of gratitude for their faithful and unselfish service. He writes:

It can hardly be necessary for me to say that I am heartily in sympathy with the declaration of the convention upon the subject of pensions to our soldiers and sailors. What they gave and what they suffered I had some opportunity to observe, and, in a small measure, to experience. They gave ungrudgingly; it was not a trade, but an offering. The measure was heaped up, running over. What they achieved only a distant generation can adequately tell. Without attempting to discuss particular propositions, I may add that measures in behalf of the surviving veterans of the war and of the families of their dead comrades should be conceived and executed in a spirit of justice and of the most grateful liberality...¹⁹⁴

As he signals above, Harrison's presidency would bring about continued spending measures favorable to the veterans' cause, thereby exacerbating sectionalism and ushering in the era of the "Billion Dollar Congress" in 1890.

Sectionalism and the Tariff

Tariff receipts in the 1880s created a significant budget surplus, as implied by the Republican Party platform reference to the "outflowing treasury." Accordingly, Morton Keller notes that the "most pressing fiscal problem of the 1880s was the large revenue surplus generated by rising tariff receipts."¹⁹⁵ As Democrats saw it, tariffs placed an undue tax burden on the south and west. Republicans, on the other hand, viewed tariffs, and the redistributive social policies that they facilitated, as the glue that held the party's

¹⁹⁴ Benjamin Harrison, "Letter Accepting the Presidential Nomination," 11 September 1888, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/?pid=76068>; Internet.

¹⁹⁵ Keller, 381. See also Skocpol, 125.

electoral coalitions together. As such, the Pension Bureau “reopened old cases, rerated existing pensions upward, and generally rewarded political allies and supporters” during the Harrison presidency to meet political ends.¹⁹⁶ Political scientist Richard Benseel argues:

Because pension recipients allied themselves with the core industrial elite and thus formed a coalition large enough to successfully defend a high tariff as a part of the national political economy, the redistribution of this tariff revenue through the Civil War pension system became a major element in the political strategy of development.¹⁹⁷

Moreover, the *Union only* policy that persisted well beyond the close of the Civil War left southern residents eligible for pension benefits. Regional tensions grew from the reality that the south was still being largely punished for waging war against the north. Historian Walter Prescott Webb estimates that some seven billion dollars in pension benefits went to residents in the north while only one billion went to residents in the south and west.¹⁹⁸ This lopsided redistribution of wealth and the remaining budget surplus led Democrats to favor cutting tariffs by lowering foreign trade barriers while Republicans preferred to maintain tariffs and simply increase federal spending.¹⁹⁹ Northern Republicans and southern Democrats alike knew that any expansion of Civil War pensions would largely favor the northeast and mid-west, excluding the Democratic

¹⁹⁶ Richard Benseel, *Sectionalism and American Political Development* (Madison: University of Wisconsin Press, 1984), 66. Benseel cites Henry Ford Jones, *The Cleveland Era* (New Haven: Yale University Press, 1919).

¹⁹⁷ Benseel, 60.

¹⁹⁸ *Ibid.*, 453. See also Agar, 583.

¹⁹⁹ Peter Trubowitz, *Defining the National Interest: Conflict and Change in American Foreign Policy* (Chicago: University of Chicago Press, 1998), 50.

south and leaving it farther and farther behind. As a Democrat, this no doubt contributed to President Cleveland's 1887 Blair bill veto.²⁰⁰

Watchdog Media and Growing Public Concern

After winning the 1888 presidential election largely by linking tariffs to veterans, the "soldier-president" Benjamin Harrison moved to consolidate his victory by placing service-pensions at the top of his political agenda. The importance of the policy subsystem is also apparent in President Harrison's second pension commissioner, former Illinois Congressman and IRS commissioner, Green B. Raum. Following the short and disastrous tenure of his first pension commissioner, *The Nation* magazine declared that the "nominal executive," President Harrison, "does not dare appoint any man...before he has procured the endorsement of Gen. R.A. Alger, Commander-in-Chief of the Grand Army of the Republic...The situation is without precedent."²⁰¹ Media involvement in policy matters is a staple of the policy subsystem. Following Raum's appointment (with GAR support), both Republican and Democratic print journals praised the new commissioner for his executive leadership, Civil War service, and objectivity.²⁰² Despite the initial accolades, Raum proved to be as liberal in his favorable interpretation of pension laws for applicants as his predecessor.²⁰³

²⁰⁰ Skocpol, 124-226. Skocpol writes that Cleveland claimed the pension legislation was vaguely worded and therefore vetoed it. However, this interpretation misses the larger point that, in Cleveland's view, the pension rolls had become burdensome and would only exacerbate future budgets if the Blair bill passed.

²⁰¹ "The Week," *The Nation*, 3 October 1889, 262. Available from <http://www.unz.org/Pub/Nation-1889oct03-00261?View=PDFPages>; Internet.

²⁰² William Barlow, "U.S. Pension Commissioner Green B. Raum of Illinois," *Journal of the Illinois State Historical Society* 60, no. 3 (1967): 299.

²⁰³ *Ibid.*, 300.

In addition to media attention, veterans' pension policy pervaded the public debate during this period. On 1 June 1890, Edward H. Hall preached a sermon at the First Parish Church in Cambridge, Massachusetts, titled, "An Indignity to Our Citizen Soldiers." Hall, with a passionate and informed rhetoric, recounts the history of Civil War pension policy for his parishioners, detailing the initial enthusiasm to care for the new generation of veterans, the number of pension claims filed since 1861, and the dollar amount dispersed from the treasury as a result. He also discusses the growth of private interests surrounding veterans' pensions and their corrupting effect. He states:

But, unfortunately, it was not the soldiers along who thought themselves concerned in the matter. The making out of so many thousand claims and the expenditure of so many millions of dollars proved so lucrative a business, and the possibility of extending these claims in various directions proved so strong a temptation, that a great and thriving trade sprang up, based upon the soldier's needs. Plenty of honest men there were, no doubt, among these pension agents, but outside this lesser circle was formed a far larger ring, whose sole thought was to awaken discontent among the recipients of pensions and bring to bear upon Congress a pressure, apparently for the people themselves, for an increase of the nation's liberal gratuities. The country was flooded with circulars and appeals, military societies were led on step by step to countenance these friendly efforts in their behalf, public sentiment was quietly and successfully played upon to sympathize with the soldier's sufferings and to forget that anything had yet been done to relieve him, politicians were reminded of the rich party capital to be secured by coming forward as the soldier's friends, – until an entirely new era of pension legislation, unknown to the period of war itself, began.²⁰⁴

Hall describes the private advocacy campaign to garner congressional interest in raising pension benefits for Civil War veterans with disdain, especially when describing how "public sentiment was quietly and successfully played upon" with "circulars and appeals" like the one published by attorneys Burgess and Gardner in 1864.

²⁰⁴ Edward H. Hall, *An Indignity to Our Citizen Soldiers: A Sermon* (Cambridge: John Wilson and Son University Press, 1890), 5-6.

In his sermon, Hall also mentions a “new era of pension legislation,” referencing the Arrears Act of 1879. In his effort to inform the public, Hall continues by describing the Dependent Pension Act of 1890 being debated in the Congress that spring. Hall argues:

[W]e find ourselves in the extraordinary and even grotesque position to-day of paying, in pensions to our former soldiers, more than any European nation pays for its standing army, and yet at this moment, two bills are passing back and forth between the United States Senate and House, which, if adopted, will add 200,000 or 380,000 new names to the pension roll, and increase the annual expenditure by \$40,000,000 to \$80,000,000, or if certain pending amendments are adopted, by \$470,000,000.²⁰⁵

The \$40-\$80 million range of annual estimates Hall first mentions were in line with the \$50,000,000 initial estimate for arrears legislation furnished by Dudley’s predecessor at the Pension Bureau, J.A. Bentley.²⁰⁶ Passage of new legislation in 1890 undoubtedly inspired a sense of excess spending among Americans, as Hall alludes to a \$470 million bill “if certain pending amendments are adopted.” Defying initial estimates, spending on arrears pensions alone had ballooned to \$118 million in 1891 and to nearly \$140 million by the end of the decade.²⁰⁷

Fulfilling his campaign promises and ensuring that his administration was “liberal with the boys,”²⁰⁸ veterans’ pensions exploded under the Harrison presidency and the “Billion-Dollar Congress” of 1889-1891, just as Hall predicted. This is mostly due to loose interpretation of laws already on the books and enactment of the Dependent

²⁰⁵ Hall, 7.

²⁰⁶ Glasson, 163.

²⁰⁷ Glasson, 203.

²⁰⁸ Barlow, 297.

Pension Act of 1890, which passed the Senate with 31 Republicans and three Democrats in favor over 18 Democrats in opposition.²⁰⁹ This new legislation relaxed eligibility restrictions more than any pension policy had before. It reads:

That all persons who served ninety days or more in the military or naval service of the United States during the late war of Rebellion and who have been honorably discharged therefrom, and who are now or who may hereafter be suffering from a mental or physical disability of a permanent character, not the result of their own vicious habits, which incapacitates them from the performance of manual labor.²¹⁰

Despite efforts like Hall's to inform the public of the tremendous private sector corruption and likely costs to be incurred by enacting new pension legislation, the Dependent Pension Act of 1890 passed the Congress. In his second State of the Union address on 1 December 1890, President Harrison acknowledged enactment of the new legislation earlier that year. He states, "There is no economy to the Government in delay, while there is much hardship and injustice to the soldier. The anticipated expenditure, while very large, will not, it is believed, be in excess of the estimates made before the enactment of the law."²¹¹ In his reference to "hardship and injustice," Harrison leveraged images of these veterans as deserving better, for they had already borne a lifetime of hardship and injustice in many cases. The soldier-president stood by the expanded pension benefits, as he promised, framing the policy in a moral-ethical light to protect the

²⁰⁹ U.S. Congress, Senate, "Vote 192," 23 June 1890. Available from <http://www.govtrack.us/congress/votes/51-1/s192>; Internet. 26 senators did not vote at all and no Republican senator voted against it.

²¹⁰ U.S. Statutes at Large, 51st Congress, Session 1, Chapter 634, Page 182, 27 June 1890. Available from http://constitution.org/uslaw/sal/026_statutes_at_large.pdf; Internet.

²¹¹ Benjamin Harrison, "Second Annual Message," 1 December 1890, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/index.php?pid=29531>; Internet.

old soldiers from becoming paupers. Harrison, long the Republican champion of veterans' pensions, was wrong about their low costs, however. He lost his re-election bid in 1892 to his predecessor in the White House, Democrat Grover Cleveland. Never before and never since has an incumbent president lost re-election to his predecessor.

After Congress codified the act of 1890 into law, budget surpluses fell as pension liabilities ballooned between 1891 and 1900. By 1893, an astounding 41.5 percent of federal income went to veterans' benefits.²¹² Spending 41.5 percent of federal income on pension spending is absurd, especially considering as Bernard Rostker notes, "The Civil War Pension was...one that not all Americans shared equally."²¹³ Rostker is pointing to the reality that veterans of the Confederacy were cut out of this government largess and as a result, so too was the entire south. As such, southern states were left to their own devices.

Confederate Pensions

Federal Civil War pensions were for *Union* veterans only. The 1862 Pension Act clearly outlined this provision allocating benefits to veterans "disabled by reason of wounds received or disease contracted while in the service of the *United States* (emphasis added), and in the line of duty."²¹⁴ The same law further outlined that "No moneys shall

²¹² Bernard Rostker, *Providing for the Casualties of War: The American Experience Through World War II* (Santa Monica: RAND Corporation, 2013), 261.

²¹³ *Ibid.*

²¹⁴ Pension Act of 1862, chap. CLXVI.

be paid to [those] who have in anyway been engaged or who have aided or abetted the existing rebellion in the United States.”²¹⁵

Without Union consideration for Confederate veterans in the aftermath of the war, southern states were left to enact and implement pension policies on their own. The notion of policy diffusion from the federal government to state governments has theoretical grounding in recent scholarly research. Political scientist Graeme Boushey argues:

[V]ariation in the speed of innovation diffusion should be understood as resulting from the disproportionate allocation of political attention in the United States. In the majority of cases, diffusion occurs through the gradual formulation and adjustment of policy across state legislatures. At other times, state policymakers are faced with growing public demands to pass an emerging “fad” policy implemented in neighboring states. Often, new policy problems are revealed by exogenous shocks or new policy solutions are demanded by the federal government. These distinct pressures systematically lead to very different temporal patterns of diffusion.²¹⁶

Indeed, elites disproportionately allocated political attention toward Union veterans, even as disabled Confederate veterans returned home en masse without the means to support themselves or their families. Few would argue that such a scenario was not an “exogenous shock” to the local, state, and regional economies, leaving southern policymakers to rely on disability and service pensions as the only viable options to address the problem. Consequently, state legislatures across the Confederacy took up various pension measures during and after the war.²¹⁷

²¹⁵ Ibid, sec. 4.

²¹⁶ Graeme Boushey, “Punctuated Equilibrium Theory and the Diffusion of Innovations,” *The Policy Studies Journal* 40, no. 1 (2012): 128.

²¹⁷ Scokpol, 139-143.

Virginia, home of the Confederate capitol, offers a window through which to view state pension policies in the Confederacy as the commonwealth has a well-documented history of its veterans' pension policies. The first such pension policy, administered through the county court system, came in 1863, titled, "An Act for Relief of Indignant Soldiers and Sailors." According to Mark E. Rodgers, a social work scholar, "The act offered benefits (money and in-kind services) to Virginia servicemen who had been disabled in the military or who had died in military service, as well as to the indigent families of those who were currently in military service." Amended in 1864 to include those families driven from their homes because of the war, "localities could raise funds to aid needy servicemen and their loved ones."²¹⁸ Without a federal backbone to subsidize the cost of these pensions and pay the human toll of war, states like Virginia were left to rely upon counties, municipalities, and generous citizens to provide for Confederate veterans and their families. Rodgers cites an 1885 pamphlet from the Confederate Relief Bazaar Association which states, "[Confederate soldiers' and sailors'] only protection from the almshouse is such assistance as the large hearted and openhanded people...will extend to them."²¹⁹

²¹⁸ Mark E. Rodgers, *Tracing the Civil War Veteran Pension System in the State of Virginia: Entitlement or Privilege* (Lewiston: The Edwin Mellon Press, 1999), 2-3. This paragraph draws heavily from Rodger's opening chapter on "Policy Forerunners," eventually leading to more extensive and generous state pension benefits following the Civil War. Rodgers also notes the ongoing reconstruction debate in the south between those who favored economic restoration at the expense of the social obligation due disabled Confederate veterans. Finally, Rodgers briefly discusses additional acts and amendments to the original 1863 law. These policies laid out eligibility guidelines and funding for artificial limbs, payments in lieu, and required documentation.

²¹⁹ *Ibid*, 10. See also "Confederate Relief Bazaar Association," 1885, 1.

Moving forward to the late 1880s, more than 20 years after the end of the war, organizations realized philanthropy like that encouraged by the Confederate Relief Bazaar Association was not enough as “the need among veterans was too great for different voluntary societies to handle.”²²⁰ As Virginia beefed up its statutory support for disabled confederate veterans, an 1887 law established eligibility guidelines for pension claimants. These requirements included: (1) Virginia residency at the time of application, (2) Virginia residency during the war, (3) military service in the Confederacy, (4) dependence on physical labor for livelihood, (5) disability resulting from loss of limb, eyesight, or surgery, and (6) no receipt of an artificial limb, eye, or related payment within the previous five years.²²¹ Just like the Union, southern states looked to protect themselves from fraudulent claims and undeserving recipients.

As President Cleveland vetoed the Blair bill in 1887, Virginia considered its own generous pension act further providing for disabled service members and confederate widows. In March 1888, Virginia passed the Confederate Pension Act. This new law was more of an incremental policy change rather than a comprehensive one.²²² Most notable, however, was the provision for confederate widows, codifying support for indignant families into Virginia law. While Rodgers’ book on Virginia pensions is the most

²²⁰ Ibid.

²²¹ Ibid, 7.

²²² Ibid, 16-17. Rodgers notes that seemingly all the same tiered eligibility requirements remained in place and the county court system maintained its charter in administering the system. Rodgers does note, however, that in addition to provisions for confederate widows, the 1888 Pension Act streamlined the review process with uniform applications and created a means testing barrier for eligibility. For instance, government employees making \$300 or more were ineligible for a pension, as were families with property valued at more than \$1000.

comprehensive work on the commonwealth's system to date, he gives no indication as to whether Virginia lawmakers were looking north to Washington, DC for federal pension policy ideas. However, one might infer that as the late 1880s witnessed a pervasive national debate about Union pensions during the Cleveland and Harrison administrations, Virginia lawmakers were undoubtedly aware of all the benefits their constituents were ineligible for and enacted their own legislation to compensate.

In addition to Virginia, more recent work on Civil War pensions in the Confederate south illustrates programs in Texas and Georgia. For instance, state legislators in Texas, already burdened by veterans of its own war for independence, were reluctant to award pensions to veterans of the Confederacy. Moreover, a provision in Texas's 1876 constitution implicitly "forbade granting of public monies to any individual except in cases of public calamity." Consequently, legislators turned to public land grants and a controversial home building program to compensate. But years of public pleas to assist veterans led to an eventual shift in popular opinion. In 1898, voters approved a constitutional amendment reversing the public monies restriction. In 1899, the Texas State Legislature passed a pension measure that would last over sixty years.²²³

Unlike Texas, Georgia suffered widespread devastation from the war. Yet, state legislators were compelled to provide for their veterans. Early postwar measures provided foodstuffs for families and prostheses for veterans missing limbs. In 1885, the legislature

²²³ Mary Wilson, "The Confederate Pension Systems in Texas, Georgia, and Virginia: The Programs and the People," (Ph.D. diss., University of North Texas, 2004), 45-54.

and voters alike passed a constitutional amendment to clear the way for further pension measures. During the legislative session of 1886-1887, lawmakers passed a stipend for disabled Confederate veterans. In 1890, Georgia enacted a pension law providing for Confederate widows living in Georgia. In 1894, a measure to provide pensions to indigent veterans passed the legislature. This spirit of Georgian generosity continued into the twentieth century.²²⁴

The Confederate experience with Civil War pensions highlights the disparities across the south in providing aid to disabled and indigent veterans and their families. Clearly, local efforts to impact the plight of veterans proved inadequate. Moreover, each state differed in its approach to the pension question. When comparing the Union pension experience to the Confederate pension experience, one is left with the sense that federal involvement made all the difference. While this could be a simple matter of resource availability, there is something to be said for the success and efficacy of a unified approach across government for the disabled and indigent.

Summary

The long list of scholars who have explored Civil War pensions in previous works all highlighted some important aspect of military pension policy and American political development. However, no scholar has attempted to examine veterans' pension policy through the lens of a policy subsystem. This chapter does just that. First, congressional committees of jurisdiction on Civil War pensions evolved over the years and effectively

²²⁴ Ibid, 81-90.

wielded power over this policy domain. Second, the Pension Bureau dedicated itself to delivering veterans' pensions in the name of political patronage and partisan politics. Third, private interests of dubious scruple, such as pension attorneys and claim agents, actively lobbied Congress for new pension legislation and solicited veterans for their business. Fourth, powerful veterans' service organizations like the Grand Army of the Republic rallied veterans and families in the name of sacrifice and became a force for Congress to reckon with. Next, unflattering and consistent media coverage of the pension system contributed to a national conversation on the merits of veterans' pension policy. Finally, several U.S. presidents – the most elite policy entrepreneurs – weighed into pension politics at various points in the late nineteenth century in an attempt to break into the subsystem's policymaking process and assert control of the issue.

When taken together and viewed through a subsystems lens, the confluence of these factors clearly indicates the existence of a dynamic veterans' pension policy subsystem. Despite the best efforts of elite policy entrepreneurs like Grover Cleveland and Benjamin Harrison, a powerful subsystem undoubtedly controlled nineteenth century veterans' pension policy well into the twentieth century. This subsystem control would leave a lasting mark on future veterans' pension policy debates through two world wars and beyond.

Chapter 5: The Subsystem Evolves, 1917 – 1935²²⁵

The post-Civil War period saw the emergence and subsequent growth of the veterans' pension policy subsystem. No doubt, a powerful subsystem persisted well beyond the end of the nineteenth century and maintained a coherent policy focus on veterans' benefits.²²⁶ This coherent focus does not necessarily imply rigidity or intractability. On the contrary, policy subsystems are capable of both maintaining policy coherence and withstanding punctuations in the policymaking environment – focusing events, new information, and additional actors or institutions.²²⁷ Resilient subsystems are able to adapt and transform over time, proving to be the most difficult for political adversaries to breakdown and overcome. This chapter highlights the policy subsystem's resilience, adaptability, and evolution from World War I through World War II. In short, I argue that interest group lifecycles and bureaucratic consolidation transformed the landscape of the chaotic veterans' pension policy subsystem and pushed it one step closer to subsystem autonomy.

First, veterans' interest groups emerge in the wake of conflict, thrive in the policymaking process for a period of time, and fade away as a generation of veterans

²²⁵ This chapter is adapted from Brandon J. Archuleta, "Recruit, Retain, Separate, and Reward: Military Pension Policy and the American Experience," (Master's Report, The University of Texas at Austin, 2014), 55-87.

²²⁶ Peter May, Joshua Sapotichne, and Samuel Workman, "Policy Coherence and Policy Domains," *The Policy Studies Journal* 34, no. 3 (2006): 381-403. The authors argue that policy coherence implies that a set of policies belong together because they share common ideas, beliefs, and values. Healthy subsystems with strong congressional committees and capable federal agencies contribute to this policy coherence.

²²⁷ Jeffrey Worsham, "Up in Smoke: Mapping Subsystem Dynamics in Tobacco Policy," *The Policy Studies Journal* 34, no. 3 (2006): 437-452. Worsham documents the resilience of the tobacco policy subsystem and its ability to withstand major policy punctuations from 1945 to 2005.

passes on and a new generation emerges. Second, bureaucratic consolidation during the interwar period raised the visibility of veterans' policy within government and professionalized and streamlined the delivery of veterans' services.

World War I and Subsystem Evolution

Part I of this chapter begins with two significant policy developments in the lead up to and aftermath of World War I – adoption of War Risk Insurance and the National Defense Act of 1916. Second, I explore the emergence of powerful new veterans' organizations like the American Legion and Veterans of Foreign Wars (VFW). Third, I discuss the executive-legislative bonus battles that characterized the fight for veterans' benefits post-World War I. Fourth, I discuss bureaucratic consolidation and the transformation that paved the way for the autonomous policy subsystem. I also touch on the World War Adjusted Compensation Act of 1924 and the already well documented political mobilization of the Bonus Expeditionary Force in this section. Next, I explore the Veterans' Bureau's transition to the Veterans' Administration. Finally, I conclude with the National Defense Efficiency Act of 1935 that foreshadows the split between the veterans' policy and military personnel policy subsystems.

The Doughboys Sign Up for War Risk Insurance

The United States officially entered World War I on 6 April 1917 with a formal declaration of war. Six months later, Congress passed the War Risk Insurance Act (WRIA) on 6 October 1917 and set in motion a series of events that would define veterans' pension policy for the progressive era. The legacy of corruption, partisanship,

and financial largess that characterized the various Civil War pension acts and the existing veterans' pension system was politically unpalatable to many Washington lawmakers. While the pension committees in Congress aimed to retain control of their policy monopoly by placing new beneficiaries under the purview of the existing system administered by the Pension Bureau, the chairmen of the House Commerce and Senate Finance Committees sought to redefine the issue by altering committee jurisdictions.²²⁸ Reformers "wanted to exclude the Pension Bureau because they viewed it as irredeemably linked to the excessive, corrupt, and irrational Civil War system."²²⁹

The calls for reform in Congress created a window of opportunity for policy entrepreneurs in the Wilson Administration to exploit. On 31 July 1917, Treasury Secretary William G. McAdoo sent a letter to President Wilson sharing plans for comprehensive benefits legislation, the WRIA. In his letter, McAdoo presents a hypothetical scenario in which a quadruple amputee would receive a flat \$100 per month under the existing pension system regardless of family size or necessary medical care. Under the proposed plan, however, that same soldier could receive up to \$105 per month should he meet certain family and medical conditions.²³⁰ McAdoo contends:

²²⁸ Jeffrey C. Talbert, Bryan D. Jones, and Frank R. Baumgartner, "Non-legislative Hearings and Policy Change in Congress," *American Journal of Political Science* 39, no. 2 (1995): 383-405. The authors find that entrepreneurial committee and subcommittee chairmen in Congress use non-legislative hearings (e.g. investigative hearings) to expand policy conflict, redefine issues, and encroach into other committee jurisdictions and lay claim to the policy area in the future.

²²⁹ Nicholas Parrillo, *Against the Profit Motive: The Salary Revolution in American Government, 1780-1940* (New Haven: Yale University Press, 2013), 157.

²³⁰ Given the battlefield medical care of the day, a quadruple amputee surviving his wounds to receive a pension benefit seems highly unlikely. While McAdoo frames the argument around this sort of veteran

Everyman should know that the moment he enlisted in the military service of the Government, these definite guarantees and assurances are given to him, not as charity, but as part of his deserved compensation for the extrahazardous (sic) occupation into which his Government has forced him. It may be suggested that the cost of this system is too great. Personally I have no patience with such a suggestion; I confess that I have only compassion for it. If, under this measure, the annual cost of doing justice to our fighting men and their dependents should amount to five, six, or seven hundred million dollars per annum, at the crest of the load, it is an insignificant sum as compared with what these men do for their country and for the world.²³¹

While McAdoo frames his plan as generous and morally just, his analysis actually reveals the proposal would be less expensive than the existing system. McAdoo writes, “Furthermore, it must be borne in mind that the Government will not escape these expenditures if this plan of compensation and insurance should be rejected, because the [existing] pension system would then be resorted to, and the cost would likely exceed that of the proposed plan.”²³²

By coupling the problem, politics, and policy streams during an appropriate policy window, McAdoo’s entrepreneurial proposal earned wide support among members of Congress, including that of Representative Sam Rayburn of Texas, who sponsored the bill in the House. Speaking on the House floor, Rayburn states:

I do not believe that the men who fight for us...should be placed in the attitude of having straight-out gratuities from the Government, or that those things should be passed around on political favor like we have in the past. I know...that unless we do something now, after this war is over that another saturnalia of pension frauds and pension claims will be

receiving more money under WRIA, McAdoo surely saw this extraordinary scenario as the exception and not the rule.

²³¹ William G. McAdoo to President Woodrow Wilson, 10 August 1917, in *Relief of Officers and Enlisted Men: Correspondence Between President Wilson and Secretary McAdoo Relating to the Bill Providing for Family Allowances, Indemnification, Reeducation, and Insurance in Behalf of Officers and Enlisted Men of the Army and Navy of the United States* (Washington, DC: Government Printing Office, 1917), 9.

²³² Ibid.

put up to this Congress. I want to do what I can here to do Justice...during this war and have an end to it.²³³

Acknowledging Rayburn's sentiment, the House Commerce Committee felt similarly.

According to legal scholar Nicholas Parrillo,

The House Commerce Committee reasoned that, if Congress started the war effort with a reasonable and measured promise of benefits, carefully confined to disabilities that were service-connected and substantial, it would gain public acceptance and thereby hopefully 'erect a certain moral barrier' to the future expansion of the system.²³⁴

With strong support from the administration, the House and Senate unanimously approved the WRIA.²³⁵ Scholar Henry Glasson depicts the new law as "a radical departure from the existing pension system... [However] Existing pension laws are not disturbed in their application to previous wars."²³⁶ In addition to creating a new Bureau of War Risk Insurance in the Treasury Department, the WRIA provided for families and dependents through compulsory allotments from soldier salaries, various compensations in case of disability or death, and insurance at an \$8 premium for every \$1000 of coverage.²³⁷

²³³ Robert G. Bodenger, "Soldier Bonuses: A History of Veterans' Benefits in the United States, 1776-1967," (Ph.D. diss., The Pennsylvania State University, 1971), 133. Bodenger draws this Rayburn quote from the U.S. Congressional Record, 65th Congress, Session 1, LV, Part 7, 6756. See also William Pencak, *For God and Country: The American Legion, 1919-1941* (Boston: Northeastern University Press, 1989), 177.

²³⁴ Parrillo, 158.

²³⁵ Glasson, 283.

²³⁶ *Ibid.*

²³⁷ *Ibid.*, 284-295.

From 1917 to 1918, some 320,000 Americans died or were wounded overseas.²³⁸ The “war to end all wars” concluded with an armistice on 11 November 1918. Over the next two years, veterans’ organizations, members of Congress, and presidential candidates debated the various veterans’ compensation proposals saturating Washington. Acknowledging the low overseas pay and ensuing financial problems facing many of the returning doughboys in 1919, Congress “passed a stopgap measure in which the government granted an extra \$60 – two months’ base pay – to any serviceman mustering out, regardless of grade.”²³⁹ Overseas newspapers like *Stars and Stripes* ran headlines announcing the soldier “bonus,” embedding the term and notion of additional pay in the minds of soldiers and veterans.²⁴⁰

As more costly proposals flooded the Congress throughout 1920, politicians attempted to use the bonus as a wedge issue in an election year. During testimony before the House Ways and Means Committee on a more generous bonus bill, President Wilson’s third Treasury Secretary, David Houston, argued that “to float bonds in the amount of \$2,000,000,000 or to meet such an additional expenditure out of taxes would present grave problems and might result in disaster.”²⁴¹ Just as advocates for and against Civil War pensions had done decades before, Houston framed his argument within the context of mounting federal debts and financial crisis. Once again, veterans’ pensions

²³⁸ Anne Leland and Mari-Jana Oboroceanu, “American War and Military Operations Casualties: Lists and Statistics,” *Congressional Research Service* (2010), 2. Available from <http://www.fas.org/sgp/crs/natsec/RL32492.pdf>; Internet. CRS estimates the United States sustained 116,516 deaths and 204,002 wounded from 1917 to 1918.

²³⁹ Paul Dickson and Thomas B. Allen, *The Bonus Army* (New York: Walter & Company, 2004), 21.

²⁴⁰ *Ibid.*

²⁴¹ David E. Houston, 11 March 1920, quoted in Dickson and Allen, 22.

proved to be a partisan issue with Democrats opposing and Republicans favoring more generous benefits. The 1920 bonus bill ultimately failed in the Senate as the two billion dollar price tag proved unacceptable.

Promotions, Classifications, and Retirements

While the failed veterans' bonus bill in 1920 drew a great deal of attention within the policy subsystem, a little noticed amendment to the National Defense Act of 1916 would have a much greater impact on long term military pension and personnel policies than any bonus bill ever could. The National Defense Act of 1916 originally codified the personnel and organizational structure of the Army – including its various corps, departments, and branches – in the build up to World War I. In the war's aftermath, a 1920 amendment to the National Defense Act of 1916 actually laid the intellectual foundation for what would become the military personnel and retirement systems throughout the remainder of the twentieth century and beyond. This foundation came about via three channels: promotions, classifications, and retirements. First, the amendment formalized the Army's promotion system through a centralized board process. Second, changes to the 1916 legislation classified officers based on their worthiness for retention. Finally, the law tied new promotion and retention policies to retirement benefits.

The 1920 amendment to the National Defense Act mandated that the Army convene promotion boards of senior ranking officers “[f]or the purpose of establishing a more uniform system for the promotion of officers, based on equity, merit, and the

interests of the Army...shall cause to be prepared a promotion list.”²⁴² Promotion boards were to review the personnel files of junior and mid-career officers with various specialties for selection to the next rank and pay grade. Although the intent of this provision was to create a promotion system based on “equity, merit, and interests of the Army,” age and time in service were actually the two most important factors in determining an officer’s place on the promotion list.

Changes to the National Defense Act of 1916 required that officers be classified in one of two categories, Class A or Class B. According to the legislation, “Class A, [consists] of officers who should be retained in the service, and Class B, of officers who should not be retained in the service.” Officers in Class A, anointed to rise in the ranks, were subject to the newly outlined promotion system. Meanwhile, officers in Class B would be “given an opportunity to appear before a court of inquiry...to present testimony in his own behalf” as to why he should be retained.²⁴³

Finally, the new legislation outlined retirement benefits for those troops serving full 30 year careers and separation benefits for those discharged before completing a full career. For instance, Class A officers with 30 years of service and retiring before 1 January 1924 would be entitled to 75 percent of their active duty pay. Similarly, officers

²⁴² U.S. Congress, House, *National Defense Act of 1916 as Amended by Act Approved 4 June 1920*, 66th Congress, Session 1 (Washington, DC: Government Printing Office, 1927), 20. Available from [HTTP://congressional.proquest.com/congressional/docview/t21.d22.cmp-1927-mah-0001?accountid=15138](http://congressional.proquest.com/congressional/docview/t21.d22.cmp-1927-mah-0001?accountid=15138); Internet.

²⁴³ *Ibid*, 22.

retiring after 1 January 1924 would be eligible for 60 percent of their annual pay.²⁴⁴ Meanwhile, officers falling into Class B as a result of “neglect, misconduct or avoidable habits” were simply discharged without any sort of pension benefit.²⁴⁵ Conversely, Class B officers with more than 10 years of service and an honorable discharge were to be “placed on the unlimited retired list with pay at the rate of 2 ½ per centum of his active pay multiplied by the number of complete years of commissioned service.”²⁴⁶

This section highlights the first instance in which the military centralized a process by which some officers would be selected for promotion while others would be selected for separation. In essence, the National Defense Act of 1916 as amended in 1920 laid the intellectual foundations for future military personnel and pension policies, namely the “up or out” promotion system that came about in the wake of World War II. What is also noteworthy is that the centralized board selection process outlined in the 1920 amendment very much resembles current military bureaucratic practices. With War Risk Insurance and amendments to the National Defense Act of 1916 as historical context, the next section explores the influential veterans’ organizations of the period and their impact on military pension policies.

²⁴⁴ Ibid, 23.

²⁴⁵ Ibid.

²⁴⁶ Ibid. Note that Class B officers with less than 10 years of service received one year’s salary as separation pay.

Influential Veterans' Organizations

Veterans' interest groups emerge in the wake of conflict, thrive in the policymaking process for a period of time, and fade away as a generation of veterans passes on and a new generation emerges. Like veterans of the Civil and Spanish American Wars before them, World War veterans also looked to veterans organizations for personal camaraderie and political advocacy.

The Grand Army of the Republic Fades Away

At the height of its membership in 1890, the GAR numbered some 409,500 Union veterans.²⁴⁷ While the previous chapter covers GAR's prestige and influence in great detail, it should come as no surprise that GAR's massive membership rolls coincide with the 1890 "Billion Dollar Congress" and passage of the most extensive and generous veterans' legislation of the post-Civil War era. But like all member organizations with roots in a specific period, conflict, or war, the GAR's influence would eventually dissipate and give way to a new generation of more timeless organizations.

While I specifically cover bureaucratic consolidation later in this chapter, briefly examining GAR membership in 1921 and 1931, at the inception of the Veterans' Bureau and Veterans' Administration, is instructive. By 1921, the same year President Harding established the Veterans' Bureau, GAR membership had dropped some 77 percent to

²⁴⁷ "The Grand Army of the Republic (GAR) Commanders-In-Chief and Membership," *Sons of Union Veterans of the Civil War*. Available from <http://suvcw.org/garcinc.htm>; Internet.

only 93,000 Union veterans.²⁴⁸ Similarly, by 1931, as the new Veterans' Administration began its work, GAR was a shadow of its former self at a mere 16,500 members.²⁴⁹ GAR held its final encampment in 1949, with only sixteen members in attendance. In 1956, the GAR's last surviving member – Albert Woolsey – passed away.

Veterans of Foreign Wars Organize

Seeing the power and influence of the GAR in securing veterans' benefits, veterans of the Spanish American War (1898) and Philippine Insurrection (1899-1902) organized into local groups around the country at the end of the nineteenth century. By 1914, two of the more prominent organizations – the National Association of the Army of the Philippines and American Veterans of Foreign Service – merged to form the Veterans of Foreign Wars (VFW). According to veterans' policy scholar, Stephen R. Ortiz, "VFW offered membership to servicemen and veterans who had served 'on foreign shores or in hostile waters in any war, campaign or expedition recognized by Congress with a campaign badge or service clasp.'"²⁵⁰ With the American declaration of War in 1917, VFW added a new generation of veterans to its humble ranks.

Upon their return from the European front, doughboys were slow to join the VFW, seeing the organization's leadership ranks filled by veterans of *other* foreign wars, not the *Great* War. The modest socioeconomic means and sparse political connections of

²⁴⁸ Ibid.

²⁴⁹ Ibid.

²⁵⁰ Stephen R. Ortiz, *Beyond the Bonus March and GI Bill: How Veterans Politics Shaped the New Deal Era* (New York: NYU Press, 2010), 7 and 18.

VFW leaders differed from that of other, more powerful veterans' organizations, namely the American Legion. VFW leaders more accurately reflected the lower-middle class, small businessmen, skilled and unskilled workers, and clerks that "[made] up the majority of the VFW membership."²⁵¹ But that reflection did not translate to membership numbers. VFW's membership stood at some 20,000 veterans in 1920, "not appreciably larger than it had been in 1917."²⁵²

Short on numbers and political clout, VFW used its underdog status to advocate more radical policy positions than its politically entrenched rival, the American Legion, including "persistent and vehement demand for the immediate cash payment of the soldier's bonus...[offering] veterans an alternative to the more conservative Legion."²⁵³ During the Great Depression, "veterans found in the VFW a newly energetic and increasingly powerful organization to champion their causes."²⁵⁴ With this new energy came larger membership rolls. Fifteen years after its founding, the VFW had finally become a powerful player in veterans' policy. Unlike GAR, however, the VFW did not use its new national status for "partisan politics," though many VFW leaders unsuccessfully argued in favor of "direct political involvement" during the New Deal bonus battles of 1933 and 1934.²⁵⁵

²⁵¹ Ibid, 20.

²⁵² Ibid, 18.

²⁵³ Ibid, 7.

²⁵⁴ Ibid.

²⁵⁵ Ibid, 108-112. Ortiz offers a snapshot of the "highly charged political atmosphere" among delegates at the 1934 VFW encampment arguing for and against "direct political involvement."

The American Legion Forms in Paris, 1919

Like the GAR and VFW before it, the American Legion aimed to organize veterans and advocate on their behalf. The Legion has its roots in a 1919 dinner party, hosted by Lieutenant Colonel Theodore Roosevelt, Jr., at the Allied Officers Club in Paris. Following a daylong meeting to address low morale among the troops, Roosevelt invited a group of officers to dinner as he “had a most important matter to discuss personally and unofficially with the gentlemen in detail” – a veterans’ society.²⁵⁶ Among the group of officers were Eric Fisher Wood, George A. White, and William “Wild Bill” Donovan, who would later lead the Office of Strategic Services during World War II.²⁵⁷ With its first national convention held in Minneapolis in November, 1919 and 843,013 dues paying members by 1920, the American Legion immediately dwarfed both GAR at its height and the fledgling VFW. Unlike GAR, however, the Legion steered clear of political patronage and partisanship in its dealings with government.²⁵⁸ Rather, the prominent leaders of the American Legion advocated “Americanism,” including a disdain for “Reds” and “Slackers,” a desire to work with local, state, and federal government officials, and friendly ties to the business community.²⁵⁹ What is more, membership in the American Legion was open to any service member of the Great War, including those whose service did not send them overseas, unlike the VFW.

²⁵⁶ Marquis James, *A History of the American Legion* (New York: William Green, 1923), 17.

²⁵⁷ William Pencak, *For God and Country: The American Legion, 1919-1941* (Boston: Northeastern University Press, 1989), 52.

²⁵⁸ *Ibid.*, 107-143. Pencak dedicates an entire chapter on “The Legion in Politics.”

²⁵⁹ *Ibid.*, 52.

From December 1919 to April 1921, American Legion leaders met frequently with government officials to address growing concerns regarding insufficient veterans' compensation and hospitalization policies. For example, due in part to the Legion's intense lobbying effort, the Harding administration dismantled the Bureau of War Risk Insurance and formed the Veterans' Bureau in its stead, combining three agencies into one.²⁶⁰ But the Legion's presence on Capitol Hill did not stop there.

The Legion's nationwide education campaign on the soldiers' bonus proved central to passage of the 1924 Adjusted Compensation Act. The American Legion circulated literature to its state delegations to "aid Legion Bonus speakers in debates," framing the bonus in "more dignified" terms – adjusted compensation.²⁶¹ Unlike the VFW, the Legion actually took a conservative and rather indecisive approach to the bonus matter. William Pencak writes, "[The Legion] hesitated, changed its mind several times, and ultimately supported a successful measure quite different from the immediate cash payment suggested in the twenties or an inflationary scheme...endorsed by the Veterans of Foreign Wars in the thirties."²⁶² Appealing to their patriotism, President Herbert Hoover spoke to Legionnaires at their 1930 national convention to address growing demands for immediate cash payment of the bonus. Hoover's speech – the first presidential address at an American Legion convention – worked. The Legion

²⁶⁰ Ibid, 178.

²⁶¹ Ibid, 199.

²⁶² Ibid, 197.

overwhelmingly voted down a resolution calling for immediate cash payments.²⁶³ Despite acquiescing to President Hoover's request, the American Legion had proven itself a formidable foe and powerful ally, capable of mobilizing national campaigns to its vast membership and swaying public opinion on veterans' benefits.

The Harding Administration Battles Congress

Promising a "return to normalcy," the American people elected Ohio Senator Warren G. Harding president in 1920. By 1921, more bonus measures hit the political agenda. And once again, the Treasury Secretary, this time Andrew W. Mellon, argued against them. The front page headline of *The New York Times* on 6 July 1921 reads, "Bonus Bill Will Ruin All Economy Plans, Declares Mellon."²⁶⁴ The article makes multiple references to a letter Mellon sent to Senator Frelinghuysen of New Jersey, responding to his inquiries on the matter. According to *The New York Times*, Mellon replies:

[This bill] would swell the cost of government and virtually defeat the Administration's program of economy and retrenchment...no such sum could be taken out of the Treasury without throwing a corresponding load upon the whole people in the form of increased interest charges, increased taxes, and increased cost of living.²⁶⁵

This is clearly a strongly rooted economic argument for Democrats, especially the question of redistributing national wealth, just as it had been for their predecessors

²⁶³ Ibid, 201.

²⁶⁴ "Bonus Bill Will Ruin All Economy Plans," *The New York Times*, 6 July 1921. Available from <http://query.nytimes.com/mem/archive-free/pdf?res=F10710F63D5A1B7A93C5A9178CD85F458285F9;> Internet.

²⁶⁵ Ibid.

following the Civil War. With interest in the bill's passage still apparent in the Senate, President Harding took the unprecedented step to personally address his former colleagues and weigh in. Author Roger Daniels writes this of the episode:

The bonus fight shows [Harding] at his most influential. To stop the bill he did what no President before or since has even attempted; he appeared in person before the upper chamber and asked its members to recommit a bill that had already been reported out of committee and was nearing a vote that was all but certain to be favorable.²⁶⁶

In his statement, President Harding echoes his Treasury Secretary by asserting “the enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly, imperil the financial stability of our country.”²⁶⁷ Additionally, he framed such compensation as a matter of national gratitude, rather than a debt or obligation to soldiers. Despite bitter partisan rancor for his unprecedented tactics, President Harding's efforts were successful and the bill failed. Here is an excellent example of the *most* elite policy entrepreneur coupling the problem, politics, and policy streams of an issue to manipulate the political agenda and maintain his policy preference – the status quo. Something to note is the importance of the macro-politics involved. Once the President of the United States takes up a matter like this in such bold fashion, the elite and dynamic policy subsystem between Congress, bureaucrats, special interests, and the media breaks down and no longer retains jurisdictional sovereignty of the policy venue.

²⁶⁶ Roger Daniels, *The Bonus March: An Episode of the Great Depression* (Westport: Greenwood Publishing, 1971), 29.

²⁶⁷ Warren G. Harding, “Address to the Senate,” 12 July 1921. Available from [http://wb.westernstandard.com/nxt/gateway.dll/law/lawagp/lawagpusp/lawagpuspmpp/0030%20warren%20g.%20harding/0033%20mpwgh-9003.1.0033.xml?fn=document-frame.htm\\$f=templates\\$3.0](http://wb.westernstandard.com/nxt/gateway.dll/law/lawagp/lawagpusp/lawagpuspmpp/0030%20warren%20g.%20harding/0033%20mpwgh-9003.1.0033.xml?fn=document-frame.htm$f=templates$3.0); Internet.

With three years of brewing animosity propelling another bonus measure forward, Congress considered the bill again in the spring of 1922. The legislation passed the House and Senate with overwhelming bipartisan support.²⁶⁸ On 19 September 1922, however, President Harding vetoed the bill, citing budgetary concerns. Congress fell short of the required two-thirds vote to override the veto.²⁶⁹ Within a year, Harding would be dead and the question of veterans' pension policy would be left to his successor, Calvin Coolidge.

Consolidating the Veterans' Bureaucracy

Bureaucratic consolidation during the interwar period raised the visibility of veterans' policy within government and professionalized and streamlined the delivery of veterans' services. To this end, President Harding's most significant contribution to veterans' policy was not legislative, but bureaucratic.

On 9 August 1921, President Harding signed legislation establishing the Veterans' Bureau, consolidating veterans' services under one agency and opening a new chapter in the pension story. The 1921 Sweet Act, sponsored by Representative Burton Sweet of Iowa, "established an independent bureau under the President to be known as the Veterans' Bureau, the director of which shall be appointed by the President, by and with the advice and consent of the Senate."²⁷⁰ This bill effectively raised the profile of

²⁶⁸ Dickson & Allen, 26-27.

²⁶⁹ Ibid.

²⁷⁰ U.S. Statutes at Large, 67th Congress, Session 1, Chapter 51, Page 147, 9 August 1921. Available from http://www.constitution.org/uslaw/sal/042_statutes_at_large.pdf; Internet.

veterans' issues by establishing a quasi-cabinet level position reporting directly to President Harding.²⁷¹ The Pension Bureau meanwhile, still responsible for administering pensions to Civil War veterans, remained within the Department of the Interior and left out of the new bureaucratic structure. As bureaucracy is a reflection of values, this bureaucratic reorganization formally signaled the government's focus and attention had shifted from the aging Civil War generation to the young World War generation.

Beyond simply creating a new agency, the Sweet Act made three significant changes to the veterans' bureaucratic landscape. First, the legislation abolished the Office of the Director of War Risk Insurance and transferred the entire agency (Bureau of War Risk Insurance) from the Treasury Department to the new Veterans' Bureau. Second, the Veterans' Bureau assumed responsibility for the Rehabilitation Division of the Federal Board of Vocational Education and Veterans' Medical Division in the United States Public Health Service. Third, the legislation authorized the Veterans' Bureau Director to establish a central office in Washington, DC and as many as fourteen regional veterans' offices with corresponding sub-offices around the country.²⁷² Regional offices represented a significant step toward providing responsive services to a new generation of veterans. A 26 May 1921 *New York Times* article on the legislation reads:

The fourteen regional offices, through the terms of the proposed act, may exercise full powers, hear complaints, examine applicants, rate and award compensation claims, grant medical, dental, surgical and hospital care, make insurance awards and grant vocational

²⁷¹ Though the Director of the Veterans' Bureau was not officially a member of the president's cabinet, the new reporting structure would statutorily guarantee him regular access to the president, thereby elevating the visibility and prestige of the position and veterans' policy.

²⁷² *Ibid*, 148.

training. This in effect means that there would be fourteen points through the United States where action on any one of those matters could be promptly obtained, instead of the existing system whereby all such matters have to be acted upon in Washington.²⁷³

Altering the bureaucratic landscape did not come without opposition. For instance, the Labor and Interior Departments – fearing the loss of jurisdiction and bureaucratic autonomy – opposed the Veterans’ Bureau on grounds that the “need for hospitalization and rehabilitation [of veterans] would soon pass.”²⁷⁴ This argument was clearly a shortsighted play for bureaucratic turf as veterans of the World War generation would undoubtedly require continued hospital and rehabilitation services of various sorts throughout the remainder of their lives – services that could be more effectively delivered under the new bureaucratic structure.

While the Sweet Act did not specifically exclude aging Civil War veterans from accessing benefits or medical attention at the various regional offices, the legislative intent clearly favored World War veterans. From a bureaucratic perspective, creating a new Veteran’s Bureau to coexist with the Pension Bureau in the Interior Department allowed the former to grow and innovate while the latter phased out of existence as its elderly Civil War veterans passed away. Additionally, a new bureaucracy – drawing elements from across government under one organization – allowed the director to establish his own systems and processes to prevent the fraud, abuse, and corruption that plagued the Pension Bureau in the years following the Civil War. These systems and

²⁷³ “Veterans’ Bureau Plan in Congress,” *The New York Times*, 26 May 1921. Available from <http://query.nytimes.com/mem/archive-free/pdf?res=FB0A1EFB345B1B7A93C4AB178ED85F458285F9>; Internet.

²⁷⁴ Pencak, 179.

processes, in turn, would promote efficiency and effectiveness, lending political legitimacy to the Veterans' Bureau's march toward bureaucratic autonomy. The 1922 Annual Report of the Veterans' Bureau highlights the need to establish the bureau:

[D]uring the period following the armistice, [demand for services] resulted in greatly expanding each of these [three] organizations until the divisions handling veteran relief work overshadowed the parent organizations. The new work demanded freedom of action to meet emergencies. Organizations built up for other purposes were cumbersome in situations that could not be anticipated, and frequent delays were occasioned by conflicts with established methods of procedure which were inadequate but which could not be ignored entirely. The Director of the former Bureau of War Risk Insurance was responsible to the Secretary of the Treasury, who delegated his work to an assistant secretary in charge of the bureau. Such an organization made administration cumbersome, and many regulations necessary for the proper functioning of the bureau were lost in the process of being approved by numerous ranking officials.²⁷⁵

Recognizing the need for change, President Harding appointed Charles R. Forbes as the first director of the Veteran's Bureau on 9 August 1921. Upon his appointment, Forbes "immediately began taking steps to place in effect the provisions of the new act for the establishment of a single organization charged with the responsibility of administering all phases of the service rendered to the disabled veterans."²⁷⁶ As director, Forbes' role is described as follows:

The director of this independent bureau has full authority, subject to the general direction of the President of the United States, to administer and enforce the laws relating to compensation, insurance, rehabilitation, and medical care and treatment of veterans who are entitled to these services.²⁷⁷

On 10 August 1921, Forbes issued several General Orders to the nascent Veterans' Bureau regarding staffing, rules, structure, and systems. First, Forbes set out to

²⁷⁵ U.S. Veterans Bureau, *Annual Report of the DIRECTOR UNITED STATES VETERANS BUREAU for the fiscal Year ended June 30, 1922* (Washington, DC: Government Printing Office, 1922), 3.

²⁷⁶ *Ibid.*, 6.

²⁷⁷ *Ibid.*, 1.

staff his new agency. General Order 1 states, “All officers and employees of the Bureau of War Risk Insurance [and Rehabilitation Division of the Federal Board for Vocational Education] on August 9, 1921, are hereby transferred to similar positions in the Veterans’ Bureau.”²⁷⁸ Second, Forbes establishes rules to govern his new institution. General Order 2 reads:

It is hereby that there shall remain in full force and effect all Treasury Decisions, Conjoint Regulations, Regulations, Divisional Instructions, General Orders, Bureau Orders, Field Orders, News Letters, and Treasury Department Orders, Instructions, Circulars, etc., heretofore applicable to the Bureau of War Risk Insurance, and all Rules, Regulations, Circular Letters, and other Instructions heretofore applicable to the Rehabilitation Division of the Federal Board for Vocational Education, until such time as the same may be specifically amended or revoked.²⁷⁹

General Orders 3 and 4 deal with bureaucratic structure. For instance, General Order 3 establishes the 14 regional district offices in major cities across the country as authorized in the Sweet legislation. Further, General Order 3 clearly assigns jurisdictions for each regional district office. For example, “District No. 1 [headquartered in Boston] shall consist of the states of Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island.”²⁸⁰ General Order 4 transfers various sections of the Rehabilitation Division to

²⁷⁸ Charles Forbes, “General Order No. 1: Transfer of employees of the Bureau of War Risk Insurance and the Rehabilitation Division of the Federal Board for Vocational Education to the Veterans’ Bureau,” *U.S. Veterans’ Bureau*, 10 August 1921.

²⁷⁹ *Ibid*, “General Order No. 2: Rulings of Former Bureau of War Risk Insurance and Rehabilitation Division of Federal Board for Vocational Education retained.”

²⁸⁰ *Ibid*, “General Order No. 3: Establishing a Central Office and Fourteen District Offices of the Veterans’ Bureau and Designating the Territory within each District.”

other divisions within the Veterans' Bureau, including but not limited to the personnel, medical relations, and statistical sections.²⁸¹

General Order 5 outlines procedures for making disability compensation awards and determining eligibility for vocational training. The order further dictates the type and number of application forms veterans must submit, procedures for submitting claims to Washington from the district offices for processing, and systems for filing claims.²⁸² While not as comprehensive as the formal regulations published by the Veterans' Bureau, these General Orders enabled Director Forbes to immediately consolidate and establish a working bureaucracy to serve a new generation of veterans.

In addition to bureaucratic consolidation, the Veterans' Bureau's core organizational strength came through its district offices. To build the organizational capacity necessary to deliver efficient and effective services to veterans, Director Forbes and his Manager of District Offices, Colonel (Ret.) George E. Ijams, maintained frequent contact with the district offices. For instance, in an October 1921 memorandum, Director Forbes instructs district managers to submit "an itemized account of all expenditures classified by regional offices and sub-offices, including the names, classifications and salaries of all staff officers, experts, assistants and employees."²⁸³ In a November 1921 memorandum, Ijams requests that district managers "kindly furnish this office the

²⁸¹ Ibid, "General Order No. 4: Transfer of Certain Sections of the Rehabilitation Division to other Divisions of the Bureau."

²⁸² Ibid, "General Order No. 5: Decentralized Procedure for Making Disability Compensation Awards and Determining Eligibility for Training."

²⁸³ Charles R. Forbes, "Itemized Account of Expenditures – Reclassification of Employees," *U.S. Veterans Bureau*, 31 October 1921.

information regarding SUB-DISTRICT OFFICES,” including whether the Sub-District Office is “fully equipped to handle all phases of the work of the U.S. Veterans’ Bureau, such as Insurance, Compensation, Training, Medical, etc.?”²⁸⁴

The Veterans’ Bureau also structured a close working relationship between the district offices and the American Legion. In a 15 November 1921 memo addressed to all district managers, Forbes attempts to “make more definite the present arrangements” between the district offices and American Legion. He writes:

[T]he American Legion has, with the consent of the Bureau, placed a liaison representative in each district office for the purpose of assisting the disabled man in the proper presentation of claims...It is clearly to be understood that the liaison representative has no official connection with the Veterans’ Bureau...[but] that he work in the spirit of helpful cooperation in the solution of the ex-service man’s problem...Liaison representatives are entitled to assistance in the form of office space and stenographic aid...it has been found that the liaison representatives can be of the utmost value to the Bureau...²⁸⁵

Though Forbes goes on to allow Legion representatives to have access to the Bureau’s General Orders, regulations, and field orders, he forbids them from “access to any claims folders or rehabilitation folders.” No doubt, like the Pension Bureau and GAR in the post-Civil War era, the newly established Veterans’ Bureau hoped for a similar relationship with the American Legion in the post-World War era. As the veterans’ pension policy subsystem consolidated during this period, this instance of close institutional interaction and collaboration highlights the insular nature of subsystem policymaking.

²⁸⁴ George E. Ijams, “Information Regarding Sub-District Offices,” *U.S. Veterans’ Bureau*, 9 November 1921.

²⁸⁵ Charles R. Forbes, “Letter to District Managers (Draft),” *U.S. Veterans’ Bureau*, 15 November 1921.

In addition to reviewing claims, the Veterans' Bureau required an institutional mechanism to review appealed claims at the national and district levels. In a November 1921 draft memorandum, Forbes directs the fourteen district offices to immediately appoint a district Board of Appeals composed of three members: district legal advisor, medical officer, and chief of claims division.²⁸⁶ In a subsequent letter and memorandum, Ijams clarifies the board's purpose and empowers district managers to administer oaths and take affidavits "pursuant to Section 10 of the Act of August 9, 1921 establishing the Veterans' Bureau."²⁸⁷ In his letter to district managers, Ijams writes:

The Board will have jurisdiction to hear all appeals made either by the claimant or his duly authorized agent or the U.S. Veterans' Bureau on its own motion, on any question for claim for compensation, vocational training, hospitalization or medical treatment under the laws under which the U.S. Veterans' Bureau operates.²⁸⁸

Beyond General Orders and efforts to setup organizational capacity in the district offices, the Veterans' Bureau established a series of rules and systems to deal with veterans' issues. From 1921 to 1930, the bureau produced 218 regulations covering everything from "payment of compensation and insurance where the beneficiary is an inmate of any asylum or hospital for the insane"²⁸⁹ to "procedures regarding re-examinations to determine changes in degree of service connected disability."²⁹⁰ These regulations served to professionalize the bureau's field workforce, giving employees the

²⁸⁶ Charles R. Forbes, "Board of Appeals," *U.S. Veterans' Bureau*, November 1921. The original source is in draft form, unsigned and undated.

²⁸⁷ George E. Ijams, "Power to Administer Oaths, Take Affidavits, Etc.," *U.S. Veterans' Bureau*, 12 November 1921.

²⁸⁸ George E. Ijams to All District Managers, *U.S. Veterans' Bureau*, 10 November 1921.

²⁸⁹ Office of the Administrator, Regulations, "Regulation No. 1," *U.S. Veterans' Bureau*, 12 August 1921.

²⁹⁰ Office of the Administrator, Regulations, "Regulation No. 218," *U.S. Veterans' Bureau*, 1 March 1930.

tools to fairly apply rules, effectively administer, and efficiently adjudicate beneficiary claims.

The newly consolidated bureaucratic structure gave veterans the peace of mind of knowing there was only one agency they had to work through to receive benefits and employees the resources to operate through formal, rather than ad-hoc, agency structures.

According to the 1922 Veterans' Bureau Annual Report:

Beneficiaries were assured that there could be no further avoiding of responsibility because of dealing with separate organizations, and officials of the bureau concerned were relieved to conduct the consolidation of all veterans' relief activities upon the basis of legal authority rather than upon working agreements...as they previously had been trying to do.²⁹¹

With a newfound energy and momentum to deliver veterans' services, seemingly nothing could derail the Veterans' Bureau's efforts; that is, nothing until an executive scandal rocked the bureau in 1923.

Scandal at the Veterans' Bureau

Despite his exceptional work consolidating the Veterans' Bureau and putting rules, systems, and procedures in place to streamline efficiency, optimize service, and prevent fraud and corruption, Forbes failed to live up to expectations for effective and *ethical* administration. Forbes, embroiled in a corruption scandal, resigned as Director of the Veterans' Bureau effective 28 February 1923. In his stead, President Harding appointed Brigadier General (Ret.) Frank T. Hines as Director of the Veterans' Bureau.

²⁹¹ U.S. Veterans Bureau, 6.

In his undated letter of resignation, Forbes cites ailing health and an inability to render complete service to the bureau.²⁹² However, a 17 February 1923 *Washington Post* article covering Forbes' resignation notes a glaring omission, "There was no mention, either in the letter or by officials at the executive offices, of the charges of improper administration in the bureau, which recently have led to demands for an investigation by a committee of Congress."²⁹³

Forbes' resignation demonstrates that even the most innovative bureaucratic structure cannot overcome executive corruption in an agency's senior ranks. Soon after Forbes' resignation, the U.S. Senate appointed a Select Committee on Investigation of the Veterans' Bureau to initiate congressional hearings in October 1923 and investigate allegations of misappropriation and corruption. In his opening statement, the committee's general counsel, Major General John F. O'Ryan contends:

[M]ore than \$467,000,000 were expended by the bureau during the fiscal year ending June 30, 1923, and yet, in spite of these lavish and unprecedented expenditures, there existed during 1922 a growing feeling of dissatisfaction among the disabled. This feeling was shared by veterans generally, and by their representative organizations as well...As a result of this increasing dissatisfaction, the Senate, in the closing days of the Sixty-seventh Congress, appointed this committee to conduct this investigation.²⁹⁴

Following a lengthy congressional investigation, federal grand jury, and appeals process, Forbes entered Fort Leavenworth federal penitentiary on 20 March 1926 – three years

²⁹² Charles R. Forbes to President Warren Harding, "Letter of Resignation," undated.

²⁹³ "President Accepts Forbes' Resignation," *The Washington Post*, 17 February 1923. Available from <http://search.proquest.com.ezproxy.lib.utexas.edu/docview/149416549>; Internet.

²⁹⁴ *Authorizing the Appointment of a Committee to Investigate the Leases and Contracts Executed by the United States Veterans' Bureau, and for Other Purposes: Hearings on S. Res. 466, Day 1, Before the Select Committee on Investigation of Veterans' Bureau, 67th Congress, 2-3 (1923)* (statement of Major General John F. O'Ryan).

after his resignation from the Veterans' Bureau – to serve a “two-year sentence for conspiring to defraud the government in [manipulating] contracts for the construction of hospitals for veterans.”²⁹⁵ Despite Forbes' resignation and incarceration, the Veterans' Bureau retained many of the innovative bureaucratic structures he emplaced and flourished under Frank T. Hines' effective and *ethical* leadership throughout his 22 year tenure.

World War Adjusted Compensation Act of 1924

As the Veteran's Bureau worked to recover from scandal and administer the benefits already established by law, legislation for a federal bonus bill stood still. Seeing the federal government abandon its promise of a bonus for the “boys,” 19 state governments intervened with bonus measures of their own.²⁹⁶ By 1924, these 19 states had issued \$361,970,141 in bonds for World War veterans with an additional \$54,100,000 in bonus proposals still pending.²⁹⁷ With states like Illinois taking the lead in providing generous benefits for veterans, a federal bonus bill for the doughboys would find itself back on the political agenda in the coming election year.

David Greenberg, presidential historian and Coolidge biographer has a unique perspective on veterans in the 1920s that is worth noting. He writes, “[I]n the 1920s

²⁹⁵ “Forbes Enters Prison; Mandate to Thompson,” *The Washington Post*, 21 March 1926. Available from <http://search.proquest.com.ezproxy.lib.utexas.edu/docview/149723004>; Internet. See also “Forbes in Appeals Court,” *The New York Times*, 12 November 1925. Available from <http://search.proquest.com.ezproxy.lib.utexas.edu/docview/103514863>; Internet.

²⁹⁶ Dickson and Allen, 27-28.

²⁹⁷ “Bonus to Soldiers Paid in 19 States,” *The New York Times*, 28 December 1923. Available from <http://query.nytimes.com/gst/abstract.html?res=9900EFD81439E033A2575BC2A9649D946295D6CF>; Internet.

veterans were seen as a bloc that was vaguely radical and narrowly self-interested, and in the days before Social Security and similar benefits their demand for a bonus struck many Americans as socialistic.”²⁹⁸ Though Greenberg makes no reference to support such a contrarian claim, he at least offers an alternative perspective on the social construction of veterans during this period that is worth exploring further. Even though elites like Harding, Mellon, and Coolidge generally had pleasant things to say about veterans publicly, accepting Greenberg’s premise might lead one to speculate that those statements were merely platitudes disguising deep seated hostility and resentment towards veterans and their sense of entitlement. In a letter to the editor of *The New York Times*, Annie Peck of New York offers, “I am glad to know that a large and better part of those who rendered service, who did their duty, no more, refuse to be counted among the beggars...the people as a whole are disgusted by the playing of politics in Washington.”²⁹⁹ It seems that if in fact Coolidge and fellow opponents of the bonus bill harbored ill-will, as Greenberg suggests and Peck proclaims, they relied upon social constructions of veterans as “beggars” to support for their veto actions.

Despite the rancor of the period, the summer of 1924 proved pivotal to the bonus movement. The World War Adjusted Compensation Act passed both chambers of Congress with strong support. On 15 May 1924, President Coolidge vetoed the legislation. This time, however, Congress managed a veto override of 313 to 78 in the

²⁹⁸ David Greenberg, *Calvin Coolidge* (New York: Times Books, 2006), 78.

²⁹⁹ Annie S. Peck to Editor, “Votes and the Veto,” in *The New York Times*, 19 May 1924. Available from <http://query.nytimes.com/mem/archive/pdf?res=F40817F63E5D17738DDDA00994DD405B848EF1D3>; Internet.

House and 59 to 26 in the Senate.³⁰⁰ The bill defined a veteran as anyone who had honorably served for 60 days anytime from 5 April 1917 to 12 November 1918. It provided an adjusted compensation of \$1.25 per day of overseas service and \$1.00 per day of stateside service with caps at \$625 and \$500, respectively. Veterans entitled to \$50 or less could receive an “adjusted service pay” while veterans entitled to more than \$50 would be issued an “adjusted service certificate.” Additionally, certificates would be payable in 20 years (1 January 1945) with four percent interest.³⁰¹ Total face value for these certificates could reach as high as \$1,600, though about \$1,000 was more typical.³⁰²

Bonus Expeditionary Force Invades Washington

After a five year legislative battle (longer than American participation in the war itself), the World War Adjusted Compensation Act of 1924 became law. By the summer of 1932, nearly three years into the Great Depression, swarms of unemployed and disgruntled veterans’ delegations made their way to Washington from across the country with the hope of securing cash for their certificates. The Bonus Expeditionary Force, or Bonus Army, set up “Hooverville” encampments across the Potomac in Anacostia and occupied Washington in protest. Acting on their behalf, long time bonus advocate and policy entrepreneur in his own right, Senator Wright Patman proposed legislation that would issue immediate payment for certificates. When the measure failed to pass the

³⁰⁰ U.S. Congress, Senate, *H.R. 7957: To provide compensation for veterans of the World War, and for other purposes*, 68th Congress, Session 1, 228 (1924). Available from <http://www.Senate.gov/reference/Legislation/Vetoes/Presidents/CoolidgeC.pdf>; Internet.

³⁰¹ U.S. Statutes at Large, 68th Congress, Session 1, Chapter 157, Pages 121-126, 19 May 1924. Available from http://constitution.org/uslaw/sal/043_statutes_at_large.pdf; Internet. This paragraph synthesizes and draws heavily from the bill as enacted into law.

³⁰² Ortiz, 27.

Senate and, in an election year, died for political purposes, the Bonus Army refused to accept defeat. Responding to their continued and defiant assembly, the Hoover administration mobilized elements of the U.S. Army to disperse the crowd. Forces under the command of General Douglas MacArthur burned the encampments, aggressively repelled rioters, and employed tanks to achieve the objective. MacArthur notes in his final report detailing the events, “tanks are particularly valuable at quelling civil disorder.”³⁰³ This ugly episode led to numerous injuries and countless arrests, a far cry from the calamitous, though generally peaceful Philadelphia Mutiny of 1783. In the end, the bonus marchers would have the final word as a *Democratic* Congress passed the Adjusted Compensation Act of 1936, affirmed with President Roosevelt’s signature.³⁰⁴ This is ironic considering the Republican Party’s historical claim on being the party for veterans.

From the Veterans’ Bureau to the Veterans’ Administration

Forbes’ 1923 resignation from the Veterans’ Bureau cleared the way for his replacement, Brigadier General (Ret.) Frank T. Hines. As director and later administrator, Hines served the Veterans’ Bureau and Veterans’ Administration for 22 years and “proved an able and honest administrator.”³⁰⁵ Like Forbes, Hines would also oversee a reorganization of the Veterans’ Bureau. In 1924, Hines restructured the bureau into “six

³⁰³ Douglas MacArthur, “Report from the Chief of Staff, United States Army, to the Secretary of War on the Employment of Federal Troops in Civil Disturbance in the District of Columbia July 28-30, 1932,” 15 August 1932.

³⁰⁴ This paragraph relies heavily on Daniels’ depiction of the Bonus episode. See pages 65-284 for a complete treatment.

³⁰⁵ Ortiz, 22-23.

services: medical and rehabilitation, claims and insurance, finance, supply, planning, and control. Under the reorganization, the Bureau had 73 sub-district offices responsible for dealing with beneficiaries and claimants...”³⁰⁶ In addition to in-house reshuffling, Hines led the Veterans’ Bureau in its transition to the Veterans’ Administration (VA) within his first decade on the job.

Throughout the 1920s, the Pension Bureau and National Homes for Disabled Veterans continued to operate independent of the Veterans’ Bureau. In 1929, however, South Dakota Congressman Royal C. Johnson introduced legislation to change that. Citing disparate pension and hospitalization policies for veterans of the Civil War, Spanish American War, and World War, Johnson proposed that the president be “authorized by Executive order to transfer or to coordinate or consolidate” the three agencies into one.³⁰⁷ To illustrate the disparities in pension and hospitalization policies, Johnson states:

Another difficulty that comes in is the fact that two men from different wars or the same war may be in a hospital with exactly or apparently the same injuries; one may be receiving total permanent compensation because he can connect his injury with his service, and the man in the next bed receives nothing because he cannot connect his injury with the service.³⁰⁸

On 3 July 1930, the 71st Congress passed “An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans.” With

³⁰⁶ “VA History in Brief,” *U.S. Department of Veterans Affairs*, 8. Available from http://www.va.gov/opa/publications/archives/docs/history_in_brief.pdf; Internet.

³⁰⁷ *Consolidation of Veterans’ Activities: Hearings on H.R. 16530, Day 1, Before Committee on Expenditures in the Executive Departments*, 70th Congress, 1(1929) (statement of Royal C. Johnson).

³⁰⁸ *Ibid*, 3.

legislative authorization in hand, President Hoover issued an Executive order on 21 July 1930 stating:

[B]y virtue of the authority vested in me by said law, the United States Veterans' Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers are hereby consolidated and coordinated into an establishment to be known as the Veterans' Administration, and the duties, powers, and functions vested by law in the United States Veterans' Bureau, the National Home for Disabled Volunteer Soldiers, and in the Bureau of Pensions, and the personnel of the United States Veterans' Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers, and the records and papers pertaining to the work thereof, and the public property belonging thereto, are hereby transferred to the Veterans' Administration.³⁰⁹

In establishing the VA, like Warren Harding and the Veterans' Bureau before him, President Hoover again raised the visibility of veterans' issue. As President Harding had established a direct report relationship with the director of the Veterans' Bureau, President Hoover maintained this reporting relationship with the new administrator of the VA.³¹⁰

Although the three organizations continued to operate separately until 1 July 1931, the new organization did make progress toward consolidation immediately following President Hoover's order. According to the 1931 Annual Report of the Veterans' Administration:

Within a few months after the issuance of the Executive order, all finance, supply, and construction activities had been combined or more closely coordinated, and thereafter for

³⁰⁹ Herbert Hoover, "Executive Order 5398 – Establishing the Veterans' Administration," 21 July 1930, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/index.php?pid=75311>; Internet.

³¹⁰ This direct report relationship to the president lasted nearly sixty years. In 1989, recognizing the importance of caring for America's veterans, President George H.W. Bush established the first cabinet-level position for the Secretary of Veterans Affairs.

the balance of the year continued study was made of the procedural and organizational changes necessary to carry out the general reorganizational plan with the least possible friction and with the utmost dispatch.³¹¹

In addition to simply studying consolidation, the report asserts, “experience to date conclusively shows that the reasons advanced for [consolidation] have proven sound and promise for the future...”³¹² The report continues, “Under consolidation it has been possible to establish a single point of contact for veterans for all wars for the considerations of claims...It has been possible to harmonize rulings and procedure of the Government...Most especially...maximum utilization of existing facilities...”³¹³

From the inception of the Veterans’ Bureau to its consolidation as part of the new Veterans’ Administration, effective bureaucratic consolidation and reorganization clearly did not occur overnight. Restructuring and reorganizing massive bureaucracies, especially those guaranteed some level of autonomy as a matter of moral protection for their services and beneficiaries, requires managerial expertise and an appreciation for the multiple dimensions of public management.³¹⁴ While Forbes did good work in first consolidating the Veteran’s Bureau to streamline processes, his personal failings and corruption no doubt detracted from the bureau’s effectiveness. Fortunately, Director Hines’ 22 year tenure at the Veteran’s Bureau and Veterans’ Administration enabled him

³¹¹ U.S. Department of Veterans Affairs, *Annual Report of the Administrator of Veterans’ Affairs for the Year 1931* (Washington, DC: Government Printing Office, 1931), 1.

³¹² *Ibid.*, 2.

³¹³ *Ibid.*

³¹⁴ See Carolyn J. Hill and Lawrence E. Lynn, Jr., *Public Management: A Three Dimensional Approach*, (Thousand Oaks: CQ Press, 2008). The authors argue that bureaucratic structure, organizational culture, and managerial craft undergird effective public management.

to lead the transformation of the bureaucracy into a more efficient and effective organization in the service of America's veterans.

National Defense Efficiency Act of 1935

The interwar period would see one final and significant addition to military pension policy worth noting – the National Defense Efficiency Act of 1935. Section five of the legislation formalized the voluntary retirement policy for any officer with at least 15 years of service and no more than 29 years of service, leaving them with a pension of “annual pay equal to the product of 2 ½ per centum of his active duty annual pay at the time of his retirement, multiplied by a number equal to the years of his active service not in excess of twenty-nine years.”³¹⁵

To demonstrate the military's support for this legislation, Brigadier General Andrew Moses testified before the House Committee on Military Affairs on 12 June 1935. Addressing a provision to pay those retiring captains commissioned prior to Armistice Day pensions at the higher rank of major, Moses offers, “This provision is in the interest of World War veterans...[N]o World War officer will be serving below the grade of captain, and by November 11, 1935...every such officer will have completed 17 or more years' of service...”³¹⁶ Clearly, the military establishment aimed these pension provisions at veteran officers of the First World War to encourage early retirements en

³¹⁵ U.S. Statutes at Large, 74th Congress, Session 1, Chapter 422, Page 507, 31 July 1935. Available from http://constitution.org/uslaw/sal/049_statutes_at_large.pdf; Internet.

³¹⁶ *National Defense Efficiency Act of 1935: Hearings on H.R. 5071, Day 1, Before the Committee on Military Affairs*, 74th Congress, 7 (1935) (statement of Brigadier General Andrew Moses).

masse to thin the ranks. Moses himself admits as much stating, “Voluntary retirement with reasonable compensation, upon completion of not less than 15 nor more than 29 years’ service, will stimulate the flow of promotion and will be in the interest of the officers and of the Government.”³¹⁷ Moses concludes, “The proposed law encourages retirement in the interest of accelerated promotion and no restrictions should be imposed other than at the discretion of the President.”³¹⁸

Here again, policymakers leveraged military retirement policies as a tool to separate service members from active duty. While this legislation did provide pension benefits to encourage voluntary retirements, it did nothing to specifically manage promotion rates or career progression. Policymakers, as Moses alludes, merely hoped it would “stimulate the flow of promotion” by creating openings for younger officers to fill as older officers left the force. Arguably, the National Defense Efficiency Act of 1935’s most important contribution to military pension policy is the significant change in service requirements for voluntary retirement eligibility from 30 years to 15 years. This change created a new point of departure for lawmakers examining and adjusting military pension policies, namely the adoption of a 20 year service requirement for retirement eligibility in the aftermath of World War II.

Although the legislation ostensibly fixed the military’s personnel problems for a time, policymakers would face these very same issues a decade later. The National

³¹⁷ Ibid.

³¹⁸ Ibid, 8.

Defense Efficiency Act of 1935, with its provision to separate troops en masse, set service requirements for retirement eligibility, and open the ranks to encourage promotions, foreshadows congressional action on veterans' benefits, military pensions, officer promotions, and other legislative reorganization efforts in the wake of World War II. As I discuss in the next chapter, post-World War II legislative reorganization redefined twentieth century military personnel and pension policy and formed the autonomous military personnel policy subsystem that policymakers know today.

Summary

This chapter explores interest group lifecycles and bureaucratic consolidation to better understand subsystem evolution. First, GAR's slow disappearance and growing irrelevance in early to mid-twentieth century policy debates demonstrates that organizations with roots in a specific event, conflict, or war ultimately fade away and cease to exist. Further, the emergence of the VFW and American Legion as powerful veterans' service organizations with thriving memberships and powerful political influence during the interwar period confirms interest group lifecycles as central to the subsystem's evolution.

This chapter also contends that bureaucratic consolidation during the interwar period raised the visibility of veterans' policy within government and professionalized and streamlined the delivery of veterans' services. First, the 1921 Sweet Act consolidated three disparate veterans' agencies across government into one bureaucracy. Second, the organizational structure of the Veterans' Bureau, particularly the fourteen regional

offices, sought to provide responsive service to veterans through a professionalized workforce and efficient delivery systems. Despite Director Forbes' corruption in the early days of the Veterans' Bureau, his replacement, Frank Hines, effectively led the agency for the next 22 years. No doubt, bureaucratic consolidation clearly played an important role in the subsystem's evolution. What is more, the Veterans' bureau's story highlights the important and painstaking work entrusted to bureaucrats in the delivery of services for an advantaged target population.

Chapter 6: The Subsystem Transforms and Endures, 1944 – 2000³¹⁹

From 1944 to 2000, the military personnel policy subsystem managed to transform and endure through various threats to its policy jurisdiction. This chapter explores legislative reorganization, subsystem transformation, and policy reform through the latter half of the twentieth century. I contend that veterans' policy and military personnel policy effectively split into two separate subsystems in the wake of World War II, significantly reducing the number of institutions and actors interested in military personnel policy (see figure 6 below).

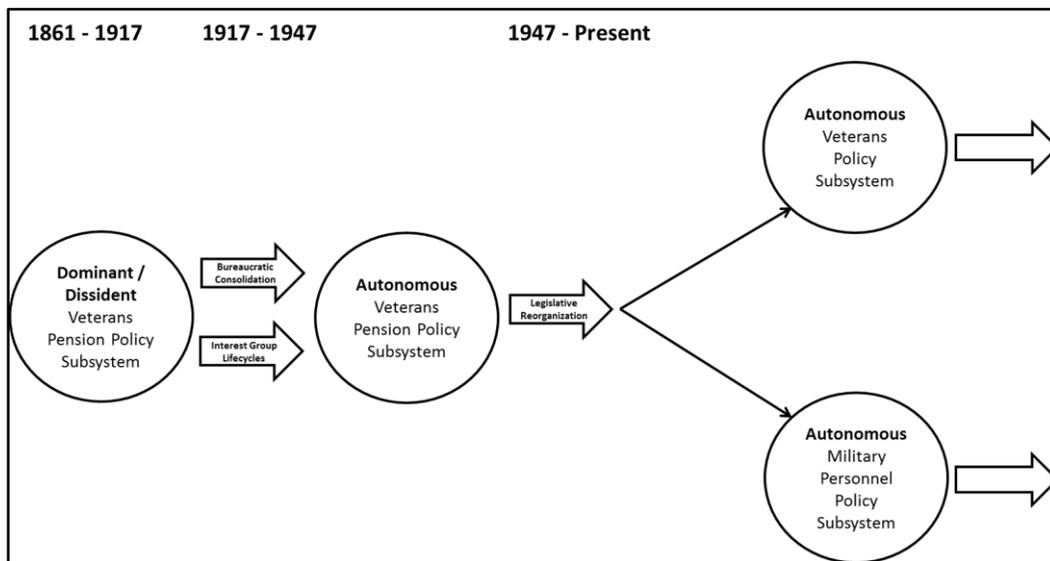


Figure 6: Subsystem Historical Development.

³¹⁹ This chapter is adapted from Brandon J. Archuleta, “Recruit, Retain, Separate, and Reward: Military Pension Policy and the American Experience,” (Master’s Report, The University of Texas at Austin, 2014), 88-106.

This subsystem split served to minimize the scope of conflict within the military personnel policy subsystem. At the heart of this subsystem split is legislative reorganization. Beyond transformation in the post-World War II era, this chapter ends with an exploration of the only major subsystem policy reform – and its subsequent reversal – in over six decades. This episode highlights just how difficult and fragile policy reform is within an autonomous policy subsystem.

World War II and Subsystem Transformation

In the summer of 1945, the American military totaled more than 12 million personnel. The U.S. Army and Army Air Corps had approximately 8.2 million soldiers and airmen on its rosters while the Navy counted just shy of 4.1 million sailors and marines.³²⁰ By the end of 1948, the number of total Army personnel plummeted to just 554,000 soldiers.³²¹ This massive and seemingly overnight military drawdown is nothing short of remarkable and due in large measure to congressional action. More specifically, six significant pieces of legislation forever changed the landscape for veterans' pension and military personnel policy: the Servicemen's Readjustment Act of 1944 (GI Bill), Armed Forces Voluntary Recruitment Act of 1945, Legislative Reorganization Act of 1946, National Security Act of 1947, Officer Personnel Act of 1947, and Army and Air Force Vitalization and Retirement Equalization Act of 1948.

³²⁰ John C. Sparrow, *History of Personnel Demobilization in the U.S. Army* (Washington, DC: Department of the Army, 1952), 21. Available from <http://archive.org/stream/PAM20-210/PAM%2020-210#page/n0/mode/2up>; Internet. Original housed at Combined Arms Research Library, Command and General Staff College, Fort Leavenworth, KS.

³²¹ David McCormick, *The Downsized Warrior: America's Army in Transition* (New York: NYU Press, 1998), 9.

First, in lieu of adjustment compensation or a pension, the Servicemen's Readjustment Act of 1944 granted compensation to an entire generation of veterans in the form of tuition benefits, vocational training, and home, farm, and small business loans. Second, building from the National Defense Efficiency Act of 1935 whereby officers could retire with as little as 15 years of service, the Armed Forces Voluntary Recruitment Act of 1945 allowed enlisted personnel to request voluntary retirement after 20 years of service. Third, the Legislative Reorganization Act of 1946 combined congressional committees and delineated jurisdictions, separating veterans' pension policy from military personnel policy. Additionally, the Legislative Reorganization Act strengthened bureaucratic oversight of the new National Military Establishment. Fourth, the National Security Act of 1947 subordinated the Department of War and Department of the Navy to the new Secretary of Defense and facilitated the subsequent creation of the Office of the Secretary of Defense (OSD). Next, the Officer Personnel Act of 1947 created an "up or out" promotion system tied to existing retirement policies, thereby creating a mechanism to promote and separate service members from the military. Finally, through the Army and Air Force Vitalization and Retirement Equalization Act of 1948, all branches of the armed forces adopted a uniform 20 year voluntary retirement policy for officers, warrant officers, and enlisted service members.

Servicemen's Readjustment Act of 1944

Soon after V-J Day in September 1945, under significant and persistent pressure from Congress, the U.S. military began a precipitous and chaotic worldwide

demobilization, bringing troops home by the boatload over the next several months.³²² Much like demobilization following the American Revolution and the subsequent Philadelphia Mutiny of 1783, frustrated GIs took to the streets. In January 1946, with the war over and upset they were still overseas, some 8,000 to 10,000 soldiers peacefully gathered in protest at the commanding general's headquarters in Manila.³²³ Similar incidents occurred in places like Hawaii, London, Paris, Frankfurt, Shanghai, and Calcutta, among others.³²⁴ Though these demonstrations never amounted to anything dangerous, reintegrating an entire generation of veterans to civilian life would require legislative foresight.

Suzanne Mettler, author of *Soldiers to Citizens*, captures the sense of postwar anxiety in the United States. She writes, “[P]ostwar planners were motivated by the...practical goal of reincorporating returning veterans into society, and, not least, by fears of social unrest.”³²⁵ With memories of the Bonus Army in mind, policymakers sought to ensure troops were setup for success upon their return by “enabling veterans to retool themselves for active citizenship in peacetime.”³²⁶ This retooling required a mix of employment, education, and training opportunities and “represented a departure” from Civil War veterans’ pensions and World War adjusted compensation.³²⁷

³²² Sparrow, 141-171. Sparrow offers a thorough treatment on demobilization.

³²³ Ibid, 166.

³²⁴ Ibid, 166-167.

³²⁵ Suzanne Mettler, *Soldiers to Citizens: The GI Bill and the Making of the Greatest Generation* (Oxford: Oxford University Press, 2005), 17.

³²⁶ Ibid.

³²⁷ Ibid, 18.

The American Legion Weighs In

With multiple bills addressing veterans' postwar reintegration circulating around Congress, the American Legion, still part of the powerful veterans lobby, urged members of Congress to combine them into one massive piece of legislation based on the Legion's own legislative framework. This would ensure the disparate bills would not die in separate committees. The Legion's 1943 framework for a GI Bill of Rights called for ten elements: 1) educational opportunity; 2) vocational training; 3) unemployment compensation; 4) home, farm, and small business loans; 5) review of discharges; 6) adequate hospitalization; 7) prompt settlement of disability claims; 8) mustering-out pay; 9) veterans' employment services; 10) concentration of all veterans functions in the Veterans' Administration.³²⁸ In short, "the Legion, through the GI Bill, proposed to restore the citizen soldiers, as nearly as possible, to a competitive position in the pursuits of normal civil life equal to that of those who had stayed home."³²⁹

The Legion's framework for veterans' readjustment proved far more generous than President Roosevelt's own recommendations, as outlined by the Armed Forces Committee on Post-War Educational Opportunities for Service Personnel. For instance, the committee recommended one year of educational benefits to every service member who served six months and additional education benefits of one to three years for a

³²⁸ R.B. Pitkin, "How the First GI Bill was Written Part I," *The American Legion Magazine*, January 1969, 51.

³²⁹ *Ibid.*

“limited number of exceptionally able ex-service personnel.”³³⁰ Preferring its version of the bill to the president’s, the Legion turned to one of its own, Senator Joel Bennett Clark of Missouri, to spearhead the legislative effort in January 1944. Mettler notes, “Over the next six months, the American Legion proceeded – through its vast grassroots network and public relations apparatus – to marshal critical and widespread support for the GI Bill.”³³¹ Following months of persistent opposition by the VFW,³³² legislative wrangling for votes, and a deadlocked conference committee in Congress, President Roosevelt signed the bill into law on 22 June 1944.³³³

An Alternative Form of Compensation

With millions of soldiers, sailors, and marines returning home, the government turned to the recently enacted Servicemen’s Readjustment Act of 1944, or GI Bill of Rights, to help absorb the influx of veterans. In lieu of monetary compensation for service that characterized veterans’ pensions in earlier eras, the most popular aspects of the 1944 GI Bill included the education benefits, vocational training, and home, farm, and small business loans that the American Legion advocated. Taken in its entirety, the GI Bill actually served as an alternative form of compensation that enabled veterans who

³³⁰ *Servicemen’s Education and Training Act of 1944: Hearings on S. 1295 and S. 1509, Before the Committee on Education and Labor, 78th Congress, 10 (1944)* (recommendations of the Armed Forces Committee on Post-War Educational Opportunities for Service Personnel).

³³¹ Mettler, 21.

³³² The VFW vigorously opposed the GI Bill, preferring more traditional forms of compensation for returning veterans, including especially adjusted compensation or pensions. The VFW argued that soldiers would be without work and need cash, not a diploma.

³³³ David Camelon, “How the First GI Bill Was Written Part II,” *The American Legion Magazine*, February 1969, 26 and 48-51. *The American Legion Magazine* reprinted Camelon’s 1949 eyewitness account of Congressman John Gibson’s overnight flight from Georgia to Washington, DC to break the conference committee’s deadlock to pass the GI Bill.

separated from the military to successfully transition back to civilian life. More importantly, the GI Bill proved to be a vehicle into the middle class that spurred nationwide social innovation, deep civic engagement, and active political participation. In 1948, some 900,000 veterans were enrolled in colleges around the country, not including those using vocational training benefits.³³⁴ The Veterans' Administration more than tripled its workforce to account for the increased demand in claims processing.³³⁵

Beyond what the GI Bill enabled a generation of veterans to accomplish in their postwar lives, this significant piece of legislation ensured the Veterans' Administration would be responsible for its effective implementation. With Frank Hines still leading the VA after more than two decades, the institution seemed well positioned to assume this massive bureaucratic undertaking. Additionally, with no traditional veterans' pension or *universal* readjustment compensation to speak of, the GI Bill promised that matters of retirement policy eligibility and implementation could be left to the Departments of War and Navy, later the Department of Defense, setting the stage for the formation of the military personnel policy subsystem, separate from the veterans' pension policy subsystem.

Armed Forces Voluntary Recruitment Act of 1945

While the 1944 GI Bill helped a generation of young veterans transition from military to civilian life with alternative forms of compensation in terms of education

³³⁴ Mettler, 62.

³³⁵ Ibid, 63. The VA's workforce in December 1945 was 72,607 people. By February 1947, it swelled to 226,131.

benefits and financial loans, the Armed Forces Voluntary Recruitment Act of 1945 sought to assist those career soldiers, sailors, and marines who had given the best years of their lives to Uncle Sam. The legislation aimed to “stimulate volunteer enlistments in the Regular Military and Naval Establishments of the United States.”³³⁶ Among the bill’s many provisions, section four outlines retirement policies for “regular Army enlisted men.”³³⁷

Building from the 1935 National Defense Efficiency Act whereby an officer could voluntarily retire after a mere 15 years of service, the 1945 Armed Forces Voluntary Recruitment Act increased the service requirement by five years for enlisted personnel, setting voluntary retirement at 20 years of service. The legislation states:

Whenever any enlisted man of the Regular Army shall have completed not less than twenty or more than twenty-nine years of active service, he may upon his own request be transferred to the Enlisted Reserve Corps...and at the same time be retired from the Regular Army.³³⁸

The legislation also clearly defines retiree benefits. It reads:

An enlisted man so transferred and retired shall receive, except with respect to periods of active duty he may be required to perform, until his death, annual pay equal to 2½ per centum of the average annual enlisted pay (including longevity pay) he was receiving for the six months immediately preceding his retirement multiplied by a sum equal to the sum of the number of years of his active service performed not in excess of twenty-nine years.³³⁹

³³⁶ U.S. Statutes at Large, 79th Congress, Session 1, Chapter 393, Page 538. Available from http://www.constitution.org/uslaw/sal/059_statutes_at_large.pdf; Internet.

³³⁷ Ibid, 539.

³³⁸ Ibid.

³³⁹ Ibid.

The Voluntary Recruitment Act of 1945 made two lasting and significant contributions to twentieth century military pension policy. First, the legislation tied a non-contributory defined benefit retirement plan, with cliff vesting, to 20 years of military service. Second, the legislation affirmed the 2½ percent multiplier for the Pentagon to use when calculating pension payments originally set by the 1920 amendment to the National Defense Act of 1916.

Legislative Reorganization Act of 1946

With the war nearing its end in early 1945 and a massive demobilization just over the horizon, politicians and policymakers began to shift focus to other pressing matters of governance. In particular, leaders in Washington set their sights on developing modern functions of government to meet the demands of the postwar world. Among these behemoth tasks was a reorganization of the internal institutions and mechanisms of Congress. In January 1945, the 79th Congress passed House Concurrent Resolution 18 calling for the formation of a Joint Committee on the Organization of Congress. The Joint Committee would “make a full and complete study of the organization and operation of the Congress of the United States and...recommend improvements in such organization and operation with a view toward strengthening the Congress, simplifying its operations, [and] improving its relationships.”³⁴⁰

³⁴⁰ U.S. Congress, House, *H. Con. Res. 18*, 2, 18 January 1945. Available from https://bulk.resource.org/gao.gov/79-601/00001E04_230453.pdf; Internet.

The Joint Committee Recommends Restructure

On 4 March 1946, the Joint Committee, under the chairmanship of Senator Robert M. La Follette of Wisconsin, submitted its findings to the president pro tempore of the Senate and speaker of the House. Among other suggestions, the Joint Committee recommended that Congress undertake a massive overhaul of its committee system by merging “closely related committees into one where their jurisdictions overlap or where they deal with similar subjects.”³⁴¹ According to its staff director, George B. Galloway, the Joint Committee’s objectives with regard to committee reorganization were to “streamline and simplify congressional committee structure, eliminate the use of special or select committees, clarify committee duties and reduce jurisdictional disputes, and regularize and publicize committee procedures.”³⁴²

For the Senate, the Joint Committee recommended that the 33 standing committees be reduced to 16. Among the mergers, the Senate would combine the Committee on Military Affairs and the Committee on Naval Affairs into the Committee on Armed Services. Similarly, the House’s 48 committees would be reduced to 18. Here again, the House Committees on Military Affairs and Naval Affairs would be combined into one Committee on Armed Services.³⁴³ The Joint Committee did not stop there. Additionally, it recommended the Senate committees on Pensions and Veterans’ Finance

³⁴¹ Robert M. La Follette, “Organization of the Congress,” *Joint Committee on the Organization of the Congress* (Washington, DC: Government Printing Office, 1946), 8.

³⁴² George B. Galloway, “The Operations of the Legislative Reorganization Act of 1946,” *American Political Science Review* 45, no. 1 (1951): 41-68.

³⁴³ La Follette, 3-5. This offers a full list of the breakdown and merger of Senate and House committees.

and the House committees on Pensions, Invalid Pensions, and World War Veterans' Legislation be merged into one Committee on Veterans' Affairs in each chamber.³⁴⁴

With a framework for reorganizing Congress in place, the Legislative Reorganization Act of 1946 not only formally established the Committees on Armed Services but also set their respective sizes and clearly delineated their jurisdictions. For example, the Senate Armed Services Committee called for 13 senators while the House Armed Services Committee called for 33 representatives.³⁴⁵ With regard to legislative jurisdictions, the committees would be responsible for the common defense, War Department, Navy Department, and "pay, promotion, retirement, and other benefits and privileges of members of the armed services," among other things.³⁴⁶ Meanwhile, the Committees on Veterans' Affairs would assume sole responsibility for matters of veterans' pensions, compensation, and life insurance.³⁴⁷

Beyond simply reorganizing committee structure, the Joint Committee also recommended measures for stronger committee oversight of the administrative functions of government, including each committee's corresponding bureaucracy.³⁴⁸ By combining committees and advocating stronger congressional oversight of bureaucracy, the Joint Committee's recommendations sowed the seeds of more autonomous policy subsystems

³⁴⁴ Ibid, 3-4.

³⁴⁵ U.S. Congress, Senate, "Legislative Reorganization Act of 1946," S. 2177, Public Law 79-601, 2 August 1946, 815 and 822.

³⁴⁶ Ibid, 815.

³⁴⁷ Ibid, 817 and 829.

³⁴⁸ "Reorganization of the Congress," 5-6.

across government. Remarkably, these aforementioned structural reforms remain in place today. In addition to creating the modern committee system and establishing the congressional cornerstones for policy subsystems across government, the LRA of 1946 also presaged legislative and structural reforms in the bureaucracy, especially the National Military Establishment.

National Security Act of 1947

A product of compromise and conflict, the National Security Act of 1947 sought to unify the National Military Establishment under one cabinet-level secretary – the Secretary of Defense. Under the previous structure, the secretary of war and secretary of the Navy both held cabinet level positions with the ability to make direct recommendations to the president. Under the new system, the secretary of the Army (formerly Secretary of War), secretary of the Navy, and newly created secretary of the Air Force lost their cabinet level status and became subordinates to the secretary of defense. While this new structure presented the appearance of unification, the military departments maintained a great deal of autonomy over their internal affairs. To make matters worse, the legislation only authorized the secretary of defense to appoint “three special assistants to advise and assist him in the performance of his duties” and military assistants detailed from the services, but not a “military staff.”³⁴⁹ As the official history of

³⁴⁹ U.S. Congress, Senate, “National Security Act of 1947,” S. 758, Public Law 80-253, 26 July 1947, 7. Available from <http://global.oup.com/us/companion.websites/9780195385168/resources/chapter10/nsa/nsa.pdf>; Internet.

the Department of Defense notes, “The act itself was essentially an expression of purpose and intent; it remained to be implemented.”³⁵⁰

To implement the National Security Act, President Truman turned to Secretary of the Navy James V. Forrestal. Taking his oath of office only hours after passage of the act, Secretary Forrestal appointed trusted former aids and Navy men to two of the special assistant positions, Marx Leva and Wilfred J. McNeil. On Leva’s recommendation, Forrestal appointed John H. Ohly as his third special assistant. Ohly specialized in “manpower and related matters during the war” and served as special assistant to the secretary of war.³⁵¹ Ohly brought balance to Forrestal’s lopsided Navy appointments.

As secretary, Forrestal empowered his special assistants with a wide range of policy responsibilities, preferring they not be consumed by the “dustpan chores” of bureaucratic administration. Ohly, in particular, “handled matters concerning international affairs, manpower, reserves, and health that would later require the services of several special assistant secretaries and special assistants to the Secretary of Defense.”³⁵² For all intents and purposes, Ohly was the first personnel executive in the Office of the Secretary of Defense (OSD).

³⁵⁰ Steven L. Reardon, *History of the Office of the Secretary of Defense: The Formative Years 1947-1950*, vol.1, ed. Alfred Goldberg (Washington, DC: Historical Office, Office of the Secretary of Defense, 1984), 29.

³⁵¹ *Ibid*, 61.

³⁵² *Ibid*, 66.

The Personnel Policy Board Advises Secretary Forrestal

Despite Ohly's expertise, the challenges facing the postwar military were far too great for one person to handle. In 1948, Secretary Forrestal formed the Personnel Policy Board to address the "avalanche of personnel problems," including reforming the military pay structure, creating a uniform military justice system, and addressing matters of morale, recruiting, retirement, reserve forces, housing, recreation and welfare, the officer grade structure, and military personnel in politics.³⁵³ Steven L. Reardon, author of the defense department's official history, writes:

World War II and the demobilization that followed focused sharp attention on the human element in the armed forces and the problems associated with people. The postwar standing force was far larger than ever before in peacetime and it raised problems of recruitment, training, and retention of officers and enlisted personnel that proved difficult to resolve. Questions of a fundamental nature had to be answered... Since many of these questions involved issues common to all of the services, they seemed to require some sort of a unified approach and, to some extent, the development of common policies and programs.³⁵⁴

Under direction of the appointed chairman, the Personnel Policy Board's responsibilities and functions included "policies for recruitment, pay and allowances, job classification, inter-service exchange and transfer of personnel, promotions, standards of efficiency, separation and retirement, and recreation and welfare."³⁵⁵ Despite this massive policy portfolio and the postwar military drawdown, the board was the smallest organization in the new National Military Establishment with only 35 civilian staffers and

³⁵³ Ibid, 104.

³⁵⁴ Ibid.

³⁵⁵ Ibid, 105.

12 military officers.³⁵⁶ From the advent of the modern military establishment, military personnel policies clearly garnered only limited bureaucratic attention and resources, despite the enormous responsibilities under the board's charter.

Secretary Marshall Nominates a Personnel Expert

In 1949, Ohly left the OSD to become Deputy Director of the Mutual Defense Assistance Program.³⁵⁷ By 1950, recognizing the need for a personnel expert in OSD, George C. Marshall (America's third defense secretary) supported Anna M. Rosenberg's nomination to serve as "Assistant Secretary of Defense with special relation to manpower and personnel."³⁵⁸ In a telegram to the Senate Armed Services Committee dated 29 November 1950, Marshall writes:

During my few weeks as Secretary, I found tremendous pressures regarding manpower coming up to me from no less than five different offices...and it was evident that the pressures would increase...relating to manpower in industry, manpower in the military forces, and manpower in the administrative system...Preparing for this problem, I found the consensus of opinion was that one of the outstanding experts in the United States was Mrs. Anna Rosenberg.³⁵⁹

Though the SASC unanimously reported her confirmation to the full Senate for a vote on 29 November 1950, Rosenberg's confirmation battle was not over. On 2 December, the committee reconvened to consider allegations that Rosenberg had been

³⁵⁶ Ibid.

³⁵⁷ Ibid, 70.

³⁵⁸ *Hearings on Nomination of Anna M. Rosenberg to be Assistant Secretary of Defense Part I, Day 1, Before the Senate Committee on Armed Services, 81st Congress, 9 (1950)* (statement of Secretary George C. Marshall, as quoted by Chairman Millard E. Tydings). Chairman Tydings notes he received a telegram from Secretary Marshall that morning and reads it aloud to enter it into the Congressional Record.

³⁵⁹ Ibid, 8.

affiliated with the communist party in the 1930s.³⁶⁰ After several days of additional testimony, the committee found the allegations to be false.³⁶¹ Rosenberg would go on to serve as the first assistant secretary of defense for manpower and personnel through the remainder of the Truman administration.

Rosenberg's tenure in the Pentagon is notable for several reasons. First, she served as one of the highest ranking women in the American defense establishment at a time when women did not occupy high level governmental positions. Second, her role as assistant secretary of defense for manpower and personnel signifies the formal bureaucratic establishment of an office dedicated to military personnel policy. Ad hoc arrangements like John Ohly's policy portfolio or the Personnel Policy Board's charter proved woefully inadequate to meet the demands of the post-World War II military at work again in the Korean peninsula.

A key feature of any policy subsystem is a bureaucracy dedicated to the subsystem's functional and substantive features. The National Security Act of 1947 and its subsequent amendment in 1949 to unify the Pentagon facilitated the creation of the Office of the Assistant Secretary of Defense for Manpower and Personnel and contributed to the military personnel policy subsystem's establishment as an autonomous policy subsystem. Though Rosenberg's position as assistant secretary of defense has

³⁶⁰ *Hearings on Nomination of Anna M. Rosenberg to be Assistant Secretary of Defense Part II, Day 2, Before the Senate Committee on Armed Services, 81st Congress, 25-26 (1950)* (statement of Senator Richard Russell).

³⁶¹ Alfred Friendly, "Anna M. Rosenberg: Concerted Attacks Collapse," *The Washington Post*, 19 January 1951. Available from <http://search.proquest.com.ezproxy.lib.utexas.edu/docview/152378690>; Internet.

since been elevated to undersecretary of defense, the precedent for a bureaucratic office in the Department of Defense had been set. That structure, built in 1950, remains largely intact today.

Officer Personnel Act of 1947

Simply identifying senior policymakers or establishing new bureaucratic offices to deal with manpower and personnel issues would be insufficient for tackling the military's World War II demobilization and subsequent remobilization for the Korean War. Anticipating future military manpower and mobilization challenges, Congress took on the task of establishing a formal military personnel policy in late 1947.

General Eisenhower Goes to Washington

In the years following the allied victories in Europe and the Pacific, few Americans enjoyed as much trust, credibility, and power as Dwight D. Eisenhower. Before his tenure as President of Columbia University, election as President of the United States, and famous farewell address deriding the military-industrial complex, Eisenhower served as 16th chief of staff of the Army from 1945 to 1948. During his time as chief, Eisenhower was responsible for consolidating U.S. military power abroad, shrinking a massive wartime Army, and implementing a vision for the future of America's armed forces. Among the countless issues to be addressed, Eisenhower spearheaded serious reforms to the military personnel management system.

While numerous veterans went back to school, learned a trade, or opened their own business through the GI Bill, those still in uniform wrestled with the organizational challenges of a demobilized military and its greater institutional implications for America's armed forces. Convinced that the only way to restructure the military and adequately prepare for the next threat to national security, Eisenhower testified before the recently established Senate Armed Services Committee in strong favor of "An act to provide for the promotion and elimination of officers of the Army, Navy, and Marine Corps, and for other purposes," commonly referred to as the Officer Personnel Act of 1947.³⁶² Though not just an Army bill, Eisenhower as the former Supreme Allied Commander in Europe and current Army chief of staff was the most prominent witness called to testify. He even earned thanks and gratitude for appearing before the committee from the chairman, Senator Chan Gurney of South Dakota.³⁶³

Separating the "Deadwood"

General Eisenhower, a savvy politician before ever holding elected office, framed his argument as a personnel crisis. Eisenhower asserted that the "lockstep" promotion system was "unsatisfactory" and that there were no adequate mechanisms in the law as it stood to rid the Army of its "deadwood." He was particularly referring to those officers lacking promotion potential but occupying billets that would better serve the Army with more able and talented leaders. After "months of study to this bill," Eisenhower

³⁶² U.S. Statutes at Large, 80th Congress, Session 1, Chapter 512, Page 795, 7 August 1947. Available from http://constitution.org/uslaw/sal/061_statutes_at_large.pdf; Internet.

³⁶³ *Officer Personnel Act of 1947: Hearings on H.R.3830, Day 1, Before the Senate Committee on Armed Services, 61st Congress, 1 (1947)* (statement of Senator Chan Gurney).

contended, “I approve of it completely and thoroughly.” He even dismissed House amendments to the bill insisting that officer management was most important to him, signaling the degree to which he stood by the need for its passage and implementation. When prompted by the chairman, Eisenhower acknowledged a state of emergency in personnel management, in part, deriving from the Air Corps’ transition to the Air Force.³⁶⁴

As General Eisenhower made his entrepreneurial case for policy reform and addressed some of the measure’s details, committee members, like Senator Millard Tydings of Maryland, could not help but emphatically support him and the bill.

SENATOR TYDINGS: One more question. This is a wartime measure, is it not, in the sense that you are trying to get an army that would be in the best shape to wage war if we had a war tomorrow morning after this bill was passed?

GENERAL EISENHOWER: Practically speaking, that is it.

SENATOR TYDINGS: This is not a peacetime measure, looking to the army in a time of peace. It is designed to make it vital, strong, and efficient when the hour of need really does come along.

GENERAL EISENHOWER: That is correct.³⁶⁵

General Eisenhower’s role as a prominent policy entrepreneur and his strong advocacy for the Officer Personnel Act of 1947 enabled its timely passage. As a policy entrepreneur, Eisenhower adeptly managed the problem, politics, and policy streams during an open window of opportunity to usher in military personnel policies that

³⁶⁴ Ibid, 1-3, (This paragraph synthesizes and draws heavily from the opening statement of General Dwight D. Eisenhower).

³⁶⁵ Ibid, 14, (exchange between Senator Tydings and General Eisenhower).

facilitated both promotions and separations. Eisenhower clearly identified the unsatisfactory promotion system and senior personnel bloat as the source of the Army's problems. Further, he allayed political concerns that a change in personnel management would adversely affect the Engineer Corps³⁶⁶ and offered his full throated support for the reform bill under consideration as the military's policy solution. Finally, the crisis state of the personnel management system, as Eisenhower framed it, opened a window of opportunity in the name of national security that he could exploit.

An Institutional Personnel Framework

In sum, the Officer Personnel Act of 1947 established an “up or out” promotion system in which career progression through the ranks is necessary for continued service, laid out a general framework for officer career timelines at each grade, created additional mechanisms to eliminate poorly performing officers, called for selection boards to thoroughly review and consider officers for promotion, and set age limits at each grade that trigger mandatory retirement.³⁶⁷ In its entirety, the Officer Personnel Act created a consistent flow into and out of the military, opened billets for meritorious individuals to fill, and built the institutional personnel framework the military is largely left with today.³⁶⁸ Its impact cannot be understated.

³⁶⁶ *Hearings on Officer Personnel Act*, 3-5 (exchange between Senator Gurney and General Eisenhower.) The Army's Corps of Engineers played a vital role in infrastructure development in congressional districts throughout the United States.

³⁶⁷ U.S. Statutes at Large, 883-913.

³⁶⁸ Williams, 8-9.

The American military faced tremendous challenges putting its institutional house in order following World War II. Among these challenges was culling the force to meet strategic aims for a postwar world. Doing so would require a policy instrument to separate mass amounts of service members from the military. While the GI Bill eased the civilian transition for separating service members, the Officer Personnel Act created an institutional mechanism to promote the most talented career oriented soldiers, sailors, airmen and marines while separating the rest with a pension after years of faithful service. This is the enduring policy legacy that the U.S. military still lives with today.

Army and Air Force Vitalization and Retirement Equalization Act of 1948

While the 1947 Officer Personnel Act would facilitate a steady flow of personnel up the ranks through promotions, separations, and mandatory retirements, it failed to consider voluntary retirements for Army and Air Force officers or address retirement policy inequities across the services. Further, the Senate Armed Services Committee considered the Officer Personnel Act at the end of the first session of the 80th Congress, leaving little time to address the larger question of voluntary retirements. Consequently, the Senate Armed Services Committee took up the Army and Air Force Vitalization and Retirement Equalization Act of 1948 in the second session of the 80th Congress to address the various inequities in the military's voluntary retirement policies that had emerged since the end of World War II.

Congress Addresses Retirement Inequities

Through the Armed Forces Voluntary Recruitment Act of 1945, Congress set a 20 year voluntary retirement policy for the Army's enlisted soldiers. Meanwhile, existing policies – remnants of the 1935 National Defense Efficiency Act – still authorized voluntary retirement for Army officers after only 15 years of service. In 1946, Congress passed a law authorizing the president to accept voluntary retirement applications from Navy, Marine Corps, and Coast Guard personnel – officers and enlisted.³⁶⁹ According to a SASC staff analysis of the Army and Air Force Vitalization and Retirement Equalization Act, “Under existing law officers of the Regular Army and the Air Force may request voluntary retirement at the end of 15 years of service. This bill raises the number of years of service required before voluntary retirement can be requested from 15 to 20 years...This change makes the practices of these two services uniform with that of the Navy.”³⁷⁰ With a noncontributory defined benefit pension plan (Armed Forces Voluntary Recruitment Act of 1945), an “up or out” promotion system (Officer Personnel Act of 1947), and a 20 year voluntary retirement policy across all of the services (Army and Air Force Vitalization and Retirement Equalization Act of 1948), the newly formed military personnel policy subsystem (Legislative Reorganization Act of 1946 and

³⁶⁹ U.S. Statutes at Large, 79th Congress, Session 2, Chapter 34, Page 27, 26 February 1946. Available from http://www.constitution.org/uslaw/sal/060_statutes_at_large.pdf; Internet. See Section 5 of “An Act to authorize the President to retire certain officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and for other purpose.”

³⁷⁰ *Army and Air Force Vitalization and Retirement Equalization Act of 1948: Hearings on H.R. 2477, Day I, Before the Senate Committee on Armed Services*, 80th Congress, 27 (1948), (staff analysis included in hearing documents).

National Security Act of 1947) effectively established the military retirement policy status quo for decades to come.

Military Retirement Reform Act of 1986

No discussion of legislative reorganization and military pension policy in the latter half of the twentieth century would be complete without an examination of Congressman Les Aspin of Wisconsin and his decade-long quest to reform the military retirement system. From member, to subcommittee chairman, to committee chairman, to finally secretary of defense, this section explores the Military Retirement Reform Act of 1986 and its subsequent reversal in the 2000 National Defense Authorization Act through Aspin's policy entrepreneurship. The only fundamental – albeit fleeting – post-World War II change to military pension policy came by way of Aspin's 1986 reform effort. Despite Aspin's near obsessive policy crusade to address military retirement, his legacy unraveled just four years after his death as the reversal effectively gutted the legislation before it could ever truly be realized. This section not only contributes to a more thorough understanding of the policy's history but also serves as a case study of sorts in failed policy implementation.

Les Aspin, Budget Deficits, and Accrual Accounting

Emerging from a national malaise in the late 1970s, Ronald Reagan ushered in an era of renewed American optimism with his 1980 election to the Presidency. But that optimism did not spur immediate economic growth and prosperity. On the contrary, the American economy experienced a turbulent recession – the worst since the Great

Depression – from 1981 to 1982.³⁷¹ Running significant budget deficits, lawmakers on both sides of the aisle sought ways to trim the national budget. Long-time defense wonk and chairman of the House Subcommittee on Military Personnel and Compensation, Representative Les Aspin saw a prime target in the defense department’s bloated personnel accounts, including its expensive retirement system. Further, with academic experience in labor economics, Aspin viewed the military’s 20-year cliff-vesting retirement policy as an incentive to leave the service early and wanted to “encourage people to stay in the full 30 years.” This would “keep the people who are the most experienced and the most valuable.”³⁷²

Aspin – a trained economist with degrees from Yale, Oxford, and MIT – had been an outspoken critic of wasteful Pentagon spending since his election to the House of Representatives in 1970. In 1976, he even published a short booklet criticizing the military’s exceedingly generous pension policies.³⁷³ Aspin’s loud calls for retirement reform in the 1970s, among other prominent critics who claimed pensions were growing exceedingly expensive, pressed congressional leaders to form the Defense Manpower Commission from 1974 to 1976. However, “No compensation changes resulted from the

³⁷¹ Tim Sablik, “Recession of 1981 – 82,” *The Federal Reserve Bank of Richmond*. Available from <http://www.federalreservehistory.org/Events/DetailView/44>; Internet.

³⁷² Associated Press, “House Votes Lower Pension for Future Military Retirees,” *The New York Times*, 23 April 1986. Available from <http://www.nytimes.com/1986/04/23/us/house-votes-lower-pension-for-future-military-retirees.html>; Internet. The article attributes these quotes to Congressman Aspin.

³⁷³ Les Aspin, “Guns or Pensions: A Study of the Military Retired Pay System,” *U.S. House of Representatives* (1976).

DMC's study" as Congress did not act on the commission's recommendations.³⁷⁴ Congress did eventually implement one of the commission's main recommendations in the 1981 National Defense Authorization Act – a pension rate equal to 50 percent of a service member's "high-three" average pay.³⁷⁵ Indeed, this change to calculating military pensions would save DOD billions over the long term.

In 1983, Aspin further exploited the Pentagon's precarious budget position to squeeze new savings out of the military's retirement system through an accrual funding method. With support from the Congressional Budget Office, Aspin was hardly alone in calling for accrual accounting to save defense dollars. In testimony before Chairman Aspin's subcommittee, CBO analyst Neil Singer states, "The change to accrual funding of military retirement that will take place in next year's budget...would generate immediate budgetary reductions in the form of lower accrual charges."³⁷⁶

Syndicated military columnist Tom Philpott describes Aspin's successful efforts to transform military retirement from "pay-as-you-go" to accrual accounting. He writes:

In the early 1980s, the late Les Aspin, the chairman of the House Armed Services Committee criticized military retirement...Annuities for current retirees, he argued, should not be paid from current defense budgets. Decades earlier, the military should have been setting money aside each year in an "accrual" account to fund future retirement liabilities as the obligations were incurred. Aspin's solution, enacted into law, was to put military retirement under accrual accounting, retroactively. That \$500 billion liability was

³⁷⁴ Rex Hudson and Alice R. Buchalter, "A Summary of Major Military Retirement Reform Proposals, 1976-2006," *Library of Congress – Federal Research Division* (2007), 5.

³⁷⁵ U.S. Congress, House, "Department of Defense Authorization Act of 1981," H.R. 6974, Public Law 96-342, 8 September 1980, 1101. Section 1407(d) outlines the specific methods for calculating retired pay.

³⁷⁶ *Hearings on Overview of the Military Retirement System, Day 4, Before the Military Personnel and Compensation Subcommittee of the House Armed Services Committee*, 98th Congress, 155 (1983) (statement of Neil Singer).

shifted from the Defense Department to the Treasury to be amortized or paid off, over 60 years.³⁷⁷

In fact, the RAND Corporation more precisely estimates the Pentagon's 1984 unfunded pension liability at \$529 billion over the long term.³⁷⁸ A good steward of defense spending, one can understand why Aspin looked to shift these costs to Treasury and free up space in the Pentagon's budget for other pressing programs and expenses. While seemingly innocuous, shifting to an accrual accounting method made potential budgetary savings in the out years more visible to his fellow members of Congress eagerly seeking viable cost cutting measures across government. Within the next couple of years, Aspin would find himself in a position to reform military retirement even further.

Congressman Aspin Ascends to Chair the House Armed Services Committee

At the beginning of his eighth term in Congress, Aspin ranked behind six other Democrats on the House Armed Services Committee, hardly heir apparent to the chairmanship. But in January 1985, Aspin organized a coup of sorts against 80 year old Chairman Melvin Price. Members of Price's own party privately criticized him for being "too old to provide effective leadership" after having suffered several recurring health issues. Additionally, Democrats expressed concerns that "President Reagan's spiraling defense buildup" would require a more outspoken critic ready and willing to take on the administration's policies. Even though Speaker of House "Tip" O'Neil supported Price's

³⁷⁷ Tom Philpott, "Accrual Funding May Be Answer to Retiree Benefits," *Military Update Column*, 26 March 2000. Available from <http://news.google.com/newspapers?nid=1298&dat=20000326&id=DAQzAAAAIBAJ&sjid=pAgGAAAAIBAJ&pg=5402,6662345>; Internet.

³⁷⁸ Hix and Taylor, xi.

bid to retain his chairmanship, House Democrats “revolted” against the Speaker, voting first to depose Price and second to install Aspin as his replacement over several more senior members. Aspin was just 46 years old when he ascended to one of the most powerful defense jobs in Washington.³⁷⁹

Chairman Aspin Tackles Retirement Reform

In April 1985, three months after taking over as HASC Chairman, Les Aspin introduced legislation to cut the Pentagon’s military pension costs.³⁸⁰ With a national budget deficit hovering at \$200 billion, Aspin’s proposal aimed to trim \$4 billion out of the Pentagon’s \$18.2 billion annual pension contributions with further savings over the long term. In House and Senate hearings, “critics labeled the pension system expensive, inefficient and outdated.”³⁸¹ During an especially jarring moment before the Senate Armed Services Committee, President Reagan’s White House budget director, David A. Stockman, testified, “Institutional forces in the military are more concerned about protecting their retirement benefits than they are about protecting the security of the American people. When push comes to shove, they’ll give up on security before they’ll give up on retirement.”³⁸² Predictably, senior military leaders vehemently disagreed with

³⁷⁹ Times Wire Service, “Aspin Replaces Price, 80, as Armed Services Chair,” *Los Angeles Times*, 4 January 1985. Available from http://articles.latimes.com/1985-01-04/news/mn-6465_1_aspin; Internet.

³⁸⁰ On 4 April 1984, Aspin introduced H.R. 1984, *A Bill to limit the amount that the Department of Defense may obligate during fiscal year 1986 for military basic pay and payments for currently accruing military retirement benefits, and for other purposes*. The bill was referred to the House Armed Services Committee.

³⁸¹ Maura Dolan, “Aspin Acts to Cut Military Pension Funds,” *Los Angeles Times*, 5 April 1985. Available from http://articles.latimes.com/1985-04-05/news/mn-27231_1_military-pensions; Internet.

³⁸² Jonathan Fuerbringer, “Stockman Assails Military Pensions in Senate Hearing,” *The New York Times*, 6 February 1985. Available from <http://www.nytimes.com/1985/02/06/business/stockman-assails-military-pensions-in-senate-hearing.html>; Internet.

Stockman's assertion and expressed serious concerns with Chairman Aspin's proposal. Predicting an exodus from the ranks, the Joint Chiefs of Staff (JCS) unanimously testified against the plan, calling the pension system, "essential for retaining high quality individuals in the military."³⁸³

Despite the chiefs' opposition, Aspin believed a simple reform bill could mollify the Pentagon's concerns and pass through Congress.³⁸⁴ Rather than dictate how DOD would achieve the \$4 billion in savings, Aspin instead merely outlined the intended savings and left the specifics to Pentagon leaders. Notwithstanding his legislative maneuvering, the bill ultimately died in committee as there was no congressional appetite for reform. But Aspin did not give up. In fact, he managed to keep the issue alive for the next several months by including a provision in the 1986 Defense Authorization Act requiring the secretary of defense to "submit to Congress a report (including draft legislation) proposing two separate sets of changes in the military nondisability retirement system."³⁸⁵

Support for Aspin's HASC reform efforts even reached across chambers and party lines. In December 1985, Senator Pete Wilson of California, chairman of the Senate Subcommittee on Manpower and Military Personnel, held two days of hearings on "Proposals to Change Military Retirement." Senator Wilson states in his opening

³⁸³ Ibid.

³⁸⁴ Dolan.

³⁸⁵ U.S. Congress, Senate, "Department of Defense Authorization Act of 1986," S. 1160, Public Law 99-145, 8 November 1985, 659-660.

remarks, “Each month that we fail to act on retirement reform...will put the Department further in deficit with respect to the existing requirements. At the present time there is only one option available to the Department of Defense...to begin reducing the size of the force.”³⁸⁶ Indeed, Aspin continued to build the critical mass necessary for change.

On 17 March 1986, Chairman Aspin introduced H.R. 4420, a bill to “revise the retirement system for new members of the uniformed services.” The bill called for a reduction in the military’s defined pension benefits from 50 percent of base pay to 40 percent of base pay for those who retire with 20 years of service. But those who would serve a full 30 year career could still earn 75 percent of their base pay in retirement, just like the old system. Service members who enlisted prior to 1 July 1986 would be grandfathered into the old program while those enlisting after would be enrolled into the new retirement system.³⁸⁷

Naturally, the House referred the bill to the armed services committee for consideration. By 21 March, without so much as a congressional hearing, the HASC passed the bill out of committee and sent it to the full House for consideration. In a press conference following the committee’s vote, Chairman Aspin offers, “We want to encourage more people to serve longer. The current system has such generous benefits at

³⁸⁶ *Hearings on Proposals to Change Military Retirement, Day 1, Before the Subcommittee on Manpower and Military Personnel of the Senate Armed Services Committee, 99th Congress, 3 (1985) (statement by Senator Pete Wilson).*

³⁸⁷ U.S. Congress, House, “Military Retirement Reform Act of 1986,” H.R. 4420, Public Law 99-348, 1 July 1986, 682. Available from <http://www.gpo.gov/fdsys/pkg/STATUTE-100/pdf/STATUTE-100-Pg682.pdf>; Internet.

the 20-year mark that it simply encourages them to get out at 20 years...In other words, we're looking toward a more experienced career force."³⁸⁸ On 1 April, *The New York Times* published an editorial titled, "Mr. Aspin Slays the Monster." Applauding his efforts, the editorial board quips:

For years a monster has been gnawing away at America's military strength. But the grosser the monster grew, the harder it was to slay. Just when everyone despaired of ever bringing it under control, the monster has stepped into a wonderfully adroit trap prepared by Representative Les Aspin. The monster is the military pension system... Mr. Aspin has gradually made an intractable political problem soluble. Through legislative deftness, he has enhanced military strength, and at a substantial saving to the taxpayer. That's dragon-slaying at its best.³⁸⁹

The House passed the Military Retirement Reform Act of 1986 on 22 April by a staggering 399 to 7 vote. *The New York Times* reported, "Representative Les Aspin...said the changes will 'encourage people to stay in the full 30 years and keep the people who are the most experienced and the most valuable.'"³⁹⁰

The Senate followed suit and passed the bill on 15 May, with changes.³⁹¹ To remedy discrepancies between the House and Senate versions, conferees from the two chambers met and issued a conference report recommending passage of the revised legislation. Senator Wilson issued the conference report on the floor describing the

³⁸⁸ Les Aspin quoted in Richard Halloran, "Panel Cuts Retirement Pay to Keep People in Military," *The New York Times*, 22 March 1986. Available from <http://www.nytimes.com/1986/03/22/us/panel-cuts-retirement-pay-to-keep-people-in-military.html>; Internet.

³⁸⁹ Editorial Board, "Mr. Aspin Slays the Monster," *The New York Times*, 1 April 1986. Available from <http://www.nytimes.com/1986/04/01/opinion/mr-aspin-slays-the-monster.html>; Internet.

³⁹⁰ Associated Press, "House Votes Lower Pension for Future Military Retirees," *The New York Times*, 23 April 1986. Available from <http://www.nytimes.com/1986/04/23/us/house-votes-lower-pension-for-future-military-retirees.html>; Internet.

³⁹¹ U.S. Congress, House, "Military Retirement Reform Act of 1986," H.R. 4420, 99th Congress (1986). Available from <https://www.govtrack.us/congress/bills/99/hr4420#overview>; Internet.

tenants of the House-Senate compromise stating, “Mr. President, this conference report has been a long time in the making. It represents a reasonable compromise between the Senate and House bills, and historic change of the military retirement system. I think it will be fair to future military personnel and fair to the Nation...I urge my colleagues to vote to agree to the report.”³⁹² The Senate agreed to the conference report by a voice vote on 25 June and President Reagan signed the bill into law on 1 July 1986.

Aspin’s decade-long quest to reform military retirement policy had finally won the day. Indeed, his entrepreneurial efforts broke down the subsystem’s pension policy monopoly and won him widespread support, despite years of congressional inaction and persistent opposition from the Joint Chiefs and military retirees.³⁹³ By changing the military retirement fund to accrual based accounting, keeping the issues alive through the 1986 Defense Authorization Act, and finding bipartisan support for reform in the Senate, Aspin adroitly manipulated the problem, politics, and policy streams to usher in fundamental reform to military retirement policy. No other member of Congress, before or since, has managed to effect such significant change to military pension policy.

Secretary Aspin’s Mixed Legacy

In January 1993, President Bill Clinton naturally looked to one of the Democratic Party’s most seasoned defense experts, Les Aspin, to lead the Pentagon as the 18th secretary of defense. *The New York Times* notes, “[Aspin’s] selection as Secretary of

³⁹² Peter “Pete” Wilson, “Military Retirement Reform Act of 1986: Conference Report,” *Congressional Record* 132, no. 88, 99th Congress, Session 2, 8466 (1986).

³⁹³ Editorial Board, “Mr. Aspin Slays the Monster.”

Defense...was generally praised, although some military experts pointed out that he had no experience managing a large organization like the Pentagon.” “In retrospect,” according to the *Times*, “his limited management ability can be seen to have hurt him as Defense Secretary.” Moreover, Aspin never developed a close relationship with President Clinton and often found himself at odds with JCS Chairman General Colin Powell. Secretary Aspin also wrestled with senior Pentagon leaders over the administration’s “Don’t Ask, Don’t Tell” policy and the aftermath of the military’s “disastrous raid” against warlords in Somalia. To make matters worse, Aspin’s repeated calls for increased defense spending threatened President Clinton’s domestic policy agenda.³⁹⁴

With limited credibility in the White House and Pentagon, Aspin was no longer an asset to the Clinton administration. Rather, he had become its biggest liability. Ironically, Aspin clearly did not understand how to use, navigate, or manage the massive defense bureaucracy he had been overseeing from the House Armed Services Committee for two decades. Seeing the Washington tides turn against him, Aspin reluctantly announced his resignation in December 1993, less than a year after taking office. Days later, *Newsweek* reported, “His entire career led to the job he lost...Aspin’s bitterness is not unjustified. He was, in fact, a fall guy for the stumbles of the Clinton administration in Bosnia, Somalia, and Haiti. He may be the first casualty of Clinton’s error-prone

³⁹⁴ David E. Rosenbaum, “Les Aspin, 56, Dies; Member of Congress and Defense Chief,” *The New York Times*, 22 May 1995. Available from <http://www.nytimes.com/1995/05/22/obituaries/les-aspin-56-dies-member-of-congress-and-defense-chief.html>; Internet.

foreign policy.”³⁹⁵ Aspin finally stepped down in February 1994. In poor health after leaving the Pentagon, he died of a stroke at Georgetown University Medical Center on 21 May 1995. He was 56 years old.³⁹⁶

Aspin’s brief and tumultuous tenure as defense chief made his legislative and bureaucratic legacies vulnerable in the years after his death. Indeed, there were few champions of retirement reform left in Washington to carry his torch as senior Pentagon officials, service members, and even defense journalists began pejoratively referring to Aspin’s Military Retirement Reform Act of 1986 as “REDUX.”³⁹⁷ The American tech and internet sectors boomed in the late 1990s and military recruiting and retention plummeted as a result. With Aspin dead, his “REDUX” policy became a Pentagon scapegoat and proved to be an easy target for repeal.

Reversing REDUX: 1998 – 2000

Following the overwhelming American victory in Iraq during Operation Desert Storm/Desert Shield, defense experts began worrying aloud that the long-term viability of the All-Volunteer Force might be in question. Like President Eisenhower post-Korea and President Nixon post-Vietnam, President Clinton reduced U.S. defense spending for the post-Cold War world. Between 1993 and 1998, President Clinton cut the multi-billion dollar defense budget by 14 percent to its lowest levels since the Eisenhower

³⁹⁵ John Barry, Eleanor Clift, Bob Cohn, and Douglas Waller, “The Collapse of Les Aspin,” *Newsweek*, 27 December 1993.

³⁹⁶ Rosenbaum.

³⁹⁷ Sydney J. Freedberg, “Retirement Redux,” *Government Executive*, 1 April 1999. Available from <http://www.govexec.com/magazine/1999/04/retirement-redux/5994/>; Internet.

administration.³⁹⁸ Critics of the administration's defense budgets highlighted threats to military readiness, modernization, recruitment, and retention. As the 1998 defense budget reached record lows, military leaders and defense hawks set about to reinvigorate military spending for the twenty-first century.

General Shelton Sounds the Alarm

On 29 September 1998, the Joint Chiefs of Staff appeared before the SASC to testify on the preparedness of the U.S. armed forces. The chairman, General Henry "Hugh" Shelton, offered a most unsettling assessment of military readiness for future challenges by placing blame squarely on the 1998 defense budget. He testifies:

But I must also note up front that our forces are showing increasing signs of serious wear. Anecdotal, initially, and now measurable evidence indicates that our readiness is fraying and that the long-term health of the total force is in jeopardy...First, let me point out that our recent readiness shortfalls are the result of the fiscal year 1998 budget...Finally, the good news of the Nation's continuing strong economy has been "bad news" for our recruiting and retention as we have struggled to attract bright young people...In short, without relief, we will see a continuation of a downward trend in current readiness.³⁹⁹

With low funding and a high operational tempo in places like Bosnia and Kosovo, General Shelton used the hearing venue to formally lodge his concerns with Congress and raise public awareness of the impending defense crisis.

³⁹⁸ Larry Korb, Laura Conley, and Alex Rothman, "A Historical Perspective on Defense Budgets," *Center for American Progress* (2011). Available from <https://www.americanprogress.org/issues/budget/news/2011/07/06/10041/a-historical-perspective-on-defense-budgets/>; Internet. Korb, et al. measure defense budgets from 1952 to 2011 in 2012 inflation adjusted dollars. In 1993, the DOD budget was \$435,347 billion. By 1998, it had dropped to \$374,045 billion.

³⁹⁹ *Hearings on U.S. Armed Forces Preparedness, Day 2, Before the Senate Armed Services Committee*, 105th Congress, 76-77 (1998) (statement of General Henry "Hugh" Shelton).

The other service chiefs also expressed grave concerns about the state of the All-Volunteer Force. Army Chief of Staff General Dennis Reimer sounded a similar readiness alarm estimating, “We are probably 5 to 10 years from either a hollow force or having to change the National Military Strategy.”⁴⁰⁰ Indeed, any mention of a “hollow force” was abhorrent to defense hawks and lawmakers who lived through the military’s darkest days after the Vietnam War from 1975 to 1979.⁴⁰¹ Likewise, Chief of Naval Operations Admiral Jay L. Johnson contends, “[Sailors] are underpaid relative to what is available to them on the outside. They believe the REDUX retirement system...is broken, and they are, frankly, tired of being asked to do more with less.”⁴⁰²

Beyond weapons modernization and deployment readiness, General Shelton expressed his “greatest concern” over personnel issues, including reinvestments in compensation and retirement policies. He states:

[W]e have allowed the pay of our soldiers, sailors, airmen, and Marines to fall well behind that of their civilian counterparts...Another key factor affecting our force today is the different retirement system for the most junior two-thirds of our force today. In 1986, Congress changed the Armed Forces Retirement System to one that is increasingly perceived by our military members as simply not good enough to justify making a career of the military service. If we fail to address these critical personnel issues, we will put at risk one of the greatest achievements for the last quarter century, the all volunteer force.⁴⁰³

⁴⁰⁰ Ibid, 192 (statement of General Dennis J. Reimer).

⁴⁰¹ In 1980, then Chairman of the Joint Chiefs of Staff General “Shy” Meyer testified before Congress that poor funding, training, readiness, recruiting, retention, modernization, discipline, and seemingly outright neglect had led to a “Hollow Army.” This helped galvanize national support for the “Reagan Buildup.”

⁴⁰² Ibid, 104 (statement of Admiral Jay L. Johnson).

⁴⁰³ Ibid, 77-78 (statement of General Henry “Hugh” Shelton).

While General Shelton left the most specific policy prescriptions to his service chiefs, he did make two very clear and adamant recommendations to the SASC. He argues:

Mr. Chairman, my recommendation is to apply additional funding to two very real and pressing concerns. First, we need to fix the Military Retirement Act of 1986, so-called REDUX, retirement system and return the bulk of our force to a program that covers most senior members – that is, a retirement system that provides 50 percent of average base pay upon completion of 20 years of service. Second, we must begin to close the substantial gap between what we pay our men and women in uniform and what their civilian counterparts with similar skills, training, and education are earning...But we must act soon to send a clear signal to the backbone of our military...that their leadership and this Congress recognize the value of their service and sacrifices.⁴⁰⁴

General Shelton's 1998 testimony proved to be a watershed moment in the history of military pension policy. For fifty years, since the 1948 Hook Commission, committees, task forces, and working groups of various sorts all argued that the military ought to change its archaic 20-year, cliff vested, defined benefit retirement system. As HASC chairman, Les Aspin single-handedly "slayed the pension monster" and brought about the only fundamental change to military retirement policy since the end of World War II. General Shelton managed to undo Aspin's life's work in just one Senate hearing.

Soldiers', Sailors', Airmens', and Marines' Bill of Rights Act of 1999

In November 1998, the American people elected the 106th Congress of the United States. The following January, new SASC Chairman Senator John Warner of Virginia introduced S. 4, the Soldiers', Sailors', Airmens' and Marines' Bill of Rights Act of 1999, as his committee's first order of business for the new session on 19 January 1999.

⁴⁰⁴ Ibid, 78-79.

The SASC submitted the bill to the full Senate on 27 January and published its report on 2 February. The Senate formally considered the bill on 23 February.

Heeding the warnings in General Shelton's Senate testimony, Chairman Warner intended for the bill to address "two hemorrhaging problems" – recruiting and retention shortfalls – through "pay and retirement equity for members of the Armed Forces."⁴⁰⁵ The bill's two most important provisions included a 4.8 percent pay raise with annual Cost of Living Adjustments (COLAs), tied to the Employment Cost Index (ECI), to close the civilian-military salary gap and restoration of the 50 percent retirement benefit after 20 years of service.⁴⁰⁶ Beyond compensation and pensions, several senators piled-on with related amendments once the bill hit the floor.⁴⁰⁷ With so much public commotion on military readiness, recruiting, and retention, these senators calculated that it would be politically advantageous to actively participate in the legislative process. But S. 4 did not come without its criticism. *The Washington Post* published a piece titled, "A Bad Bill in the Senate." The editorial board writes:

THE SENATE this week is scheduled to debate a showy military pay and pension bill whose enactment many members realize would be a mistake but which no one in either party seems prepared to oppose...The pension proposals are the problem. They would

⁴⁰⁵ John Warner, "Soldiers', Sailors', Airmens', and Marines' Bill of Rights Act of 1999," *Congressional Record* 145, no. 2, 106th Congress, Session 1, 2756 (1999). Available from <http://digital.library.unt.edu/ark:/67531/metadc30915/m1/1262/>; Internet.

⁴⁰⁶ John Warner, "Report: The Soldiers', Sailors', Airmens', and Marines' Bill of Rights Act of 1999," *Senate Armed Services Committee*, 106th Congress, Session 1, 1 (1999). Available from <https://babel.hathitrust.org/shcgi/pt?id=pur1.32754071071553;view=1up;seq=1>; Internet.

⁴⁰⁷ For example, Senator Mike Crapo (R-ID) offered an amendment to repeal restrictions on "double dipping" for military retirees employed by the federal government. Senator Kay Bailey Hutchinson (R-TX) and Senator John Edwards (D-NC) offered an amendment to streamline and improve the military healthcare system known as TRICARE.

undo a hard-won reform that Ronald Reagan joined in enacting in 1986, one purpose of which was to save money, another to improve retention.⁴⁰⁸

Clearly, the watchdog media understood just how difficult and important the 1986 reforms had been. Any reversal would surely restore the pension policy status-quo. By addressing one set of problems – recruiting and retention – Congress was about to welcome back a different set of problems – soaring retirement costs. The Senate passed the bill by a vote of 91 to 8 the very next day, 24 February.⁴⁰⁹ While the House did not take up S. 4 outright, it did consider the bill’s compensation and retirement provisions during deliberations for the 2000 National Defense Authorization Act (NDAA).

National Defense Authorization Act of 2000

The day after the Senate passed the Soldiers’, Sailors’, Airmens’, and Marines’ Bill of Rights Act of 1999, the HASC Subcommittee on Military Personnel held a hearing on “pay and retirement reform issues” on 25 February 1999. Echoing many of the provisions in the Senate bill before the subcommittee, Undersecretary of Defense for Personnel and Readiness Rudy de Leon testifies, “The Department’s proposal would restore the 20-year retirement to 50 percent of basic pay and would provide for modest changes to the annual cost-of-live adjustment for retiree payment. We firmly believe that

⁴⁰⁸ Editorial Board, “A Bad Bill in the Senate,” *The Washington Post*, 23 February 1999. Available from [http://www.lexisnexis.com.ezproxy.lib.utexas.edu/hottopics/lnacademic/?verb=sr&csi=8075&sr=HLEAD\(Bad%20Bill%20in%20the%20Senate\)%20and%20date%20is%201999](http://www.lexisnexis.com.ezproxy.lib.utexas.edu/hottopics/lnacademic/?verb=sr&csi=8075&sr=HLEAD(Bad%20Bill%20in%20the%20Senate)%20and%20date%20is%201999); Internet.

⁴⁰⁹ U.S. Congress, Senate, “Soldiers’, Sailors’, Airmens’, and Marines’ Bill of Rights Act of 1999,” S. 4, 106th Congress (1999). Available from <https://www.govtrack.us/congress/votes/106-1999/s26>; Internet.

this change...improves military retirement.”⁴¹⁰ Undersecretary de Leon’s statement, coupled with General Shelton’s testimony, clearly signaled that the Pentagon bureaucracy – both civilian and military – firmly supported reversing REDUX.

Although defense policymakers believed the military’s retention issues required bold congressional action, many expressed concerns regarding the potentially excessive costs of reform. The subcommittee chair, Representative Steve Buyer of Indiana opened the hearing by urging his “colleagues to keep an open mind and gather the information that they will need [to] craft an effective and cost-efficient solution” to the military’s retention problems.⁴¹¹ The subcommittee’s ranking member, Representative Neil Abercrombie of Hawaii, followed suit in his opening remarks saying, “[W]e do have a bill from the Senate...I think we do need to take a close look at it...in the context of the budgetary caps.”⁴¹² Echoing a more dire sentiment, *The Washington Post* estimated that retirement reform would cost the taxpayer upwards of \$5 billion and “squeeze other parts of the military budget.”⁴¹³ Projecting costs could skyrocket as high as \$13 billion with even more in future unfunded liabilities, the Government Accountability Office (GAO) doubted that the reform proposals would even improve retention.⁴¹⁴

⁴¹⁰ *National Defense Authorization Act of 2000: Hearings on S. 1059, Day 2, Before the Subcommittee on Military Personnel of the House Armed Services Committee*, 106th Congress, 141 (1999) (statement of Rudy de Leon).

⁴¹¹ *Ibid*, 100 (statement of Steve Buyer).

⁴¹² *Ibid*, 101 (statement of Neil Abercrombie).

⁴¹³ Editorial Board, “A Bad Bill in the Senate.”

⁴¹⁴ *Hearings on the National Defense Authorization Act of 2000*, 102 (statement of Mark. E. Gebicke).

Despite the potential costs, several VSOs echoed the calls to repeal REDUX. Steve Strobridge of the Retired Officers Association testifies, “[REDUX] is not working. Why is it not working? Because REDUX can’t motivate more members to serve beyond 20 years if it doesn’t attract enough to stay until the 20-year point...We urge the subcommittee to give that proposal serious consideration as offering even greater retention value than simple REDUX repeal.”⁴¹⁵ Similarly, the Legislative Director for the Noncommissioned Officers Association argues, “Mr. Chairman, perhaps the single most valuable effort this subcommittee could make to improving recruiting and retention...is to send a signal, a clear signal, to the entire military community...that this subcommittee is prepared to deal with legislative efforts to improve pay and benefits.”⁴¹⁶

The 2000 NDAA passed with overwhelming bipartisan support in the House and Senate. President Clinton signed the bill into law on 5 October 1999. Clinton sums up his support for the bill’s pay and retirement provisions in his signing statement. He writes, “This Act helps us meet that responsibility. It endorses my comprehensive program of improvements to military pay and retirement benefits, which add up to the largest increase in military compensation in a generation.”⁴¹⁷ In all, the 2000 NDAA made several changes to military compensation and retirement policies. First, the NDAA increased military pay by 4.8 percent across all services and ranks. Second, the legislation

⁴¹⁵ Ibid, 126-127 (statement of Steven P. Strobridge).

⁴¹⁶ Ibid, 123 (statement of Michael F. Ouellette).

⁴¹⁷ William J. Clinton, “Statement on Signing the National Defense Authorization Act for Fiscal Year 2000,” 5 October 1999, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/index.php?pid=56651>; Internet.

automatically reversed REDUX for all service members except those who elect into it. This provision effectively restored retirement earnings to 50 percent of a retiree's "high-three" base pay average after 20 years for all but a few service members. Third, it created and extended various bonuses to troops in certain military occupational specialties. Fourth, the bill repealed salary reductions for military retirees working for the federal government. Finally, the NDAA opened the federal Thrift Savings Plan to the military.⁴¹⁸

A Failure of Policy Implementation

The 1986 military retirement REDUX and its subsequent repeal in 1999 illustrates how tenuous policy reform is within an autonomous policy subsystem. As a policy entrepreneur, Les Aspin singlehandedly placed retirement reform on the policy agenda in 1986, mobilized support for his REDUX proposal, neutralized the opposition, and built a winning coalition, including Senator Pete Wilson and President Ronald Regan. But after REDUX's legislative enactment, Aspin ultimately failed to recast the interests, institutions, and ideas surrounding military retirement after implementation. As "new policies create a new politics,"⁴¹⁹ Aspin's tepid tenure as defense secretary and death soon thereafter contributed to REDUX's ultimate failure. Aspin proved to be one of the only retirement reformers actually committed to REDUX's long term success. Once Aspin was gone, the subsystem pounced on the opportunity to reverse it.

⁴¹⁸ U.S. Congress, Senate, "National Defense Authorization Act for Fiscal Year 2000," S. 1059, Public Law 106-65, 5 October 1999. Available from <http://www.dod.gov/dodgc/olc/docs/2000NDAA.pdf>; Internet. See pages 645, 649, 662, 664, and 670.

⁴¹⁹ E.E. Schattschneider, *Politics, Pressures, and the Tariff*, 2nd ed. (Manchester: Ayer Publishing, [1935] 1974), 288.

Merely adopting policy reform does not guarantee its durability over the long term. Reform requires thoughtfully dismantling old policies and constructing new policies to take their place. To do so, reformers must break up the policy's existing paradigm and subsystem coalition by establishing a new coalition vested in the reform's success. Reformers achieve this "creative destruction" by rendering old paradigms and policy structures obsolete. Consequently, policy reform is a dynamic process that requires constant monitoring from adoption to implementation. Ensuring a reform's durability requires maintaining the policy's structural integrity over time and staying true to the reform's core principles amid pressure to change from the subsystem. As supporters begin to reconsider their commitment to reform amid this subsystem pressure, policy entrepreneurs must manage their "commitment problem" and assure worried supporters that reform will endure. But as this episode highlights, reform cannot stop at adoption. Thoughtful and deliberate implementation is a key to reform success.⁴²⁰

Summary

This chapter examines legislative reorganization, subsystem transformation, and policy reform. It substantiates the argument that legislative reorganization effectively transformed the policy landscape by splitting the veterans' pension policy and military personnel policy subsystems. More specifically, I argue that veterans' pension policy and military personnel policy effectively split into two separate subsystems in the wake of World War II, significantly reducing the number of institutions and actors interested in

⁴²⁰ See Erik M. Patashnik, *Reforms at Risk: What Happens After Major Policy Changes Are Enacted* (Princeton: Princeton University Press, 2008).

military personnel policy. At the core of this subsystem split is legislative reorganization facilitated by six pieces of legislation: the Servicemen's Readjustment Act of 1944, Armed Forces Voluntary Retirement Act of 1945, Legislative Reorganization Act of 1946, National Security Act of 1947, Officer Personnel Act of 1947, and Army and Air Force Vitalization and Retirement Equalization Act of 1948.

First, in lieu of adjustment compensation or a pension, the Servicemen's Readjustment Act of 1944 granted compensation to an entire generation of veterans in the form of tuition benefits, vocational training, and home, farm, and small business loans. These various policy instruments proved far more effective forms of compensation than any service pension in American history. Second, the Armed Forces Voluntary Recruitment Act of 1945 established the noncontributory defined benefit pension system and 2 ½ percent multiplier rates still in effect today. Third, the Legislative Reorganization Act of 1946 combined congressional committees and delineated jurisdictions, separating veterans' pension policy from military personnel policy. Additionally, the LRA strengthened bureaucratic oversight of the National Military Establishment. Fourth, the National Security Act of 1947 subordinated the Departments of War and the Navy to the new secretary of defense. Though OSD struggled in its early years, Secretary Forrestal's pick in John Ohly to serve as his special assistant with expertise in manpower foreshadowed the creation of the assistant secretary of defense for manpower and personnel, formalizing the bureaucratic office responsible for personnel policy. Next, the Officer Personnel Act of 1947, championed by General Eisenhower, created an "up or

out” promotion system creating a mechanism to promote and separate service members from the military. Finally, the Army and Air Force Vitalization and Retirement Equalization Act of 1948 standardized the 20 year voluntary retirement policy across all of the services. Taken together, these six pieces of legislation established the military retirement policies still in place today.

The formation of the military personnel policy subsystem and its split from veterans’ policy also served a more practical purpose – it minimized the scope of conflict between actors and institutions. Like any policy subsystem, the inchoate military personnel policy subsystem aimed to dominate its policy area. With veterans’ pension policy no longer in its jurisdiction, it could now focus on its primary goal: to recruit, retain, separate, and reward service members. The subsystem maintained its newfound autonomy for nearly 40 years until temporarily losing hold of its policy monopoly to Les Aspin’s policy entrepreneurship in the 1986 Military Retirement Reform Act. But less than 20 years later, the subsystem managed to regain control with the 2000 National Defense Authorization Act during the military’s recruiting and retention crisis following Aspin’s death. The next chapter brings the military personnel policy subsystem, in its current form, to life by illuminating subsystem information processing to help policy scholars and policymakers better understand how the subsystem has managed to maintain its tight control of pension policy outputs since the end of World War II.

Chapter 7: Getting Inside the Military Personnel Policy Subsystem

The previous chapters lay the foundation for understanding the role military pensions have played in American political development by documenting the initial formation of the veterans' pension policy subsystem in the wake of the Civil War, its evolution during the interwar period, and ultimate split into the autonomous veterans' policy and military personnel policy subsystems after World War II. For more than 65 years, the autonomous military personnel policy subsystem has managed to maintain the retirement policy status quo despite several threats to its jurisdiction. This chapter aims to "get inside" the military personnel policy subsystem to determine how the contemporary subsystem continues to keep its tight grip over pension policy. I contend the answer lies within the subsystem's internal dynamics, particularly its information processes.

According to this dissertation's renewed theory, autonomous policy subsystems are characterized by insular, expert-based channels of information, specialized media attention, parochial interest groups, a politically inactive – yet advantaged – target population, and an inherent lack of policy conflict. This lack of conflict and information undersupply leaves subsystem actors to search for interinstitutional signals from elites on matters of military personnel and retirement policy. This chapter draws on 50 elite interviews with subsystem policymakers to test the dissertation's five central hypotheses: *institutional memory*, *information stove pipes*, *power and influence*, *interinstitutional signaling*, and *responsive subsystem behavior*. Each interview respondent is currently or recently has been part of the military personnel policy subsystem.

Through the aforementioned hypotheses, this chapter makes five key findings. First, high rates of congressional and bureaucratic turnover on the military personnel subcommittees and within the Pentagon are detrimental to the subsystem's institutional memory. Second, the Pentagon marginalizes itself by stove piping expert information through bureaucratic hierarchies leaving it unresponsive to the subsystem's demands for timely information. Third, subsystem actors see a clear distinction between power and influence within the subsystem as the congressional subcommittees on military personnel wield power and prominent VSOs and the service chiefs wield influence. Next, subsystem actors search for and prioritize public and private interinstitutional signals from the administration, Joint Chiefs of Staff, and high-profile members of Congress. Finally, issues surrounding military social policy attract a whole new set of competing actors and institutions into the subsystem's policymaking process while many of the usual subsystem stakeholders stay out of the fray, thus making the usually unresponsive subsystem actually quite responsive.

Institutional Memory

Institutional memory in a policy subsystem takes on two forms. In one sense, institutional memory comes about only after many years of experience working on a policy issue (e.g. making history). In another, institutional memory can come about through study, analysis, and a deep understanding of policy development over time (e.g. reading history). No matter how it comes about, institutional memory can be both an asset and an Achilles heel for subsystem policymakers. The policy learning that comes

with institutional memory helps experienced policymakers guide policy change through a difficult process. Conversely, institutional memory can stymie policy innovation because policymakers are unwilling to invest in provocative ideas that challenge the subsystem's orthodoxy. The *institutional memory hypothesis* claims that high rates of personnel turnover diminish expert information and institutional memory across the military personnel policy subsystem. In this case, personnel turnover includes members of Congress and professional staffers on the military personnel subcommittees, political appointees, and senior military officers in the Pentagon. In short, interview results support institutional memory hypothesis.

The notion of an autonomous policy subsystem conjures up the image of an insular group of experts gathered in a windowless room dictating policies to suit the subsystem's needs and preferences. But this is hardly the case. In reality, the military personnel policy subsystem has few experts and must rely on this handful of people for their information and analysis. Without a deep understanding of military personnel and retirement policies, Pentagon officials and members of Congress are often unwilling to question the subsystem's assumptions about the pension policy status quo.

To capture this lack of institutional memory, I ask interview respondents, "*In terms of political and institutional memory, are any of the following twentieth century laws still relevant to the twenty-first century policymaking process? Why or why not? A) Officer Personnel Act of 1947; B) Defense Officer Personnel Management Act of 1980; C) Retirement Redux of 1986; D) Redux Repeal of 1999.*" (See Appendix 2, question 5).

These four pieces of legislation are central to the subsystem's legislative landscape. As such, I prime respondents by mentioning them not to test their knowledge on policy specifics but to gauge their understanding of whether these four laws are still relevant. In reality, they still have direct bearing on contemporary military personnel policy.

Personnel Turnover

DOD employs a host of uniformed and civilian Human Resources (HR) experts to manage its massive military and civilian workforce. But these street-level HR bureaucrats are only well-versed in managing the day to day personnel transactions necessary to operate the nation's defense bureaucracy and lack the political clout to make substantive policy change. At the Senior Executive Service (SES) level, Pentagon appointees hold political clout but typically lack the institutional memory and knowledge to make substantive changes to military personnel and retirement policies. This knowledge-influence asymmetry exemplifies the classic principal-agent problem. Consequently, the key to policy change lies with mezzo-level bureaucrats, those career officials with both the institutional memory and political clout to bring about substantive reform.⁴²¹

DOD bureaucrats at all levels confirmed the lack of institutional memory among senior Pentagon officials. Bureaucrat 3 affirms, "The only institutional memory is with gray haired guys like me." Similarly, Bureaucrat 4, a Senate confirmed political appointee, confesses that officials at his level have little understanding of the four

⁴²¹ See Carpenter, 18-25 for a discussion on learning and change among executive, mezzo, and street-level bureaucrats.

historical pieces of legislation that continue to impact military personnel and retirement policies. Acknowledging the lack of institutional knowledge among political appointees, Bureaucrat 5 assures that those mid-level bureaucrats with specific positions and relevant policy portfolios do have the necessary institutional knowledge and memory to do their jobs well. Bureaucrat 5 insists institutional memory resides with mid-level bureaucrats. But according to Bureaucrat 10, the list of people who know these policies well is short.

One of the most significant reasons DOD currently lacks institutional memory stems from the fact that as of April 2015, there have been *six* acting, confirmed, or stand-in undersecretaries of defense for personnel and readiness (P&R) since the Obama administration took over the Pentagon in 2009. Only three of these people were Senate confirmed. In fact, Staffer 11 calls this appointee turnover within the administration “mind baffling.” For the administration’s first year, Gail H. McGinn stood-in and performed the additional duties of undersecretary for P&R.⁴²² The first Senate confirmed undersecretary, retired Marine Corps General Clifford Stanley, resigned after accusations of toxic leadership.⁴²³ Bureaucrat 12 describes Stanley’s tenure as “rocky and turbulent,” ultimately leading to several executive resignations within P&R and an institutional “brain-drain.” His replacement, Dr. Jo Ann Rooney, served in an acting capacity for only

⁴²² Gail H. McGinn, “Biography,” *U.S. Department of Defense*. Available from <http://www.defense.gov/bios/biographydetail.aspx?biographyid=76>; Internet.

⁴²³ John T. Bennett, “Defense Official Under Investigation Resigns,” *The Hill*, 27 October 2011. Internet; available from <http://thehill.com/news-by-subject/defense-homeland-security/190275-defense-official-under-probe-resigns->.

a matter of months before being tapped as undersecretary of the Navy.⁴²⁴ The fourth undersecretary, Erin C. Conaton, earned Senate confirmation but stepped down only seven months later citing a return to private life after a prolonged medical absence.⁴²⁵ Her replacement, Jessica L. Wright, served in an acting capacity from January 2013⁴²⁶ until her Senate confirmation in July 2014. Undersecretary Wright stepped down on 31 March 2015, less than a year after her confirmation.⁴²⁷ Wright's deputy, Laura Junor, is serving in an acting capacity until the White House nominates a replacement undersecretary.

With so much personnel turnover, these appointees actually have little political clout and are unable to fill the bureaucratic power vacuum that forms in the wake of transition. What is more, personnel turnover at the top leads to talent flight among rank and file bureaucrats, the very people with the necessary institutional memory and sufficient political clout to make things happen. Consequently, the senior executives who are supposed to have political clout do not; the mezzo-level bureaucrats who are supposed to have institutional memory do not. One of the few exceptions is Secretary of the Army John McHugh. Prior to assuming the top political post in the Army, McHugh was the long serving chairman of the House Subcommittee on Military Personnel. No

⁴²⁴ Christopher P. Cavas, "White House Withdraws Name for Navy's No. 2, Post," *USA Today*, 13 November 2014. Available from <http://www.usatoday.com/story/news/nation/2014/11/13/navy-rooney-nomination-withdrawn/18998941/>; Internet. Rooney failed to earn Senate confirmation and the Obama administration withdrew her name from consideration in November 2014.

⁴²⁵ Karen Jowers, "DoD Personnel Chief Conaton Resigns," *Army Times*, 3 January 2013. Internet; available from <http://www.armytimes.com/article/20130103/NEWS05/301030319/>.

⁴²⁶ Karen Jowers, "Obama to Nominate New DoD Personnel Chief," *Army Times*, 18 July 2013. Internet; available from <http://www.armytimes.com/article/20130103/NEWS05/301030319/>.

⁴²⁷ "DOD Announces Departure of Undersecretary Jessica Wright," *U.S. Department of Defense*, 4 December 2014. Available from <http://www.defense.gov/Releases/Release.aspx?ReleaseID=17065>; Internet.

doubt, McHugh has a better understanding of military personnel issues than most. McHugh's appointment also highlights the insular "promote from within" mindset of the military personnel policy subsystem.

Member turnover on the personnel subcommittees is particularly high due to low popularity and varying interest. Staffer 3 notes the subcommittee is often "stacked with freshmen with little interest or expertise on personnel issues." Consequently, the subcommittee's professional staffers provide the only institutional stability and memory to the legislative process. In fact, most professional staffers have some firsthand knowledge of personnel legislation and policies, even though the members themselves do not. But according to Staffer 7, members are simply unwilling to leverage their vast information resources and do the research necessary to understand these historically important pieces of personnel legislation. Finally, dismissive congressional staffers suggest Congress does not need the institutional memory as long as DOD has it. But again, significant bureaucratic turnover in P&R has limited DOD's institutional memory.

Personnel turnover at the Pentagon and in Congress afflicts the entire subsystem. From the VSO perspective, the high rate of personnel turnover among senior military officers and influential congressional staffers shortens "corporate" knowledge across the subsystem. With the ability to build longevity, VSOs are much better at establishing and retaining corporate knowledge because they tend to hire retired military officers, ex-Pentagon staffers, and legislative operatives. As such, VSOs make educating

congressional staff part of their mission by bringing abstract policies to reality. Indeed, the more knowledgeable the staffer, the better off the member of Congress will be, especially considering so few members have personal military experience.

Beyond the practical implications of constant personnel turnover within the subsystem, a classic principal-agent problem arises. While principals temporarily serving in an acting capacity can help maintain bureaucratic continuity, Pentagon agents may be unwilling to invest time, energy, information, and resources in a principal who could be out the door in just a few months. This is problematic for developing long term policies and corresponding implementation strategies. In such a bureaucratic environment, all incentives lead toward short term gains at the expense of long term success.

Unquestioning Assumptions

In addition to the lack of institutional memory, interview respondents suggest the military personnel policy subsystem is unwilling to question its own assumptions. First, few members of Congress have the military experience necessary to credibly question the military's personnel policies. Second, a focus on short term subsystem goals blurs the potential for implementing long term personnel strategies.

At its peak in 1977, 80 percent of the members of Congress were veterans. With so many veterans in office, Congress was full of defense experts. Unfortunately, this is no longer the case. By 2013, that number plummeted to just 19 percent across both

chambers.⁴²⁸ Now, only 80 representatives in the 114th Congress – 18 percent – have any sort of military experience.⁴²⁹ Similarly, the U.S. Senate is home to only 13 veterans.⁴³⁰ Consequently, just 17 percent of Congress is a veteran in the 114th Congress. Even in the wake of the wars in Iraq and Afghanistan, this represents a surprising two percent drop.

While it is hardly necessary to have military experience to be an effective legislator on the armed services committees, non-veterans do have a much steeper learning curve on the intricacies of military personnel policy. For instance, Scholar 10 suggests that lawmakers conceptually understand military promotions and retirement but do not understand their details. Additionally, non-veterans tend to be skeptical of tinkering with the All-Volunteer Force. Journalist 4 ponders, “Congress, with increasingly no military experience, feels guilty and has rose colored glasses about pay and benefits for the military and veterans.” Consequently, Bureaucrat 7 believes the subsystem’s biggest fear is that “we’re going to break the All-Volunteer Force.” He adds, “[We] need leaders in place, in policy and law, to shape the force profile we need.” These realities, coupled with America’s “thank you for your service” gratitude toward the military, make it extremely difficult for well-meaning members of Congress to question assumptions, challenge orthodoxy, and shift old paradigms. Since so few members of

⁴²⁸ Susan Davis, “Number of Veterans in Congress Continues to Decline,” *USA Today*, 20 November 2012. Available from <http://www.usatoday.com/story/news/nation/2012/11/20/fewer-congress-vets/1716697/>; Internet.

⁴²⁹ U.S. Congress, House, “Veterans in Congress,” *Committee on Veterans’ Affairs*, 114th Congress (2015-2017). Available from <https://veterans.house.gov/veterans-congress-114th-congress/>; Internet.

⁴³⁰ Rachel Wellford, “By the Numbers: Veterans in Congress,” *PBS News Hour*, 11 November 2014. Available from <http://www.pbs.org/newshour/rundown/by-the-numbers-veterans-in-congress/>; Internet.

Congress have served, it can be difficult for the Pentagon to build credibility for its reform proposals, particularly when it comes to addressing the tremendous growth in personnel costs. As Scholar 9 puts it, “There are zero ‘profiles of courage’ in this Congress.” Similarly, Scholar 10 contends that because of Congress’ risk-averse nature, even the subsystem’s personnel experts have little incentive to think creatively.

Contributing to the lack of military experience in Congress, short term political goals overwhelm the potential for implementing long term personnel strategies. Disappointed by the subsystem’s unwillingness to challenge its assumptions, Scholar 2 submits, “Legacies of the past are just dead weight keeping us from adjusting to the current landscape.” Compounding the problem, short position tenures among the Joint Chiefs of Staff perpetuate short term institutional incentives. More specifically, the chairman and vice chairman serve no more than two consecutive two-year terms while the service chiefs are each appointed to one four-year term. As such, Staffer 5 believes the service chiefs are more interested in their institutional legacies than “rocking the boat” by advocating and implementing controversial policy changes. Journalist 5, critical of the short term incentives among senior leaders, dismisses the Pentagon as “the building of small ideas.” For example, Bureaucrat 7 contends, “No one believes our retirement system is broken as they see the success of the [All-Volunteer Force]. But other interviewees are concerned that the All-Volunteer Force, as it stands now, is failing. One reason for this is the military’s archaic and institutionalized personnel management system. Scholar 6 suggests these rigid policies actually stifle personnel management and

push the best people out of the military. He adds, “No one in uniform seems to understand the problems the [Defense Officer Personnel Management Act] created for talent retention.”

In sum, these interview results clearly point to a lack of institutional memory across the military personnel policy subsystem and support *institutional memory hypothesis*. First, constant personnel churn in the Pentagon and Congress limits meaningful institutional memory. Second, a lack of military experience among members of Congress creates a subsystem atmosphere in which actors and institutions are unwilling to question their own assumptions, challenge orthodoxy, and shift old paradigms toward modern personnel management systems and compensation models.

Information Stove Pipes

With so little institutional memory, subsystem policymakers generally rely upon the few subsystem experts for information, advice, and guidance throughout the policymaking process. But this information, advice, and guidance can be hard to come by. When the information is available, there is no guarantee subsystem actors will use it. *Stove pipe hypothesis* posits that expert information is slowly stove piped through bureaucratic hierarchies prior to dissemination to the subsystem leading to information undersupply. To test this hypothesis, I ask interview respondents, “*Is interinstitutional information processing timely and helpful. If so, how? If not, why not?*” (See Appendix 2, question 9).

In short, I find that bureaucratic stove pipes do exist as the Pentagon is unresponsive to requests for information from subsystem actors and institutions, thereby marginalizing itself from the subsystem's policymaking processes. Interview responses confirm that information stove pipes stem from three primary sources. First, the Office of the Undersecretary of Defense for Personnel and Readiness has limited analytical capacity. Second, the nature of the policymaking process makes bureaucrats sensitive to the Pentagon's political and bureaucratic hierarchies. Third, certain subsystem actors, most especially senior military officers, are unwilling to accept expert information and instead rely upon anecdotes and personal experience. The consequence is that the military personnel policy subsystem suffers from information undersupply and perpetuates its autonomy by minimizing subsystem conflict.

Limited Analytical Firepower

Rigorous policy analysis is at the heart of the policymaking process. An early pioneer for such analysis, Secretary of Defense Robert McNamara surrounded himself with "whiz kids" during his tenure in the Kennedy and Johnson administrations. These impressive young 30-somethings brought rigorous quantitative analysis and program evaluation with them to the Pentagon from the private sector. In contrast to present day, Bureaucrat 12 longingly recalls a "time when OSD Policy was full of young energetic experts." But those days seem long gone. Today, subsystem actors readily admit the Pentagon is incapable of such rigorous policy analysis. There appear to be two reasons

for this. First, DOD, especially P&R, lacks internal analytical capacity. Second, Pentagon bureaucrats tend to be skeptical and even distrustful of external policy analysis.

With regard to analytical capacity, the Pentagon has lost much of its ability to conduct internal research and analysis. Moreover, Pentagon officials do not have time for rigorous policy analysis and proposals. Instead, DOD relies on internal ad hoc working groups to mitigate the lost analytical capacity. For example, P&R recently put together its own internal working group on military compensation and retirement reform with analysts and officials from OSD, the military services, and the RAND Corporation. According to Scholar 2, the group's 18 months of work proved very effective in terms of developing ideas and "socializing them around the building" leading to the 2015 MCRMC. In fact, the group developed several proposals but left the quantitative analysis to RAND. Not surprisingly, subsystem insiders believe that academic analysis within DOD has largely been lost and fallen to contracts with Federally Funded Research and Development Centers (FFRDCs), like RAND.

Ironically, Scholar 8 contends that even with the necessary analysis and information, DOD would not know what to do with it. Despite the reliance on FFRDCs like RAND, Bureaucrat 12 believes senior Pentagon officials are wary of external policy analysis because "they've been burned before," suggesting previous reliance on outside analysis has led to poor policy outcomes in the past. Scholar 4 argues this skepticism might be because think tanks, as opposed to FFRDCs, settle on an 80% solution to

produce work more quickly, leaving the details to someone else. Bureaucrat 10 agrees, “The batting average of analytical community on retirement reform is essentially zero.” Subsystem scholars speculate that DOD sees think tanks as biased political organizations.

DOD distrust and skepticism is not just isolated to the think tank community. Scholar 6, for instance, recently published a provocative book on the military personnel management system and was received as *persona non grata* by subsystem actors and institutions. This unwelcome receipt stems from the fact that Scholar 6 is new to the subsystem. “As an outsider,” he acknowledges, “people who’ve been working on personnel issues their entire careers felt threatened by the guy who just showed up and wrote a book.” No senior military officer or member of Congress reached out to the author to discuss his ideas. DOD policymakers were not open to his ideas either.

This instance highlights the territorial nature of subsystem policymaking. When the subsystem perceived a jurisdictional threat from an outsider, it shut him out to protect its issue definition and policy image regarding the military’s personnel management system. Instead of entertaining and discussing the scholar’s ideas, tribalism took over as the subsystem proved unwilling to engage. Clearly, there is no subsystem incentive to question or challenge orthodoxy. Scholar 10 believes this lack of incentive is due to the subsystem’s preference for a “one-size fits all centralized personnel policy.”

There is also the question of what it means to be an expert within the military personnel policy subsystem. Interestingly, Scholar 2 argues there is actually a

fundamental misunderstanding of what “expert” means. He quips, “Generals think in anecdotes. Just because they get a paycheck doesn’t mean they’re an expert in pay issues.” Even with a handful of personnel policy experts within the subsystem, some of the subsystem’s most influential actors, general and flag officers, foolishly disregard expert information for their own (undoubtedly skewed) personal experience and anecdotes. Senior officers, in turn, become victims of their own experience. However, anecdotes are not data. This is especially dangerous to the subsystem because influential senior officers are unwilling to question their own assumptions; rather, they faithfully trust the status quo based on personal experience in lieu of rigorous analysis.

Political and Bureaucratic Hierarchies

Sensitivity to political and bureaucratic hierarchies also perpetuates information stove pipes. Politically, Bureaucrat 5 notes, “DOD is not an independent agent. The institution has a responsibility to work within the administration.” Bureaucrat 8 confirms this sentiment stating, “[It’s] hard to get out ahead of the administration.” Likewise, Scholar 10 agrees, “Anyone who leans forward on these issues in the administration is at risk.” Scholar 2, who occasionally conducts research for the Pentagon, states, “[I] can’t get out ahead of OSD and politicize myself. [I] eschew those kinds of activities to maintain my ability to impact things from the inside.” Political hierarchies even extend to the JCS. Scholar 12 posits, “[The] chiefs can’t cross their political masters. [They] lack the political permission to cross the administration on retirement reform.”

Journalist 2 attributes these political sensitivities to DOD's aversion to information leaks. To prevent these harmful leaks, Secretary of Defense Robert Gates began enforcing a Non-Disclosure Agreement (NDA) policy within the Pentagon to protect sensitive information from third party access. Gates' recent memoir, *Duty: Memoirs of a Secretary at War*, confirms just how much he personally detested leaks. Despite his best efforts, leaks still permeated the Pentagon and military establishment to the point, he writes, "A wall was going up between the military and the White House. That was bad for the country, even dangerous."⁴³¹ Bureaucrat 12 posits that information stove pipes in OSD largely depend on the secretary's personality and willingness to assume political risk. Gates, clearly a brilliant and well-meaning official, felt pressured to mitigate future information risks through any institutional tools at his disposal – NDAs.

Many bureaucrats affirmed the necessity of NDAs and assert they can facilitate work on sensitive issues. While this may be the case, a bureaucracy that uses confidentiality agreements throughout the policymaking process as a matter of routine practice prevents subsystem information exchange, thereby limiting meaningful consultation and engagement with outside groups and interested subsystem actors on close-hold topics. From Staffer 3's perspective, these legally binding contracts completely hamstringing timely information flow from the Pentagon to Capitol Hill on

⁴³¹ Robert M. Gates, *Duty: Memoirs of a Secretary at War* (New York: Alfred A. Knopf, 2014), 369. Also see pages 368-369. In this part of the book, Gates describes a press leak from GEN Stanley McChrystal's military staff regarding a request for a surge of troops in Afghanistan. Gates notes how "infuriated" President Obama, JCS Chair ADM Mike Mullen, and he were over the leak and its political implications as the White House reenergized its Afghan war strategy.

important policy proposals. With OSD vetting and stove piping information out into the subsystem, the Pentagon has inadvertently created a hierarchical, unitary, and efficient channel of information, thereby perpetuating information undersupply and the subsystem's inherent lack of policy conflict. As a result of this information undersupply, no other interinstitutional relationship within the military personnel policy subsystem suffers as much as the one between the Pentagon and Congress.

The parallel manner in which Congress processes information creates an insatiable institutional appetite for information. In an autonomous policy subsystem, however, there are few places for interested members of Congress to retrieve such information, especially considering DOD does not compete with other bureaucracies to provide information to Congress. While think tanks, the congressional committee system, and the Congressional Research Service can and do provide information, analysis, and expertise to members of Congress on matters of military personnel and retirement policy, DOD is the primary source of that information. And Pentagon officials know it.

Conflicting political and bureaucratic priorities create tension between the military services and OSD. Staffer 9 asserts that OSD is responsible for funneling information from the services in an attempt to create and control a unified message to Congress. Consequently, DOD generally discourages unvetted backchannel information flow from the services to Congress. The irony here, as Staffer 6 concludes, is that the services are actually very helpful and timely with sharing information when able to do so.

But the hierarchical and unitary system that OSD enforces stifles responsive information exchange. For instance, Scholar 8 contends there is no circumventing the senior officers in the Pentagon to provide information directly to Congress. Staffer 3 argues that this is symptomatic of OSD's desire to control information flow to Congress. He also places blame squarely on OSD's Office of Legislative Affairs for "striking fear" in the services to perpetuate information stove pipes. Confirming this belief, Bureaucrat 5 contends his office does not voluntarily offer any information to Capitol Hill. Rather, he only provides information when a committee staffer or member of Congress specifically asks for it. This reluctance to share information with Congress stems from previously damaging leaks. Bureaucrat 5 claims that by submitting a working draft of legislation, it will surely go public once the Congress gets a hold of it.

As part of its legislative strategy, P&R holds annual "Staffer Days" to discuss policy initiatives for the next year and educate congressional staffers on the issues. Even in this institutionalized venue, with the exception of some private signaling, bureaucrats carefully manage information exchange to Congress. For example, Bureaucrat 7 asserts, "[We] provide the information they ask for and provide the information we think they need. Those are not necessarily the same."

Information Undersupply Smothers Policy Conflict

Two consequences arise from these information stove pipes. First, P&R's limited analytical firepower and unwillingness to share information has made the bureaucracy slow and unresponsive to the subsystem's requests for information. Second, senior

defense officials maintain a risk-averse bureaucratic culture within the Pentagon. In short, information stove pipes perpetuate information undersupply to the military personnel policy subsystem and minimize subsystem conflict by stifling free idea flow.

Journalist 1 makes clear that DOD is slow to share information as legislative details only “dribble out” over time. Staffer 5 confirms, “DOD cannot keep up with the fast paced legislative lifecycle in Congress.” Lobbyist 1 concurs, adding “Information flow is not timely. Congress requires constant information.” Bureaucrat 4 agrees, “Congress doesn’t like to be kept in the dark.” While DOD’s legislative liaisons can provide quick answers to simple questions, fulfilling requests for detailed policy analysis can take weeks. This is because DOD has lost much of its own institutional capacity for rigorous research and become overly reliant on FFRDCs. And these FFRDCs take a slow and methodical approach to policy analysis. For instance, Scholar 12 maintains that RAND, one of the most prominent FFRDCs, is very slow at information processing and requires formal briefings to share ideas with Pentagon policymakers before socializing them more informally with relevant stakeholders.

Like Congress, journalists, lobbyists, and scholars do not like being kept in the dark either. Due to the closed nature of the process, Journalist 2 claims he and his peers “work the system for information” any way they can. Similarly, Lobbyist 3 contends the Pentagon does not offer much information to advocacy groups, stating, “DOD keeps us at arm’s length.” Lobbyist 2 captures this challenge for VSOs offering that when the

Pentagon bureaucracy is slow and unresponsive to a proposed policy change, his organization goes to Congress to change the law. Likewise, Scholar 4 contends, “DOD is virtually impossible to engage. [I have] better luck engaging members of Congress.”

In sum, I accept *stove pipe hypothesis*. The results here indicate that information stove pipes exist as a consequence of limited analytical firepower and sensitivity to political and bureaucratic hierarchies within the Pentagon. Consequently, these stove pipes lead to information undersupply, severely limit subsystem conflict, and enable the autonomous military personnel policy subsystem to maintain a firm grip on its jurisdiction. A grim consequence of the Pentagon’s use of information stove pipes is that it has marginalized itself from the policymaking process. By being unresponsive to demands from the policy subsystem, subsystem actors and institutions often circumvent the Pentagon to push their policy proposals forward. This reveals an unexpected finding. Unlike Daniel Carpenter’s autonomous bureaucracies, DOD’s Office of P&R is not capable of pursuing its own policy agenda without tacit approval from Congress and the VSOs. This leads to a discussion of power and influence within the subsystem.

Power and Influence

While power and influence are often synonymous in Washington, DC, a disparity between the two within a policy subsystem can perpetuate a policy’s status quo. Under such conditions, the powerful institution lacks the necessary *influence* to usher substantial policy change and the influential institution lacks the necessary *power* for change. As such, I offer the *power and influence hypothesis* to ferret out a distinction between the

two within the subsystem. It posits that subsystem actors see a clear distinction between the institutions and actors who wield power and those who wield influence. To test this, I ask interviewees two straightforward questions regarding who they view as the most powerful and influential actors and institutions in the subsystem. First, “*What/who is the most powerful institution/actor with regard to military retirement policy?*” Second, “*What/who is the most influential institution/actor with regard to military retirement policy?*” (See Appendix 2, questions 3 and 4). In short, the findings support the hypothesis as the subsystem views the congressional subcommittees on military personnel as the most powerful institutions and prominent VSOs as the most influential institutions. Additionally, though active duty troops are the target population for military personnel policy, they seem to have no voice in the policymaking process.

Powerful Congressional Subcommittees for Military Personnel

Subsystem actors agree that the House and Senate Subcommittees on Military Personnel wield the most power on military personnel policy. This view draws, at least in part, from Article I, Section 8, of the U.S. Constitution which gives Congress the authority “to raise and support Armies...to provide and maintain a Navy...[and] to provide for organizing, arming, and disciplining, the Militia.”⁴³² Staffer 10 agrees with this stating, “Committees are the most powerful, according to the congressional powers described in the Constitution.” Bureaucrat 8 contends that one cannot underestimate the role of Congress in raising and supporting the military. Scholar 7 similarly believes,

⁴³² U.S. Constitution, Article 1, Section 8, Clauses 12, 13, and 16.

“Congress’ job is to raise, train, and equip an Army.” Journalist 4 affirms this perspective and adds that nothing gets done unless Congress sees a need for it. Consequently, he argues persuasion is the key to changing minds on Capitol Hill. Journalist 3 reluctantly concurs, “In all my years in Washington, I’ve never seen a Congress this dysfunctional. But they still write the laws.” Finally, from his perspective, Lobbyist 2 also sees Capitol Hill as home to all of the relevant power brokers on military personnel policy.

Having worked on military personnel policy for so long, these interviewees are well aware of what members on the personnel subcommittees believe to be within their jurisdictions. For example, Staffer 6 posits that Members believe they are responsible for brokering policy change. Staffer 5 agrees, stating, “All these issues have to be legislated.” Scholar 6 qualifies this view, arguing that DOD can also take action to reform personnel policy but concedes power ultimately rests with Congress. On that point, Staffer 8 claims that Congress always retains the right to deliberate and amend any policy recommendations coming from DOD.

Influential Veterans’ Service Organizations

VSOs have enjoyed an influential role in securing generous benefits for veterans throughout American history. This historically influential role continues today and has been a source of angst for senior defense officials. For example, former Secretary of Defense Robert Gates writes:

[A]gain and again, [VSOs] were a major problem whenever I tried to do something to help those still on active duty...The organizations were focused on doing everything

possible to advantage veterans, so much so that those still on active duty seemed to be of secondary importance, especially if any new benefits or procedures might affect veterans.⁴³³

Gates continues by recalling a policy disagreement with then Speaker of the House Nancy Pelosi over the Post-9/11 GI Bill. Gates preferred a five year service requirement for GI Bill eligibility based on the need to retain troops in the midst of the wars in Iraq and Afghanistan. But the VSOs favored a shorter enlistment requirement to earn benefits. Citing a conversation with Pelosi, Gates quotes her as saying, “On matters such as this, we always defer to the VSOs.”⁴³⁴ This episode with Pelosi, the most powerful American legislator disagreeing with the nation’s most senior defense official in a time of war, highlights just how influential these VSOs are. Staffer 3 concludes this outsize influence derives from the VSOs’ ability to generate grassroots campaigns targeting members of Congress. As Bureaucrat 11 sees it, Capitol Hill ultimately responds to that VSO mobilization.

Journalist 4 places Gates’ assertion – that VSOs put veterans first and the troops second – into context by noting that Congress sees veterans and active duty troops as one large constituency. However, this mistaken view conflates two similar target populations with differing policy needs. While VSOs claim to represent the active force in policy debates, Scholar 4, like Gates, suggests VSOs only represent the interests of military retirees, often at the expense of the next generation of service members. Scholar 7

⁴³³ Gates, 141.

⁴³⁴ Ibid, 142.

confirms this view adding, “The Military Coalition (TMC) doesn’t represent the 9/11 generation. [VSOs] are set in their ways.” Consequently, VSOs use their influence to prevent policy change and maintain the status quo.

While Gates claims to have great respect for VSOs and the role they play in the policymaking process, he rarely saw eye to eye with them as secretary. Since his transition from the Pentagon’s top job in 2011, the VSOs have found more receptive allies in DOD and enjoyed even greater influence in policy decisions. Gates was first succeeded by Leon Panetta, who served from 2011 to 2013, and then Chuck Hagel from 2013 to 2015. Both gentlemen are Army veterans and ex-politicians. Panetta served 16 years in the U.S. House of Representatives (1977-1993) before accepting appointments in the Clinton and Obama administrations. Similarly, Hagel served 12 years in the U.S. Senate (1997-2009) followed by a short lived return to private life. Bureaucrat 9 believes that Secretary Hagel, a Vietnam veteran, in contrast to Gates, was very much attuned to VSOs because of his years in the Senate where he worked as a tireless advocate for veterans groups. As a result, Scholar 2 contends that Hagel’s Pentagon was driven by optics for VSOs and the defense media, diluting potentially provocative policy proposals to accommodate these two subsystem institutions.

Although several prominent VSOs enjoy a great deal of access and influence on Capitol Hill, none has been more successful in recent years at raising awareness on military retirement issues as the Military Officers Association of America (MOAA). To

this end, Scholar 3 exclaims, “MOAA is like the gun lobby!” This statement captures the level of intensity, salience, and influence these prominent VSOs can bring to the military personnel policy subsystem. Journalist 4 adds that MOAA, in particular, does not and will not compromise on veterans’ benefits or personnel costs and would sooner see the Pentagon cut its vitally important operations and maintenance budget before redirecting funds from personnel accounts. But with limited budgetary resources, Scholar 9 declares this course of action would force defense policymakers to choose between “highly trained and well-equipped riflemen or fat and happy retirees.” Scholar 7 believes that with so many demands on the Pentagon’s budget, “there are no free lunches. Other priorities pay the price.” Clearly, military personnel and pension policy modernization are high stakes issues for the post-war military moving forward into the twenty-first century.

While many subsystem actors view VSOs in a negative light, VSOs see themselves as noble advocates protecting the interests of veterans and the troops. To accomplish their organizational missions, VSO lobbyists leverage subsystem access points in Congress and DOD. For example, Lobbyist 1 indicates that part of his job is to educate members of Congress, congressional staffers, and DOD bureaucrats on a range of issues, particularly retirement and compensation, and refute those “well-intended think tank [analysts] and reporters” who detract from his VSO’s mission. Similarly, Lobbyist 3 concedes that his legislative strategy is to influence key members of Congress, particularly the chairmen and ranking members of the military personnel subcommittees, in the hope that they will influence their colleagues. This sort of member to member

legislative strategy is particularly effective coming from veterans' organizations as rank and file committee members often defer to the preferences of the chair and ranking. Beyond the members and staffers themselves, Lobbyist 3 also aims to influence military fellows assigned as legislative liaisons in congressional offices by inviting them to briefings and luncheons on key VSO issues.

One of the tools VSOs use to influence the military personnel policy subsystem is surveys of the force. Lobbyist 3 believes these surveys can be especially helpful for members of Congress who might be wondering what troops and retirees are thinking. While these surveys provide "data" to support the VSO perspective, they are hardly scientific. First, VSO surveys are not random samples of the active, reserve, or retiree communities. Rather, survey respondents self-select and often already have strong views on retirement and compensation issues. In many cases, survey respondents are dues-paying members of the VSO in question with a significant financial stake in policy outputs. Second, VSOs typically only offer descriptive statistics of survey results, avoiding any nuance among differing populations of survey respondents. In reality, these surveys ought to be of little use to policymakers looking for objective sources of information on policy preferences. But VSOs effectively package survey results and frame findings in such a way as to convey the organization's message, especially through the specialized defense media.

DOD is Missing in Action

As Congress wields the power and VSOs carry the influence, the Pentagon's Office of P&R is largely missing from the subsystem's policymaking process. With significant personnel turnover, stove pipes stymying information flow, and no meaningful power or influence to speak of, P&R has sidelined itself as a subsystem spectator and marginalized the Pentagon. In essence, P&R's work is simply transactional, not transformational. Without the efficiency or effectiveness to build bureaucratic capacity, P&R is left with only moral protection by virtue of the target population it serves. But that moral protection is not sufficient to produce bureaucratic autonomy, especially considering the military personnel subcommittees in Congress and prominent VSOs lay claim to that same moral protection.

Another reason the Pentagon is seemingly powerless in the personnel policymaking process is because no one is talking or listening to the troops. In a prepared statement to the 2015 MCRMC, former Undersecretary of Defense for Personnel and Readiness Dr. David Chu states, "As one of my colleagues some years ago giped about military compensation: 'It's a system composed of what 40-year olds believe 20-year olds should want.'"⁴³⁵ Despite being the target population for these policies, there is little the current generation of young service members can do to bring about compensation reform. For instance, Staffer 3 believes the active duty force does not have any effective

⁴³⁵ David S. C. Chu, "Statement Prepared for the Military Compensation and Retirement Modernization Commission," 5 November 2013, 2. Available from http://mldc.whs.mil/public/docs/meetings/20131105/panel1/Dr_David_Chu_COMPENSATION_COMMIS SION_STATEMENT_11-5-13_2.pdf; Internet.

voice in military personnel, retirement, and compensation policy discussions. Scholar 4 agrees, “Current service members have no voice at the table.” Without the ability for collective action, the target population is left to rely on VSOs for policy advocacy. But these veterans’ groups are typically more concerned with benefits for military retirees, not separated veterans or active service members.

In sum, interview responses support *power and influence hypothesis*. Clearly, congress wields the power and VSOs wield the influence within the subsystem. This distinction between power and influence helps explain the military pension policy status quo. The congressional subcommittees for military personnel, by themselves, lack the influence to push the subsystem toward substantial policy change. Similarly, the VSOs lack the power to push the subsystem toward policy change. In terms of power and influence, it appears the Pentagon’s defense bureaucracy is sitting on the sidelines, left to implement the status quo without meaningful input. This reality stems from the Pentagon’s information stove pipes and unresponsiveness to subsystem information requirements.

Interinstitutional Signaling

With congressional subcommittees on military personnel and prominent VSOs holding the power and influence roles, respectively, there is little room for the Pentagon’s weak P&R bureaucracy to push forward substantial policy change. This marginalization of the relevant subsystem bureaucracy is detrimental to the health of the subsystem, even in its autonomous form. Aside from the secretary of defense himself, there is one group

of Pentagon actors who still carry significant weight on matters of military personnel and retirement policy – the Joint Chiefs of Staff (JCS). As such, subsystem actors look to these military elites, in particular, for direction. Consequential signals coming from the JCS can tip the scales toward policy change or stasis. The *interinstitutional signaling hypothesis* posits that subsystem actors actively monitor the policy environment for interinstitutional signals from relevant policy elites. To test this hypothesis, I ask interview respondents two questions on interinstitutional signaling. First, “*How do these various institutions/actors signal their policy preferences on military retirement?*” Second, “*How can institutions/actors better leverage information to signal their policy preference and effect policy change or stasis?*” (See Appendix 2, questions 6 and 8).

Interview responses support *interinstitutional signaling hypothesis*. Beyond signals from the Joint Chiefs of Staff, subsystem actors identify meaningful public signals in everything from presidential budget proposals, congressional testimony, and grassroots mobilization to political appointments, policy reports, and op-eds. In addition, subsystem actors look for interinstitutional signals in private settings to better understand future policy directions.

Strong Signals from the Joint Chiefs of Staff

While the congressional subcommittees on military personnel are the most powerful institution within the subsystem and VSOs are the most influential, interview respondents identify the Joint Chiefs of Staff as the most respected institution within the subsystem. As a consequence, JCS statements and actions on military personnel,

compensation, and retirement policy send very powerful signals throughout the subsystem. The chairman, vice chairman, and service chiefs who compose the JCS essentially serve as non-partisan, Senate confirmed, executive branch appointees. From their perch as leaders atop the American military, the joint chiefs serve as policy advisors to the president and secretary of defense and act as resource providers for their respective institutions.

In their capacity as resource providers working in concert with their service secretary counterparts, the word of the JCS carries special weight with members of Congress when it comes to recruiting, retention, and readiness. For instance, Staffer 5 states, “The service chiefs still hold a great deal of sway and influence on the Hill. Members [of Congress] defer to the chiefs on a lot of issues.” To their credit, the service chiefs work hard to develop close professional relationships with members of Congress. Indeed, these relationships contribute to the chiefs’ collective influence. Staffer 9 takes this a step further and concludes that given the Republican Party’s majority status in the House and Senate during the 114th Congress, and its longstanding “pro-defense” posture, the chiefs enjoy special access to members on the Hill.

The service chiefs’ respect within the subsystem translates into their ability to send strong interinstitutional signals. Scholar 4 and Staffer 11 believe that for any major policy change to move through the military personnel subcommittees, let alone the entire Congress, the JCS must endorse it. Such an endorsement, according to Bureaucrat 12,

would signal the need for policy change. Staffer 12 agrees, “[The] service chiefs have to be behind reforms and their support is extremely important.” Summarizing why Congress sees the JCS as enjoying significant influence on military personnel policy, Bureaucrat 10 posits, “As a practical matter, members [of Congress] are looking for top cover from the service chiefs and secretary [of defense].” As such, Scholar 5 quips, “If I had to pick one group to be on my side, it’s the chiefs.” Similarly, Journalist 2 posits, “Change advocated from DOD must come from the highest levels and be heard in unison.”

Several interview respondents believe the service chiefs favor at least a modest change to compensation and retirement policies. Journalist 4 suggests, “The chiefs are on board for controlling personnel costs.” Similarly, Scholar 12 offers, “The service chiefs are interested in, and open to, pension reform.” But any signal from the chiefs to cut personnel costs is really to save money for other modernization expenses, namely new technology and weapons systems. Whatever their true intentions, Scholar 7 argues, “[The] chiefs have a gatekeeper function and they have to say ‘yes’ to reform.” Signaling such a need for modest compensation reform in a 2 July 2013 *Washington Post* op-ed, JCS Chairman General Martin Dempsey writes:

We owe much to our veterans and their families, but we shouldn’t view all proposed defense cuts as an attack on them. Modest reforms to pay and compensation will improve readiness and modernization. It will help keep our all-volunteer force sustainable and strong. Keeping faith also means investing sufficient resources so that we can uphold our sacred obligations to defend the nation and to send our sons and daughters to war with only the best training, leadership and equipment. We can’t shrink from our obligations to one another. The stakes are too high.⁴³⁶

⁴³⁶ Martin E. Dempsey, “General Dempsey: The Military Needs to Reach Out to Civilians,” *The Washington Post*, 2 July 2013. Available from <http://www.washingtonpost.com/opinions/general-dempsey->

In a letter to the chairman of the MCRMC, General Dempsey once again signals openness to retirement reform. He writes, “While retired pay may be phased differently under the new system, any change must maintain a lifetime benefit nearly equivalent to that which is currently available – at neutral cost or savings to the Services.”⁴³⁷ Dempsey goes on to suggest various issues and caveats for the MCRMC’s consideration.

With clear signals like these from Chairman Dempsey, Staffer 9 claims the service chiefs are always more credible sources of information than the civilian, and often politicized, secretary of defense. This stems from the fact that the service chiefs are responsible for the health of the All-Volunteer Force and would never signal approval of a policy that might be detrimental to the military’s institutions. While credibility matters, Staffer 6 believes the service chiefs can be just as guilty of “toeing the party line” as the politically appointed secretary. For instance, according to Bureaucrat 11, Secretary Hagel directed the service chiefs to find a consensus recommendation on compensation and retirement reform because disparate advice would not indicate a clear signal for change. He adds, “Trying to get consensus across all components and services in DOD to send a message to the Hill [is difficult].” Given this challenge, Scholar 5 argues that the service chiefs will send “powerful and influential signals if they speak with a united voice.” But

the-military-needs-to-reach-out-to-civilians/2013/07/02/b10c3bb0-e267-11e2-aef3-339619eab080_story.html; Internet.

⁴³⁷ Martin E. Dempsey to Chairman Alphonso Maldon, Military Compensation and Retirement Modernization Commission, 6 February 2014. Available from http://mldc.whs.mil/public/docs/library/130306-MCRMC-DSD_Letter.pdf; Internet.

Scholar 5 worries, “For the rank and file [troops], they will find this [signal] as a betrayal of trust.” Historically, these sorts of consensus building efforts have proven difficult for the joint chiefs and even dangerous to healthy civil-military relations.⁴³⁸

This is by no means to suggest that a consensus agreement among the chiefs on compensation and retirement reform will result in some sort of strategic calamity. But JCS perceptions about the health of the All-Volunteer Force after 13 years of war and requirements for the twenty-first century military are at least worthy of consideration. As the chiefs wrestle with questions about how the military ought to be structured in times of budget austerity, Scholar 11 worries the service chiefs may be reluctant to recommend significant changes to personnel policy in fear of harming talent retention in this postwar era. Since each service will require a different personnel mix for whatever its respective force structure might be, a JCS consensus agreement on compensation and retirement will likely water down any reform recommendations to the lowest common denominator.

Should the JCS move forward and signal a need for meaningful and substantial compensation and retirement reform, Scholar 10 believes the chiefs will face opposition within the military personnel policy subsystem. Lobbyist 4 personifies this opposition. He proclaims, “The chiefs have already drunk the Kool-Aid,” adding, “[Our organization will be] advocating for the status quo at all costs because the institutional culture demands going to bat for benefits. Cooperating might as well be caving in.” But even he

⁴³⁸ See H.R. McMaster, *Dereliction of Duty: Lyndon Johnson, Robert McNamara, the Joint Chiefs of Staff, and the Lies that led to Vietnam* (New York: HarperCollins Publishers, 1997).

concedes, “DOD and Congress can’t keep VSOs happy 100 percent of the time. We can be your strongest advocate or loudest critic.” No doubt, everyone within the military personnel policy subsystem will be looking for signals from the Joint Chiefs of Staff on compensation and retirement reform.

The President’s Budget and Administration Documents

The annual administration budget request is among the most important and highly anticipated documents in Washington each year. As part of the administration, Bureaucrat 1 notes that he eagerly anticipates the president’s budget proposal to determine “what we’re doing and what we care about.” Journalist 1 agrees, “[The] budget release happens only once a year and that signals policy preferences.” Scholar 7 believes the entire subsystem responds to the annual budget and its priorities. In short, while the governmental budgeting process is a complex game of political give and take, an administration captures its values and priorities in the budget.

To put the signaling power of the president’s budget in perspective, Lobbyist 4 contends that the Obama administration’s 2015 request for a one percent increase to military pay, as opposed to the legally mandated 1.8 percent increase, sent a negative signal that reverberated through the active and reserve force. Subsystem actors fear service members will misread this as a signal the American people no longer support or appreciate the troops and their sacrifice. However, this view mistakenly assumes the only thing troops care about is their salaries. Certainly, troops also care about training and

readiness. But those funds are vulnerable to cuts as a consequence of reduced defense budgets and the uncontrolled growth in personnel costs.

Beyond the president's annual budget request to Capitol Hill, subsystem actors also look to documents from key defense officials for clues as to the administration's intentions on compensation and retirement policy. One such document went public in November 2013. In a three-page letter outlining DOD's recommendations to the chairman of the MCRMC, then-Deputy Secretary of Defense Ash Carter writes, "This letter has focused on military pay and benefits other than retirement. Our staff also has expertise on military retirement. Although we have not made any specific retirement proposals, we would be glad to discuss our thoughts on the military retirement system informally with the Commission."⁴³⁹

Despite the offer for informal discussions, several commissioners were upset by the Pentagon's silence. Freelance defense journalist Tom Philpott writes:

The Department of Defense disappointed members of the new Military Compensation and Retirement Modernization Commission by failing this month to propose a fresh set of ideas for reforming pay and benefits, as Congress had directed. The anticipated Pentagon proposals were to serve as a kind of launch pad for the commission's work.⁴⁴⁰

⁴³⁹ Ashton B. Carter to Chairman Alphonso Maldon, Military Compensation and Retirement Modernization Commission, 1 November 2013. Available from <http://www.mcrmc.gov/public/docs/news/20131101-DeputySecDefCarterLtrToChairmanMaldon.pdf>; Internet.

⁴⁴⁰ Tom Philpott, "DOD's Balk on Compensation Reform Irks Commission," *Military.com*, 7 November 2013. Available from <http://www.military.com/benefits/2013/11/07/dods-balk-on-compensation-reform-irks-commission.html>; Internet.

Philpott also cites Commissioner Stephen Buyer, a former member of Congress and chair of the military personnel subcommittee, as being “incredibly disappointed” in the Pentagon’s failure to publicly lead on the issue. Similarly, Commissioner Mike Higgins, an Air Force veteran and retired senior congressional staffer, expressed his disappointment but noted he was confident DOD would soon come forward to offer substantial retirement policy proposals.

Although Buyer and Higgins were initially disappointed, senior staffers working on the commission saw Carter’s bland letter as a welcome surprise. Despite their disappointment, the signal to the commissioners, according to MCRMC 2, was “everything is on the table” with regard to potential retirement reforms. Had Carter staked out a strong position from the Pentagon, it would have likely hamstrung the commission’s early efforts to explore provocative policy proposals.

By March 2014, just four months later, Carter’s acting successor, Christine Fox, did offer concrete proposals to the MCRMC. In a similar letter to the commission, Fox writes, “While not endorsing any particular option as ‘the’ way to modernize military retirement, DOD offers these four options for the Commission’s consideration and further deliberation.”⁴⁴¹ Fox also encloses General Dempsey’s aforementioned letter outlining the JCS position on compensation and retirement reform. By coupling Fox and Dempsey’s letters with a comprehensive “White Paper” on DOD’s four policy proposals,

⁴⁴¹ Christine H. Fox to Chairman Alphonso Maldon, Military Compensation and Retirement Modernization Commission, 6 March 2014. Available from http://mldc.whs.mil/public/docs/library/130306-MCRMC-DSD_Letter.pdf; Internet.

the Pentagon signaled a united public front favoring modest reforms that ultimately protect current service members and retirees but save money over the long term. What is more, the four months between the Carter and Fox letters gave the commissioners an opportunity to gather information without being pigeonholed.

Congressional Hearings

Through the committee system, congressional hearings give members of Congress a venue to make statements, hear expert testimony, question witnesses, devise legislative strategies, and hold government officials accountable for their actions. As such, congressional hearings serve as institutional venues for information processing. For instance, members of the personnel subcommittee rely on congressional hearings to draw public commitments out of senior military officers. Indeed, hearing testimony provides an opportunity for the service chiefs to signal their policy preferences to Congress. Staffer 6 states, “Hearings signal interest in an issue and [congressional] desire to hold people accountable.” But he concludes that it is rare to get candid feedback from witnesses in hearings. Staffer 4 agrees, offering that senior military officers often send mixed signals in public versus private settings. Staffer 9 asserts that members on the House Armed Services Committee will seemingly dismiss service chiefs who prove unwilling to signal candid military advice, even if it breaks with administration policy. This is likely a function of the growing politicization of senior military leaders and their reluctance, according to Staffer 9, to be honest brokers and offer their “professional military advice” – veiled code that it is acceptable to opine and publicly disagree with

administration policy. Lobbyist 2 believes general and flag officers behave like political appointees with non-controversial testimony. He adds, “Congress doesn’t respect institutions that aren’t candid. [They] must provide straight forward answers.”

As a political appointee, Bureaucrat 4 admits one way he communicates with Congress is by funneling questions to Capitol Hill for supportive members to ask during congressional hearings. This allows the Pentagon to put information into the public record and shape its message to Congress. Likewise, Staffer 5 acknowledges, “Legislative Assistants share information beforehand and plant questions.” When the HASC and SASC summon Pentagon officials to testify on Capitol Hill, subsystem bureaucrats rely on these informal channels of information to get a sense of member questions ahead of time to help them prepare for testimony. Highlighting this point, Staffer 5 shares that the Army’s legislative liaison office routinely prepares testimony for and coaches senior officers prior to hearing appearances.

With pre-arranged questions and answers floating between Capitol Hill and the Pentagon beforehand, Scholar 6 ultimately believes congressional hearings are mostly staged for media attention. Bureaucrat 6 shares this sentiment offering, “[There is] overenthusiasm in some quarters to be *seen* doing things for the troops, especially on the Hill.” More than anything, Staffer 6 posits, “Hearings and testimony are means of getting witness and senior officials on the record for oversight purposes and holding agencies to account.” When hearings are closed to the public, Journalist 3 argues they can be

constructive venues for education, learning, and information flow as members are willing to ask questions and debate their colleagues. But he qualifies this statement asserting, “But as soon as the cameras turn on, it turns into a show.”

From the VSO perspective, Lobbyist 2 contends that submitting written testimony can be a very powerful and effective tool in galvanizing support from his organization’s card carrying members. Similarly, Lobbyist 1 offers that his VSO inserts itself into the policymaking process and testifies on the needs of the All-Volunteer Force. While Lobbyist 2 acknowledges that congressional hearings are mostly theater, being invited to offer testimony signals his VSO is an important player in the process.

“Storming the Hill”

Rallying grassroots support for veterans’ policy issues is a key strength of the most prominent VSOs. As Scholar 7 notes, “VSOs are a revered and feared community in America. Waiving the bloody shirt is powerful.” MOAA and Iraq and Afghanistan Veterans of America (IAVA) stand above the rest for their organizing efforts. Staffer 6 claims, “I’ve worked on a lot of issues and have never seen groups as well organized as the VSOs.” MOAA regularly mobilizes veterans from 50 states to visit all 535 congressional offices in support of its key legislative priorities.⁴⁴² Like MOAA, IAVA has institutionalized its mobilization efforts by drawing engaged veterans from around the country to promote its policy priorities. In 2006, IAVA created an “advocacy and

⁴⁴² “Storming the Hill: We Storm For You,” *Military Officers Association of America*, 7 April 2014. Available from <http://www.moaa.org/storming/#storming>; Internet.

leadership development program” called “Storming the Hill” that focuses its lobbying on a different issue each year. For instance, IAVA’s “top priority” in 2014 was suicide prevention in the veterans’ community.⁴⁴³

Massive grassroots mobilization is an effective interinstitutional signal for several reasons. First, VSOs like MOAA and IAVA use their “Storm the Hill” efforts sparingly. So when they do “Storm the Hill,” the entire military personnel policy subsystem takes notice. Second, mobilization allows members of Congress to see firsthand the outpouring of support for a veterans’ policy initiative, particularly with regard to health care, retirement, and other socioeconomic issues plaguing the veterans’ community. Third, these grassroots efforts are effective because they draw the most civically active veterans from all over the country to engage members of Congress and their staffs. Consequently, in interacting with engaged and informed veterans directly, members of Congress and staffers can personalize the challenges facing the veterans’ community. Next, members of Congress see the veterans who “storm the Hill” as representing constituents in congressional districts who share similar views on veterans’ policy. Finally, no other institution within the military personnel policy subsystem has the resources to simultaneously and effectively engage all 535 members of Congress. This is especially important because few members of Congress are actually interested or knowledgeable on veterans’ issues, but most every member of Congress is happy to help veterans or support the troops when and where able. This puts members of the military personnel

⁴⁴³ “Storm the Hill 2014,” *Iraq and Afghanistan Veterans of America*, March 2014. Available from <http://stormthehill.org/about>; Internet.

subcommittees and officials in DOD and VA on the defensive, fending off jurisdictional encroachment from subsystem outsiders every time VSOs mobilize en masse.

Political Appointments

Like the president's budget, senior political appointments can also signal where an administration's priorities are. Chief among the political appointees in the Pentagon is the secretary of defense. According to Journalist 2, the civilian secretary, as a political appointee, is at liberty to speak more freely than the service chiefs who are in many ways bound to their institutional and parochial interests. He continues, "[The secretary of defense] "is in a position to poke and prod at the conventional wisdom." No doubt, through strong cabinet-level leadership in the Pentagon, officials can bring change to the institution. But the secretary of defense is just one of the many senior political appointees in DOD. In order to truly enact change, the secretary needs a host of reformers at all levels of the Pentagon to transform the institution from within. Scholar 8 contends that meaningful policy reform requires placing the "right people in the right jobs."

Scholar 9 also believes executive branch appointments send the strongest interinstitutional signals for reform. But making successful senior appointments is often less a matter of "who is available" than "who is willing to serve," as evident in Michelle Flournoy's decision to remove herself from consideration for secretary of defense in

November 2014 following Chuck Hagel's abrupt departure from the administration..⁴⁴⁴ Recruiting top civilian talent for Pentagon jobs is actually difficult to do. First, the vetting process is difficult, forcing nominated officials to "air their dirty laundry" in public, including financial records, tax returns, and, in some cases, personal or professional transgressions. Second, those qualified to serve in senior Pentagon jobs are also qualified to serve in more lucrative private sector positions. For some, the money in public service is simply not enough. With these factors in mind, Scholar 9 admits, "It is not clear to me that this administration has placed strong executives."

In 2015, President Obama asked the former deputy secretary of defense, Ashton Carter, to take over as his fourth secretary of defense. With less than two years left in the administration, Secretary Carter needs an effective undersecretary to help him lead the compensation reform effort within the Pentagon. But Scholar 11 believes, "The entire structure of P&R is screwed up. A strong appointee with Senate confirmation will signal seriousness on personnel issues." As Scholar 4 puts it, "P&R is rudderless." Without a Senate confirmed appointee and strong direction, the signal to the subsystem from the Obama administration is that military personnel policy is merely an afterthought. While the president and secretary of defense can make public statements about supporting the troops, without leadership in P&R, military personnel and retirement policy will continue to suffer at the hands of an archaic status quo. As such, Scholar 4 advocates the

⁴⁴⁴ Jake Miller, "Michelle Flournoy won't be the next defense secretary," *CBS News*, 26 November 2014. Available from <http://www.cbsnews.com/news/michele-flournoy-wont-be-the-next-secretary-of-defense/>; Internet.

immediate appointment of a strong leader in DOD to take up the cause of personnel and retirement reform through 2017, something the Pentagon has consistently lacked since 2009. Such an appointment would signal that policy change is afoot.

Reports, Articles, and Op-Eds

Not surprisingly, scholars and journalists are the most likely to use reports, articles, and opinion pieces as a means to build attention for policy preferences and initiatives. Journalist 3 offers, “With regard to the media, op-eds can be a very effective way for policymakers and leaders to signal to everyone where they stand on an issue.” Scholar 1 sees think tanks as using policy reports, open letters, and editorials to bombard the military personnel policy subsystem on multiple fronts, signaling the need for reform through “deliberate and sober analysis...[that] can be very effective in the long term.”

Scholars also have an interesting perspective on the mixed use of policy reports and opinion pieces for conveying ideas. When discussing an influential think tank report he recently published, Scholar 3 states, “My personnel study was a year or two too early; it was too long and too wonky. [I got] more play out of the *Washington Post* outlook piece [afterward] than the report itself. Scholar 6 contends, “Visibility for the author matters when gaining traction for a policy preference or an idea.” As such, policy entrepreneurs looking for opportunities to engage with senior officials have to build the initial momentum for their ideas by “creating buzz.”

In 2011, the Defense Business Board (DBB) issued a controversial report with “recommendations to optimize” military retirement policy. As I discuss in chapter 2, the DBB found the current retirement system “unfair, inflexible, and unaffordable.”⁴⁴⁵ As a DOD advisory board, the DBB’s report generated significant subsystem attention, especially in the defense media. Scholar 5 suggests, “Defense media framed [the report] as DOD turning its back on retirees and soldiers.” As a result, Bureaucrat 7 contends, “The Post-DBB panic was so real, the secretary of defense felt compelled to announce a grandfather clause for current service members.” He adds, “Significant emotional events [like this] draw public scrutiny.” For his part in creating panic, Journalist 1 acknowledges, “Covering pay issues gets soldiers excited and sells newspapers.” On 25 October 2011, the HASC Subcommittee on Military Personnel even convened a hearing to address these growing concerns in the military and veterans’ communities.⁴⁴⁶

Private Signals

Private signals across institutions can also be an effective way for subsystem actors to express opinions and policy concerns without committing themselves to a public position. For instance, Lobbyist 1 notes that he looks to senior military leaders for “off the record” signals that encourage his organization to be a “louder voice” on personnel policies, thereby undercutting DOD’s official policy positions without outing themselves. These private signals also provide VSOs with early warning on future policy decisions.

⁴⁴⁵ *Defense Business Board*, 2-3.

⁴⁴⁶ *Military Retirement Reform: Hearings on Defense Business Board Proposal, Day 1, Before the Subcommittee for Military Personnel of the House Armed Services Committee*, 112th Congress, (2011).

Staffer 5 posits that beyond any personal relationships, influential members of Congress and senior military officers exchange signals in private, without any policy commitments, as a courtesy and function of their respective roles. But Bureaucrat 8 – a senior military official – contends that member to member interaction in Congress is the most powerful means to influence policy. Consequently, he personally aims to “influence key members and staffers so they can spread the word.” Bureaucrat 8 highlights Senator Jack Reed of Rhode Island and Representative Chris Gibson of New York as prime examples. Senator Reed is a West Point graduate, Army ranger, and former paratrooper in the 82nd Airborne Division. Similarly, Representative Gibson spent 24 years as an active duty Army officer and culminated his military career as a full colonel commanding a brigade in the 82nd Airborne. With their extensive military experience, Reed and Gibson are influential members of the Senate and House Armed Services Committees, respectively, and key sources of congressional influence on defense issues.

Bureaucrat 4 acknowledges that working congressional back channels is frowned upon in the Pentagon but he often does so anyway. These backchannel signals to Congress, outside of the Pentagon’s information stovepipe, fuel subsystem activity in a timelier manner than the bureaucracy can normally facilitate. Scholar 3, a former Pentagon official himself, sees information flow as timely only because he relies on private back channels to Congress and DOD. For instance, MCRMC 1 says the service chiefs should use their subordinate three-star officers to “whisper” to the Hill that growing personnel costs are “killing” the Pentagon.

Private signals are especially important because the defense bureaucracy is at times competing with other subsystem actors and institutions to effectively frame compensation and retirement policies. To inform and influence members of Congress, the military services assign a number of mid-career officers and senior non-commissioned officers to work as legislative liaisons in congressional offices. While some members rely on these military fellows to augment their staffs, others use them as Military Legislative Assistants for all defense related issues. Bureaucrat 7 is confident that Army legislative liaisons help members and their staffs with experience and insights. Through this program, the military has institutionalized a channel for private interinstitutional signals. Not even the influential VSOs can compete with that. Private signals do have their limits. However helpful they can be in guaranteeing timely information flow, private signals carry no institutional commitments from the Pentagon. For instance, Bureaucrat 7 believes he can say things informally to congressional staffers without consequence, but once something is in writing, it must be vetted by DOD and is subject to institutional pressure to conform to official Pentagon policies.

In sum, interview responses support *interinstitutional signaling hypothesis*. The autonomous military personnel policy subsystem relies on interinstitutional signals to augment information undersupply and give subsystem actors direction on compensation and pension policy. As such, subsystem actors search for and prioritize interinstitutional signals from the policy environment as a means to combat information undersupply within the subsystem, especially the Pentagon's bureaucratic stove pipes. As the most

respected actors within the military personnel policy subsystem, the Joint Chiefs of Staff are an especially strong source for interinstitutional signals. The entire subsystem is looking to the service chiefs for their public approval or tacit consent on any potential changes to military compensation and pension policy. From the subsystem's perspective, the joint chiefs are responsible for the health of the All-Volunteer Force and would never signal approval of a policy change that might be detrimental to the military. Beyond the chiefs, interview respondents identify administration documents like the president's annual budget, congressional hearings and testimony, and grassroots VSO mobilization efforts as clear signals that can indicate an institution's priorities. Further, subsystem actors look to senior political appointments, policy reports and opinion pieces, and private interinstitutional signals to find direction on military personnel and pension policy.

Responsive Subsystem Behavior

The preceding four sections in this chapter describe how information processes (or lack thereof) within the military personnel policy subsystem have enabled it to maintain its autonomy and tight grip on compensation and retirement policy. This section on responsive subsystem behavior explores how and why the usually unresponsive subsystem actors and institutions actually behave quite responsively to demands for policy change when issues of military social policy are in question. *Responsive subsystem behavior hypothesis* posits that reflecting growing public sentiment on various American social policies, policy entrepreneurs expand the scope of conflict to include new actors,

groups, and institutions on matters of military social policy, thereby facilitating information oversupply, subsystem breakdown, and policy change.

To test *responsive subsystem behavior hypothesis*, I ask interview respondents, “How do matters of military compensation, retirement, and healthcare policy differ from other personnel policy areas like suicide prevention, “don’t ask, don’t tell,” Women in combat, and sexual assault?” (See Appendix 2, question 13). While interviewees do not directly attribute the difference in compensation and social policy to public opinion, several subsystem actors do identify a public mood in the country that signals change is in the air. Further, interview respondents acknowledge the important role policy entrepreneurs and external groups play in making military social policy. In short, the results support the hypothesis. This section breaks down into three parts – public sentiment, policy entrepreneurs, and external groups – each exploring a different aspect of the subsystem policymaking process and military social policy.

Reflecting Public Sentiment

Public opinion is no doubt an important part of the policymaking process as scholars have documented how politicians respond to opinion by “thermostatically” increasing or decreasing policy to suit public mood.⁴⁴⁷ This is true for military social policy as public opinion seems to play an indirect role in developing social policies that only those in uniform – a mere one percent of Americans – are subject to. For instance,

⁴⁴⁷ See Stuart Soroka and Christopher Wlezien. *Degrees of Democracy: Politics, Public Opinion and Policy* (New York: Cambridge University Press, 2010). Soroka and Wlezien apply a thermostatic model of public opinion to quantify responsive increases and decreases in public policy.

the repeal of “Don’t Ask, Don’t Tell” (DADT) operationalizes the indirect role public opinion plays in making military social policy. According to a 2010 Gallup poll, 67 percent of Americans “support a law that would allow gays and lesbians to serve openly in the U.S. military.”⁴⁴⁸ First, despite clear public opinion favoring repeal of DADT, not a single interview respondent makes a direct reference to public opinion. But several policymakers do discuss broad American public sentiment on social issues. Second, a massive Pentagon effort to survey the military on service member attitudes toward repealing DADT indicates the military personnel policy subsystem is primarily concerned with views of one constituency on matters of military social policy – military personnel.

Bureaucrat 1 affirms the end of DADT is an “incredible success story for the [Obama] administration.” Journalist 2 opines on the different influences on social issues, “DADT and sexual assault [are] more about [our] values as a nation.” Likewise, Journalist 3 contends, “Military social issues are an extension of American social life that affect everyone, just like integrating the Army did on race relations in the 1940s, 50s, and 60s.” Bureaucrat 3 agrees, “Americans feel these [social] issues because they affect them too.” Scholar 11 sees social issues as important because they are part of the “social fabric of American society.” No doubt, the 24-hour news cycle helps drive attention to social issues. Scholar 5 believes, “Once social issues get out in the media, it changes the game.”

⁴⁴⁸ Lymari Morales, “In U.S., 67% Support Repealing ‘Don’t Ask, Don’t Tell,’” *Gallup Politics*, 9 December 2010. Available from <http://www.gallup.com/poll/145130/support-repealing-dont-ask-dont-tell.aspx>; Internet.

Likewise, Staffer 9 posits, “Issues that transcend the military, like sexual assault, fit into a broader political mosaic.” Staffer 8 agrees, “[Social issues] pull at...[the] heart strings.”

Scholar 7 contends social policies offer a “good snapshot of American society,” reflecting the public agenda and providing an impetus for the White House to take up social change in the military. But Scholar 9 cautions that social policies are important not necessarily because they reflect society but because “they affect everyone in uniform through war fighting and good order and discipline.” For this reason, Secretary Gates urged the White House to gauge the attitudes of service members before repealing DADT. Gates charged then-DOD General Counsel Jeh Johnson and former AFRICOM Commander General Carter Ham to conduct a survey of troops. According to Gates:

Superbly managed by Jeh Johnson and General Ham, the review consisted of a survey sent to 400,000 service members (the original plan was for 200,000, but I told the cochairs to double it), another survey sent to 150,000 military spouses, focus group meetings with Johnson and Ham that involved face-to-face dialogue with nearly 25,000 troops, and a third-party managed a hotline where gay and lesbian service members could offer their views confidentially. The surveys were the largest ever conducted of our military and represented the first empirically based review of military attitudes on gays and lesbians serving openly...The bottom line, even in the preliminary report, was that opposition to repeal was considerably less than I expected.⁴⁴⁹

This remarkable survey effort by the Pentagon indicates that public opinion as a whole matters far less to defense policymakers than it does to politicians. Defense policymakers, in this case, determined that the only “public” that mattered was the target population – men and women in uniform and their families. Consequently, Bureaucrat 1 argues, “DOD went about repeal in a methodical and deft way.” Although most VSOs

⁴⁴⁹ Gates, 441.

stayed quiet on repeal of DADT, MOAA, according to Lobbyist 1, “saw the winds of change” and appointed a gay rights advocate to its Spouse Advisory Council.⁴⁵⁰

In short, public opinion has an indirect impact on the military personnel policymaking process. On the one hand, defense policymakers do not specifically track public opinion on military social policies. On the other, these same defense policymakers are keenly aware of the broader shifts in American sentiment and attitudes toward various social policies, especially civil rights. This is not to suggest that public opinion does not matter to Pentagon policymakers. On the contrary, DOD’s major effort to survey the force on the repeal of DADT clearly demonstrates that the subsystem is mostly concerned with the views, attitudes, and opinions of service members on military social policy.

Policy Entrepreneurs Expand the Scope of Conflict

Interview responses suggest social policy entrepreneurship plays a significant role in creating conflict within the military personnel policy subsystem. Several interviewees across the subsystem spoke to the increased level of social policy engagement among lawmakers. Senior bureaucrats in the Pentagon, both civilian and military, sit at the intersection of the various political cross-currents pushing and pulling against policy reform. For instance, Bureaucrat 1 notes the “interinstitutional pressures” on DOD to address sexual assault in the military. He discusses perceptions within the Pentagon that

⁴⁵⁰ Christine C. “C.C” Gallagher, “Highlighting Stephen Peters, a 2013-2014 Currently Serving Spouse Advisory Council Member,” *Military Officers Association of America*, 10 February 2014. Available from <http://moaablogs.org/spouse/2014/02/highlighting-stephen-peters-a-2013-2014-currently-serving-spouse-advisory-council-member/>; Internet.

senior Army leaders have adequately addressed sexual assault; whereas, members of Congress believe the Army has not done nearly enough to combat sexual assault.

Interestingly, Americans are split on which institution – the military or Congress – is best suited to address sexual assault in the military. According to a 2013 *Washington Post-Pew Research Center* poll, 44 percent of Americans believe the military should address sexual assault internally; whereas, 45 percent of Americans believe Congress should make changes to military laws governing sexual assault.⁴⁵¹ With this political context in mind, Bureaucrat 8 argues that for its part, the Army has taken “time to educate and convince representatives and senators with facts about sexual assault cases.” The problem, this Pentagon official believes, is there is no personalized face to the service chiefs’ arguments lauding the successful DOD response to combat sexual assault. As such, “this is a difficult message for the chiefs to communicate [as] Capitol Hill operates in anecdotes and victims.”

Senator Kirsten Gillibrand of New York, the ranking member of the Senate’s Military Personnel Subcommittee, is the chief critic of the Pentagon’s arguably tepid response to sexual assault. She has become so vociferous on this one topic that Bureaucrat 5 states, “When I think of personnel [policy], I don’t even think of Senator Gillibrand.” Bureaucrat 5’s implication here is that Senator Gillibrand, despite her subcommittee status, is only a powerful force in one area of military personnel policy –

⁴⁵¹ Washington Post-Pew Research Center Poll, “Sexual Assault in the Military,” 15 August 2013. Available from http://www.washingtonpost.com/politics/polling/washington-postpew-research-center-poll-sexual/2013/08/15/0f961f08-d3a3-11e2-b3a2-3bf5eb37b9d0_page.html; Internet.

sexual assault. Similarly, Journalist 1 confirms this view and asserts, “Senator Gillibrand isn’t interested in pay issues.” Bureaucrat 8 contends that the national media exposure on this issue, in part, encourages Senator Gillibrand to continue her crusade against military sexual assault. Journalist 4 believes that social issues are simply much more comfortable for lawmakers to jump into as “politicians have already taken a side on these issues before they were relevant to the military.”

Several congressional staffers agreed that media attention is a factor for members of Congress to consider when delving into military social policies. For instance, Staffer 5 contends that media attention and member interest drive DOD, particularly general officers’, policy responses. Staffer 3 suggests, “Members fall all over themselves to raise some social issues and get involved.” To quantify this point, Staffer 2 notes the remarkably high number of “20 mark-up provisions on military justice” in the 2014 National Defense Authorization Act. Clearly, HASC members with no jurisdiction on military personnel policy have willingly waded into these waters. To this point, Staffer 7 states, “Some offices [have been] highly focused on sexual assault [as] social issues get a lot more attention than other issues.” Likewise, Staffer 12 says, “Social issues earn member attention due to their high profile nature.”

Policy entrepreneurship is by no means limited to Congress. For instance, Bureaucrat 12 contends that policy change on DADT came from the “top-down,” suggesting the White House initiated repeal efforts. In his memoir, Secretary Gates

highlights President Obama's 2010 State of the Union address in which the president announced his intention to "repeal the law that denies gay Americans the right to serve the country they love because of who they are." Gates writes, "[President Obama] dropped this bombshell without consulting the service chiefs of staff who would have to implement the policy change, and without allowing [Admiral Mike Mullen] and me to consult the chiefs ourselves."⁴⁵² Journalist 5 notes the importance of this incident stating, "Service chiefs drag their feet on social issues and are usually unwilling to implement sweeping change." No doubt, the president's policy entrepreneurship shook the Pentagon bureaucracy to its core and pushed the entire subsystem toward repealing DADT.

As a result of the president's effort to circumvent the subsystem policymaking process, Gates declared in testimony before the SASC, "I fully support the President's decision [to repeal Don't Ask, Don't Tell]."⁴⁵³ Similarly, Gates cites then-JCS Chairman Admiral Mike Mullen as testifying, "Mr. Chairman, speaking for myself and myself only, it is my personal belief that allowing homosexuals to serve openly would be the right thing to do."⁴⁵⁴ Gates notes, "Admiral Mullen's [statement], after seventeen years of nearly unanimous senior military opposition to gays serving openly, made history."⁴⁵⁵ Gates also discusses the central role senior White House officials played in repealing the policy. He writes, "I told [White House Chief of Staff] Rahm [Emanuel] I was getting tired of the White House preoccupation with responding to pressure from gay advocacy

⁴⁵² Gates, 433.

⁴⁵³ Ibid, 434.

⁴⁵⁴ Ibid, 435.

⁴⁵⁵ Ibid, 436.

groups on DADT without taking into account the impression on the troops that no one ‘over here’ (at the White House) cared about military views and attitudes.”⁴⁵⁶ While Gates fully supported repeal, he preferred a methodical approach to implementation following a thorough Pentagon policy review and survey of troops in the field.

Social issues galvanize policy entrepreneurs across the military personnel policy subsystem (and beyond) into action. The president and members of Congress, especially, jump into the personnel policymaking fray as they perceive military social policy to be a high profile issue worthy of significant media attention. Certainly, policy entrepreneurship is necessary to bring about policy change but it cuts both ways. Policy entrepreneurs run the risk of painting themselves as single-minded and one-dimensional.

External Groups Enter the Fray

Interviews responses indicate two key findings with regard to interest groups. First, subsystem interest groups tend to disengage from the subsystem on military social policies. Second, social policy issues draw new external advocacy groups into the policymaking fray.

Lobbyist 3 highlights the reasons why normally influential interest groups within the military personnel policy subsystem shy away from engaging the subsystem on social issues. He states, “[We] are staying away from sexual assault, women in combat, and [Don’t Ask, Don’t Tell] because they are criminal, legal, and moral issues.” Similarly,

⁴⁵⁶ Ibid, 439.

Lobbyist 4 posits that weighing in on social issues depends. For instance, he notes the disparities in stationing gay soldiers in states that do not recognize their marriages. While his organization's members have put forth resolutions on other social issues, "the national organization won't touch [this one]." Likewise, Lobbyist 2 contends that because his group's members are divided on various social issues, "[the organization] won't take an official policy stance." To this end, he also points out that The Military Coalition avoids controversy by staying quiet on social issues.

Defense scholars – close observers of the policymaking process – see the differences in compensation and social policy issues as well. According to Scholar 1, [P]aycheck issues differ from non-paycheck issues. Paycheck issues all coalesce. There must be some difference [because] The Military Coalition is split on non-paycheck issues." Bureaucrat 3 posits this difference is because there is a level of emotion involved in non-pay issues. Despite these differences, Scholar 3 contends, "The military is a socially conservative organization. It doesn't want to take any chances." Staffer 7 articulates these perspectives stating, "One set of issues deals with diversity and the other is quality of life. [They] must be dealt with differently." Staffer 7 continues, "Historically, diversity has always been good for the military as an institution."

Citing discussions with LGBTQ advocacy groups, Bureaucrat 7 notes, "If we open our doors to one group, we must open them to all." Consequently, various external groups that usually do not participate in the personnel policymaking process now have a

seat at the table. For instance, Staffer 4 highlights his interaction with IAVA and its heavy involvement on military social issues. According to its mission statement, “IAVA strives to build an empowered generation of veterans who provide sustainable leadership for our country and their local communities. We work toward this vision through programs in four key impact areas: supporting new veterans in *health, education, employment* and building a lasting *community* for vets and their families.”⁴⁵⁷ Another advocacy group for LGBTQ rights in the military is Knights Out, “an organization of West Point Alumni and Allies that supports, serves as a resource, and fosters a positive environment for LGBTQ soldiers and their families.”⁴⁵⁸ Likewise, OutServe-Service Member Legal Defense Network (SLDN) is among the social groups representing the military LGBTQ community. Founded in 2010, the group’s mission is to “educate the community, provide legal services, advocate for authentic transgender service, provide developmental opportunities, support members and local chapters, communicate effectively, and work towards equality for all.”⁴⁵⁹ As a result of the emergence of groups like IAVA, Knights Out, and OutServe-SLDN, Scholar 4 argues, “[I] see things changing on social policy issues but not on budgetary issues. [There’s] not an active lobbying effort [among The Military Coalition] on some of these issues; it’s not the normal military groups arguing on these broader domestic issues.”

⁴⁵⁷ “Model, Mission, & History,” *Iraq and Afghanistan Veterans of America*. Available from <http://iava.org/about>; Internet.

⁴⁵⁸ “Mission of Knights Out,” *Knights Out*. Available from <http://www.knightsout.org/mission>; Internet.

⁴⁵⁹ “Vision & Mission,” *OutServe-SLDN*. Available from <http://www.sldn.org/pages/about-sldn-vision-mission-and-goals>; Internet.

Congressional staffers, usually coordinating efforts between members of Congress and advocacy groups, have a unique perspective on the organizations that get involved and those that stay on the sidelines. Staffer 3 notes, “Advocacy group interest shifts with regard to social issues.” Staffer 11 confirms this view arguing that social groups and their lobbyists are the ones “weighing-in” on these issues. Staffer 4 mentions that his boss met with victims of military sexual assault and even reached out to Susan Burke, a well-known litigation attorney whose work with sexual assault victims is prominently featured in the documentary, *The Invisible War*, to seek her informal counsel on the issue. In considering the differences between the two types of groups, Staffer 6 concludes that these “passion groups” typically initiate contact with Congress on social issues. As a result, Staffer 6 believes members spend a “disproportionate amount of time and attention dedicated to working on these [military social] issues.”

Prominent VSOs that are normally common staples in the military personnel policy subsystem largely avoid controversial social policy issues. This absence derives from split member constituencies with varying views on social issues. Further, this VSO absence leaves a void for external groups that specialize in military social policy to fill. Clearly, the dynamics affecting military compensation policy and military social policy differ. While a narrow group of subsystem actors, groups, and institutions control military compensation policies, interview responses reveal that by reflecting public sentiment, policy entrepreneurs are able to successfully expand the scope conflict on

matters of military social policy to include new groups, actors, and institutions. The results support *responsive subsystem behavior hypothesis*.

Summary

This chapter “gets inside” the military personnel policy subsystem to better understand how actors and institutions within an autonomous policy subsystem process information to formulate durable policies and resist calls for change from a demanding policy environment. Through 50 elite interviews with subsystem actors, this chapter makes five key findings. First, high rates of congressional and bureaucratic turnover on the military personnel subcommittees and within the Pentagon are detrimental to the subsystem’s institutional memory. Second, the Pentagon marginalizes itself by stove piping expert information through bureaucratic hierarchies leaving it unresponsive to the subsystem’s demands for timely information exchange. Third, subsystem actors see a clear distinction between power and influence within the subsystem as the congressional subcommittees on military personnel wield power and prominent VSOs wield influence. Fourth, subsystem actors search for and prioritize public and private interinstitutional signals from the Joint Chiefs of Staff, president’s budget and administration documents, congressional hearings, grass roots mobilization efforts, political appointments, and policy reports, articles, and op-eds. Finally, unlike compensation and pension policy, military social policy attracts policy entrepreneurs and an entirely new set of competing actors and institutions into the policymaking process, thereby facilitating information oversupply, subsystem breakdown, and policy change.

Beyond these aforementioned findings, perhaps the most interesting revelation in this chapter is the “missing in action” bureaucracy. By depleting its institutional memory with turbulent churn and burn at the undersecretary level, stove piping itself into irrelevance, and allowing Congress and VSOs to dominate the policymaking process, the Pentagon’s Office of Personnel and Readiness is not the autonomous bureaucracy one expects to find in an autonomous policy subsystem. Rather than pursuing its own policy preferences in the face of a deferential Congress and trusting interest groups, the subsystem’s bureaucracy is simply left to implement and maintain the military pension policy status quo with little hope of catalyzing change on its own. The following chapter explores instances of subsystem policy change by way of external groups charged with challenging old assumptions with new information, ideas, and analysis – blue ribbon defense commissions.

Chapter 8: Blue Ribbon Defense Commissions as Institutional Venues for Policy Change

From racial and gender integration to the advent of the All-Volunteer Force, the United States military experienced dramatic transformation in the latter half of the twentieth century. Save for the short-lived retirement REDUX, however, military pension policy remained largely the same – a noncontributory defined benefit plan with cliff vesting after 20-plus years of service. Pension policy durability during this period derived from the military personnel policy subsystem’s established autonomy in the wake of World War II. Consequently, subsystem actors and institutions were able to maintain their firm control of the pension policy status quo, despite several threats to the subsystem’s jurisdiction. But when minor alterations did come about, it was an independent body – outside of the policy subsystem – acting as the catalyst for policy change. Beginning with the 1948 Advisory Commission on Service Pay, commonly known as the Hook Commission, there is significant historical precedence throughout the latter half of the twentieth century for the president or Congress to establish a blue ribbon defense commission to review various matters of military personnel policy including compensation, conscription, and careers. In the same vein as a proactive information commission, blue ribbon defense commissions “provide new facts, analysis, [and] ideas about current or future policy challenges, [and] options.”⁴⁶⁰

⁴⁶⁰ Zegart, 375.

Through three brief case studies, this chapter explores how blue ribbon defense commissions can expand the scope of policy conflict and facilitate subsystem breakdown and policy change. With a strong commission chairperson, inclusive information gathering process, and coherent political strategy, I argue that blue ribbon defense commissions serve as institutional venues for policy change. Further, commission success depends, in large part, on entrepreneurial commissioners who are willing and able to build coalitions for policy change, reframe policy images, and alter issue definitions within the subsystem. Additionally, successful blue ribbon defense commissions receive significant support from prominent policy entrepreneurs along the way, including generals, presidents, and members of Congress. Successful commissions are also able to overcome significant political opposition, especially from obstinate subsystem players in the Pentagon.

This chapter breaks into five sections and benefits from three elite interviews with policymakers intimately familiar with blue ribbon defense commissions. First, I begin with a word on case study selection. Second, I discuss the 1948 Hook Commission and its successful efforts to restructure military basic pay scales as part of the Career Compensation Act of 1949. Interestingly, Congress rejected the Hook Commission's more provocative ideas for retirement reform. Third, I examine the 1970 Gates Commission and the successful move from conscription to an All-Volunteer Force. This case study includes a wide-ranging interview with one of the last living Gates commissioners. Fourth, I evaluate the 1986 Packard Commission as a model for

commission success in the face of significant political opposition. Here I draw from elite interviews with two former Packard Commission staffers to better understand how the commission set the conditions for success. Finally, I conclude with a brief summary and lead into the following chapter's discussion of the relevant lessons and implications for the 2015 Military Compensation and Retirement Modernization Commission.

Case Study Selection

From 1948 to 2015, at least 20 separate blue ribbon commissions, advisory boards, interagency task forces, and Pentagon working groups studied and recommended changes to some aspect of military compensation or retirement policy.⁴⁶¹ This number does not even include the countless think tank reports and books on the topic. The five blue ribbon commissions include the 1948 Hook Commission, 1970 Gates Commission, 1976 Defense Manpower Commission (DMC), 1978 Zwick Commission, and the 2015 Military Compensation and Retirement Modernization Commission (MCRMC).

In selecting case studies for this chapter, I first applied Amy Zegart's broad definition of a presidential commission to the 20 potential cases. Recall that this definition requires commissions to be temporary and ad hoc, officially established by presidential, executive, or legislative action, and relatively independent from government.⁴⁶² Only the five blue ribbon defense commissions met each criterion for

⁴⁶¹ This includes 11 congressionally mandated DOD Quadrennial Reviews of Military Compensation (QRMCs), five presidential or congressional blue ribbon commissions, two external advisory committees, and two bureaucratic working groups.

⁴⁶² Zegart, 369.

selection. However, I immediately dismissed the 2015 MCRMC as I address lessons and implications for that commission's work in the next chapter. Beyond definitions, I also considered commission success. While none of these commissions saw every one of its policy recommendations become law, I address commission success and case selection by considering two questions. First, did the executive and or legislative branch implement most of the commission's recommendations? Second, do any of the commission's policies remain in place today?

As I note in chapter 6, Les Aspin pressed congressional leaders to form the 1976 Defense Manpower Commission but Congress did not enact any of its recommendations. The DMC was plagued by several problems, including one commissioner's resignation in protest, a dissenting opinion from another commissioner, bureaucratic resistance in the Pentagon, and tepid responses from Congress and the national media.⁴⁶³ Soon thereafter, President Jimmy Carter established the 1978 President's Commission on Military Compensation chaired by former Office of Management and Budget Director Charles Zwick. The Zwick Commission reviewed the many previous studies on the topic and made several new recommendations of its own.⁴⁶⁴ These recommendations led to the Uniformed Services Retirement Benefits Act (USRBA) of 1979. But the commission failed to bring about any substantive policy change because two of the retired senior military officers on the commission attached strongly worded dissenting opinions to the

⁴⁶³ Bernard Rostker, *I Want You! The Evolution of the All-Volunteer Force*, (Santa Monica: RAND Corporation, 2006), 295-296.

⁴⁶⁴ Charles J. Zwick, "Report of the President's Commission on Military Compensation," *President's Commission on Military Compensation* (Washington, DC: Government Printing Office, 1978), 1-6.

commission's final report.⁴⁶⁵ These dissents were an albatross around the commission's neck and proved insurmountable for Chairman Zwick and his supporters in Congress and the Pentagon. As such, "Congress took no action" on USRBA.⁴⁶⁶

The Defense Manpower and Zwick commissions' common fates are the norm among the 20 studies and reports on military compensation and retirement in the latter half of the twentieth century. All of these efforts failed to bring about substantive policy change because they did not spur sufficient policy conflict to breakdown the subsystem's policy monopoly. While each study, report, and set of recommendations introduced new information, ideas, and analysis to the subsystem, stasis is inevitable without a coalition to champion the findings and advocate for policy change. Worse yet, when analysts or advisors allow their reports to simply "speak for themselves," the status quo is all but guaranteed. Without raising the issue's visibility and garnering public attention and support for change, policymakers on Capitol Hill and in the Pentagon have no incentive to bear the burdens of initiating change, especially on sensitive matters like military compensation and retirement policy.

Clearly, neither the DMC nor Zwick Commission met the criteria for commission success. The Hook and Gates commissions, however, absolutely meet all of the criteria for case study selection. Moreover, no discussion of twentieth century blue ribbon

⁴⁶⁵ Ibid, 169-190. See Appendix A. Army General (Ret.) William E. DePuy and Air Force Lieutenant General (Ret.) Benjamin O. Davis both submitted strongly worded formal dissents to the commission's final report.

⁴⁶⁶ Hudson and Buchalter, 6.

defense commissions is complete without exploring the 1986 Packard Commission, arguably one of the most successful commissions in American history. As a matter of fact, the Packard Commission's work is relevant to the military personnel policy subsystem's jurisdiction as some of its recommendations led to changes in officer careers and promotions. Therefore, I include the Packard Commission as the third and final case study for this chapter.

1948 Hook Commission Reforms Service Pay

The 1948 Advisory Commission on Service Pay, commonly known as the Hook Commission, conducted the first comprehensive review of military compensation policy in 40 years.⁴⁶⁷ Defense Secretary James Forrestal asked Charles R. Hook, president and chairman of the board for ARMCO Steel Corporation in Middletown, Ohio, to chair the four member commission. In a letter to the commissioners outlining the commission's purpose, Forrestal writes, "To furnish me with a comprehensive study and with recommendations covering every single phase of a sound system of compensation for persons at all levels, and in all branches, of the Armed Service."⁴⁶⁸ With thorough analysis to complement its findings, the Hook Commission made 33 policy recommendations to Secretary Forrestal on everything from the structure of basic pay scales and retirement benefits to hazardous duty pay and clothing allowances. The

⁴⁶⁷ Charles R. Hook, "Career Compensation for the Uniformed Services: A Report and Recommendation for the Secretary of Defense," *Advisory Commission on Service Pay* (Washington, DC: Government Printing Office, 1948), ix. The last thorough examination of military compensation policy occurred circa 1908.

⁴⁶⁸ James Forrestal to Charles R. Hook, "Terms of Reference," in "Career Compensation for the Uniformed Services: A Report and Recommendation for the Secretary of Defense," *Advisory Commission on Service Pay* (Washington, DC: Government Printing Office, 1948), vii.

following year, Congress adopted most, but not all, of the Hook Commission's recommendations through the Career Compensation Act of 1949.

Appointing a Committee of "Eminent Civilians"

Convinced that military pay needed reform, Secretary Forrestal sought to commission a group of prominent Americans to study the matter in detail. In a letter to recruit Charles R. Hook, Keith S. McHugh, Lawrence C. Whiting, and Father John J. Cavanaugh to join the commission, Forrestal writes:

I feel that there is a distinct need for completely unbiased and objective advice in [reviewing service pay] from the outside...I, therefore, propose to appoint a committee composed of eminent civilians to examine the present service pay schedules and to give me options as to changes which are required.⁴⁶⁹

Secretary Forrestal concluded his letter adding, "I should be most grateful if you would agree to serve as a member of this committee...[an] intelligent solution requires the application of the kind of judgment which you are particularly qualified to provide."⁴⁷⁰

In choosing Hook to be the commission's chairman, Forrestal sought to leverage a well-respected industry leader's gravitas, expertise, and credibility to build a case for compensation reform, an issue Forrestal considered a "very critical and immediate problem."⁴⁷¹ Over the course of his 58 years with ARMCO, Hook rose from night superintendent to chairman of the board. During his 18 year tenure as ARMCO's

⁴⁶⁹ *Career Compensation Act of 1949, Hearings on H.R. 5007, Day 1, Before the Senate Armed Services Committee*, 81st Congress, 34 (1949) (letter from James Forrestal included in the statement of Secretary of Defense Louis A. Johnson). See pages 33-34.

⁴⁷⁰ *Ibid.*

⁴⁷¹ *Ibid.*

president, he developed an industry-wide reputation for building strong management-labor relations as he grew the company from 7,800 employees and \$53 million in revenue to 30,000 employees and \$380 million in revenue.⁴⁷² In testimony before the SASC on the merits of the 1949 Career Compensation Act (based on the commission's recommendations), Forrestal's successor, Secretary of Defense Louis Johnson, describes Hook as "a man who understood and understands the problems of pay from all the angles of industry."⁴⁷³ Indeed, senior defense officials believed Hook's extensive private sector experience and prominent status would be assets in transforming military compensation system for the postwar world. The Hook Commission's vision for a new military compensation system entailed restructuring basic pay and reforming retirement policy.

Hook Gathers the Facts and Makes Recommendations

The Hook Commission sought advice from relevant experts to supplement their information gathering process. The commission's final report reads, "In all these studies, we have had the helpful advice, ideas and criticisms, developed from experience, of representative of all the Services. Individual service personnel of all ranks and grades have been heard. Organizations...have presented their views and suggestions to us."⁴⁷⁴ Chairman Hook even went out of his way to especially thank the Joint Army-Navy Personnel Board, "whose studies and report...greatly expedited the work and findings of

⁴⁷² "Charles R. Hook of ARMCO Is Dead," *The New York Times*, 15 November 1963. Available from <http://search.proquest.com.ezproxy.lib.utexas.edu/docview/116465632?pq-origsite=summon>; Internet.

⁴⁷³ *Hearings on Career Compensation Act of 1949* (statement of Louis A. Johnson).

⁴⁷⁴ Hook, iii.

the Commission.⁴⁷⁵ After months of consideration, the Hook Commission presented a unanimous set of recommendations to the Pentagon. Although Hook and his fellow commissioners believed they had uncovered and understood all the facts surrounding military compensation and retirement policy, they were about to lose the information battle over the latter.

Restructuring the Basic Pay Scales

The Hook Commission's first and most consequential recommendation addressed the structure of the military's basic pay scales. According to the commission's report:

Basic compensation of all personnel of the Uniformed Forces on active duty should consist of basic pay, including length of service increments, and basic allowances for subsistence and quarters when authorized. The basic pay of all Service personnel should be based on the principle of pay for responsibility, and the amount should be related to current rates of compensation in industry. In addition, basic compensation should be augmented by a limited number of special pays and allowances when specified activities or responsibilities are undertaken.⁴⁷⁶

The commission's inclination toward a fair pay scale for "all personnel of the Uniformed Services" derived from various compensation inequities throughout the first half of the twentieth century, including disproportionate pay trends favoring enlisted service members. In discussing pay inequities between officers and enlisted personnel, a *New York Times* article covering the Hook Commission's recommendations reads, "But, in fact, it is the officers who have suffered the most from rising costs of living in recent

⁴⁷⁵ Ibid.

⁴⁷⁶ Hook, 1.

years and who have gone the longest without an increase in base pay.”⁴⁷⁷ Further, the commission acknowledged that recruiting an effective fighting force, absent wartime conscription, required entry pay competitive with industry so as to “attract desirable personnel.” Also, the commissioners believed, “Increased leadership responsibility should have corresponding rewards.” Consequently, the commission predicated its basic pay scales on “career expectancy” for service members.⁴⁷⁸ In other words, high performing troops should be rewarded with promotions and higher pay rates as they advance through the ranks while poor performing soldiers stagnate in rank and peak out within their respective pay grades.

In advocating comprehensive reform to the basic pay scales, the Hook Commission found a powerful ally in General Dwight Eisenhower. In a letter to Secretary Johnson advocating reform, Eisenhower writes:

The present pay and allowance scales of our armed forces are far too small to permit men of ability to serve in noncommissioned and commissioned grades with self-respect and with human regard for their obligations to their families and themselves. These pay scales are stupidly inadequate – corrective action must be taken without delay or we shall reach the bitter consequences of secondary leadership.⁴⁷⁹

Eisenhower’s provocative language highlights just how important he viewed compensation reform. Indeed, having a powerful subsystem stakeholder and political

⁴⁷⁷ “Military Pay,” *The New York Times*, 24 December 1948. Available from <http://search.proquest.com.ezproxy.lib.utexas.edu/docview/108366800/pageviewPDF?accountid=7118>; Internet.

⁴⁷⁸ Hook, 2.

⁴⁷⁹ *Hearings on Career Compensation Act of 1949, Day 1*, 36 (letter from General Dwight D. Eisenhower including in the statement of Louis A. Johnson). See page 36.

elite, like Eisenhower, join the Hook Commission's coalition for policy reform was a boon to the cause.

The Hook Commission's remarkable success in restructuring the military's basic pay scales is three-fold. First, Hook's reputation for understanding pay from "all the angles of industry," as Secretary Johnson put it, made him an indisputable expert on the subject. Second, the commission mustered significant support for compensation reform from within the subsystem, including *The New York Times*, General Eisenhower, and Secretaries Forrestal and Johnson. Third, Hook and his fellow commissioners did not face any real opposition to restructuring service pay. All told, the commission was able to easily reframe existing compensation policies as inadequate and unfair, thus turning the tide toward a more modern and holistic military compensation system.

Beyond his strong support for restructuring the basic pay scales to ensure top-notch military leaders were adequately compensated for their service, Eisenhower's aforementioned letter is even more noteworthy for its glaring omission to any reference of retirement reform. Recall chapter 6 and Eisenhower's strong support for the Officer Personnel Act of 1947 which tied the "up or out" promotion system with the 20-year voluntary retirement policy. Eisenhower had already proven himself to be avant-garde in rebuilding the postwar military. But not only did Eisenhower fail to support the Hook Commission's retirement proposals, his omission, in light of his strong support for pay and promotion reform, signals that he likely did not consider the commission's

recommendations as necessary or helpful for the twentieth century military. Without Eisenhower's support, reforming retirement policy would prove an uphill battle for the Hook Commission.

Reforming Retirement Policy

According to the Hook Commission, the fundamental purpose of the military's retirement benefit is to "meet the superannuation problem," keeping the services alert and vigorous. As such, the commissioners argue, "The services can scarcely be kept alert and vigorous and provide the kind of leadership necessary to win wars unless men are compelled to retire from active service at reasonable ages and there is immediately available to them an appropriate retirement benefit."⁴⁸⁰ However, the commission believed the postwar retirement system was "overly liberal and contrary to public interest."⁴⁸¹ The commissioners write:

Normally, an officer with 20 years of service would be about 42 years of age. It seems wholly unreasonable that such an officer should be granted retirement with a life annuity during the 10 to 15 years succeeding age 42 when he should be at his prime in contributing the results of his years of training and experience to his Government.⁴⁸²

Based on this analysis, the commission recommended that officers should have the right to request retirement only after 30 years of service at any age or after 20 years of service at age 60 or older.⁴⁸³ Similarly, the commission recommended enlisted service members should have the right to retire after 30 years of service at any age or 20 years of service at

⁴⁸⁰ Hook, 39.

⁴⁸¹ Ibid, 40.

⁴⁸² Ibid.

⁴⁸³ Ibid, 43.

age 50 or older.⁴⁸⁴ In effect, the commission recommended a retirement policy that would minimize costs and maximize experience for the federal government.

The Subsystem Strikes Back: Career Compensation Act of 1949

One of the institutional strengths of any blue ribbon defense commission is its status as a subsystem outsider and ability to pull information from every available source on policy issues relevant to its charter. Through the information gathering process, blue ribbon commissions are able to recast issue definitions and reframe policy images previously set by the policy subsystem. Certainly, any policy subsystem, most especially an autonomous policy subsystem, would see any such commission's effort as a threat to its policy jurisdiction. This subsystem-commission conflict and competition ultimately thwarted the Hook Commission's retirement reform proposals as prominent subsystem actors prevented the commission from reframing retirement policies. Hook's problem was not that he did not understand the common retirement practices in the services. Rather, he failed to gather enough information to anticipate the services' rebuttals to his commission's retirement recommendations. Consequently, existing retirement policies remained in place despite passage of the Career Compensation Act of 1949.

In the summer of 1949, Congress considered the Hook Commission's many compensation and retirement policy recommendations in hearings before the two armed services committees. After significant deliberation, the HASC omitted the commission's recommendations to reform the military's voluntary and involuntary retirement policies.

⁴⁸⁴ Ibid, 45.

In a letter to SASC Chairman Millard Tydings explaining this omission, HASC Chairman Carl Vinson writes:

[T]he committee was of the opinion that the question of voluntary and involuntary retirement was so complex, so vast, and would have such far-reaching effect upon the services that this matter would require very detailed consideration for which there was not adequate time in the present session of the Congress. It was therefore...desirable to defer consideration of this very involved question until the next Congress. The committee was strongly of the opinion that this subject required a separate and comprehensive study...the committee was also influenced by the fact that any change in voluntary retirement laws would have negligible fiscal effect for a number of years.⁴⁸⁵

Clearly, the HASC maintained the pension policy status quo by claiming retirement reform was too “complex” and financially “negligible” to merit consideration with the rest of the commission’s compensation recommendations. Disappointed by the HASC’s omission, Hook testifies before the SASC, “[T]he Commission felt when it made its recommendations that it was making a recommendation for a whole program, and it considered retirement in connection with basic pay and allowances and everything else...[retirement] has a relationship to [compensation].”⁴⁸⁶

Despite the HASC’s reluctance to adopt the commission’s retirement recommendations, members of the SASC used hearings on the Career Compensation Act to question commissioners, commission staff, and subsystem actors to better understand the commission’s proposals and their potential impact on the military. Two points of contention immediately came to light. First, commissioners and subsystem actors differed

⁴⁸⁵ *Career Compensation Act of 1949: Hearings on H.R. 5007, Day 3, Before the Senate Armed Services Committee, 81st Congress, 93 (1949)* (letter from Representative Carl Vinson to Senator Millard Tydings, 20 June 1949).

⁴⁸⁶ *Ibid* (statement of Charles R. Hook). See page 118.

on the definition of “voluntary retirement” and how often the services authorized it. Second, witnesses also disagreed on the costs and benefits of retirement reform. These disparities ultimately prevented Hook and his commissioners from reframing policy images and altering issue definitions – two necessary ingredients for breaking down a subsystem’s policy monopoly.

The following hearing exchange between Senator Robert Byrd, Chief of Naval Operations for Personnel Admiral William Fechteler, and Army Chief of Staff General Omar Bradley illustrates how senior military officials within the military personnel policy subsystem foiled the commission’s retirement recommendations by undercutting its attempt to reframe policy images and alter issue definitions.

SENATOR BYRD: Is it not true that many very able officers have retired voluntarily at the end of 20 years, and are obtaining today, without any disability, a 50-percent retirement pay as long as they live; yet they have gotten positions in the business world by reason of their service and experience in these high positions in the Army or Navy, and are getting very large salaries from the industries they are working for, and are getting 50-percent retirement pay without any disability whatsoever?

ADMIRAL FECHTELER: May I interject here: No officer has the right of retirement with less than 40 years’ service, under existing law.

GENERAL BRADLEY: We have a policy in the Army that no one be allowed to retire with less than 30 years of service, except under unusual circumstances which have to be passed upon by the Secretary of the Army, himself.

SENATOR BYRD: Mr. Hook has an entirely different understanding, and he has been making exhaustive inquiries...Then, Mr. Hook is incorrect when he said there was a voluntary retirement after 20 years, in other words, that the officer could make application for it?

ADMIRAL FECHTELER: That is right.

SENATOR BYRD: Something is wrong there, one says it can be done and you and General Bradley say it is not voluntary...The thing that is misleading to us, is the words "Voluntary Retirement"...I think the heading there "Voluntary Retirement" (*sic*) and it goes on to describe these different lengths of service, is somewhat confusing unless it means what it says there. If it doesn't mean what it says, we ought to correct it.⁴⁸⁷

By casting doubt on the Hook Commission's image of the 20 year voluntary retirement policy whereby young, able-bodied retirees received large private sector salaries in addition to their military pensions, subsystem insiders managed to discredit the commission's retirement proposals. In addition, subsystem actors disputed the commission's cost savings projections. The following exchange illustrates how General John E. Dahlquist, the Pentagon's deputy director of personnel and administration, was able to easily counter Hook's claims of eventual cost savings.

CHAIRMAN TYDINGS: Would it cost more or less, with the retirement features in [H.R. 5007]?

MR. HOOK: I think it would cost less.

CHAIRMAN TYDINGS: Immediately, or eventually?

MR. HOOK: Well, I think eventually.

MAJOR GENERAL DAHLQUIST: As a matter of fact, the complete Hook recommendations on retirement and disability would cost more money than if you leave the present retirement in, as it is in H.R. 5007, because the complete Hook recommendations had a \$10,000 free benefit, the cost of which would immediately become relatively significant.⁴⁸⁸

⁴⁸⁷ Ibid, Day 2 (statements of Senator Robert Byrd, Admiral Frank Fletcher, and General Omar Bradley). This exchange is an abridged version. See pages 68-71 for the entire discussion.

⁴⁸⁸ Ibid (statements of Senator Millard Tydings, Charles R. Hook, and Major General John E. Dahlquist). This exchange is an abridged version. See pages 71-72 for complete exchange.

Beyond policy images and issue definitions, the Hook Commission failed to establish a coalition of subsystem stakeholders for retirement reform. Representatives from prominent VSOs, including the Fleet Reserve Association (FRA), vehemently opposed the Hook Commission's retirement recommendations. In a letter to Secretary of Defense Forrestal, FRA President Christopher C. Sanders expresses the views of the enlisted sailors his organization claims to represent. He writes, "Early reports indicate that the enlisted personnel are most unhappy over the proposed retirement features. They feel [the provisions of the bill] will break the morale of the career enlisted man, result in the loss of many trained enlisted men, and 'break the faith.'"⁴⁸⁹ Given Forrestal's service as secretary of the Navy prior to his selection as secretary of defense, Sanders also appealed to Forrestal's sense of obligation to the Navy at the expense of the Hook Commission's civilian appointees. Sanders pleads:

[I]t is felt that from your former association with the naval service, as Secretary of the Navy, you will appreciate that the career enlisted man, separated as he is from family and home for long periods cannot reconcile himself to remain in active service until the proposed retirement age of 50 years...Do these civilians realize that a Navy man is away from his family at least 50 percent of the time?⁴⁹⁰

In addition to including Sanders' letter to Forrestal in testimony before the SASC, FRA National Secretary Charles E. Lofgren read excerpts from letters written to FRA by enlisted sailors excoriating the Hook Commission. For instance, one sailor writes, "I can assure you that our morale has been pretty low the past weeks since the Hook report was

⁴⁸⁹ Ibid (letter from Christopher C. Sanders to Secretary of Defense James Forrestal, 30 December 1948, included in the statement of Charles E. Lofgren, Fleet Reserve Assoc. National Secretary). See page 188.

⁴⁹⁰ Ibid.

made public...the Navy should realize how many qualified petty officers they would lose due to this bill.”⁴⁹¹ Another sailor even attacked Hook personally, writing, “I’ll bet this Mr. Hook never had to ride a ‘can’ for years, etc., recommending such a retirement provision in the pay bill and comparing that duty with Army duty.”⁴⁹²

The Hook Commission proved unable to leverage its information, ideas, and analysis to break the subsystem’s policy monopoly. In short, the commission’s retirement policy proposals ultimately failed because the commissioners were never able to wrest control of the policy images and issue definitions from the military personnel policy subsystem. Without a coalition of subsystem stakeholders supporting retirement reform, the Hook Commission was no match for powerful subsystem elites like Senators Tydings and Byrd or senior military officers like Eisenhower, Fechteler, Bradley, and Dahlquist. Further, strong opposition from powerful VSOs representing the policy’s target population, like the FRA, overwhelmed the Hook Commission’s effort to recast retirement policy as inefficient and broken.

The irony of this whole episode lies in the discordant messages coming from the military personnel policy subsystem to thwart the Hook Commission’s retirement recommendations. For example, senior military officers refuted the commission’s claim that “voluntary retirement” occurred after 20 years of service, citing that only the service secretaries could authorize retirement at 20 years and rarely did so. Yet, the FRA and

⁴⁹¹ Ibid. See page 189.

⁴⁹² Ibid.

their member sailors implored Secretary Forrestal and the SASC to ignore the commission's retirement proposals for fear of "breaking faith" with the troops over the 20 year "voluntary retirement" policy. If voluntary retirement was as rare across the services as senior military officials led the SASC to believe, service members would likely not have responded with such animosity toward the commission's recommendations. While the subsystem's efforts worked, the storyline here suggests that actors and institutions within the military personnel policy subsystem will do or say seemingly anything to maintain the pension policy status quo – just as their predecessors did in the veterans' policy subsystem following the Civil War and World War I.

Setting a Modern Precedent

Despite the Hook Commission's failure to see Congress implement its retirement proposals into law, the commission did successfully restructure military compensation – a tremendously difficult feat in and of itself. According to a 2005 DOD report:

In focusing on and questioning the underpinnings and justifications of the entire system of military compensation, the Hook Commission completed what has turned out to be the most fundamental and most important of all the studies of military compensation that have taken place since the end of World War II.⁴⁹³

Beyond successfully reimagining military compensation, the Hook Commission set a modern precedent for the executive and legislative branches to follow when reviewing any facet of military personnel policy, including pay, pensions, promotions,

⁴⁹³ Office of the Undersecretary of Defense for Personnel & Readiness, "Military Compensation Background Papers," *U.S. Department of Defense* (2005), 1059. Available from http://www.loc.gov/rr/frd/pdf-files/Military_Comp.pdf; Internet.

and assignments. Since the 1948 Hook Commission, two additional blue ribbon defense commissions have reviewed and recommended specific changes to military retirement policy between 1967 and 2006.⁴⁹⁴ This number does not include the 1970 Gates Commission which recommended significant increases in military compensation, the 1986 Packard Commission which recommended changes to officer assignments and promotions, and the recent 2015 MCRMC report which suggested transition to a hybrid defined benefit / defined contribution pension system. Clearly, the Hook Commission set an historical precedent for the establishment of blue ribbon defense commissions to explore important matters of military personnel policy.

1970 Gates Commission Clears Way for an All-Volunteer Force

For most of the twentieth century, conscription into the U.S. military was a mainstay of American defense policy. Just months after the Cuban-Missile Crisis, Congress overwhelmingly passed, and President John F. Kennedy signed, an extension of the U.S. government's draft authority. Following Kennedy's assassination in November 1963, President Lyndon B. Johnson asked Secretary of Defense Robert McNamara to "study options for reforming the Selective Service System, including the feasibility of an all-volunteer force."⁴⁹⁵ Just a year later, however, any political appetite to reform the selective service system fell to the wayside as tensions in Vietnam rose to a new high. The 1964 Gulf of Tonkin Resolution gave President Johnson the authority, "as

⁴⁹⁴ Hudson and Buchalter, vi-vii. This number grows to 20 when expanding the timeframe from 1948 to 2015 and including other advisory committees, task forces, and working groups.

⁴⁹⁵ Ibid, 46.

Commander in Chief, to take all necessary measures to repel any armed attack against the forces of the United States and to prevent further aggression [in Southeast Asia].”⁴⁹⁶ With the country at war, selective service reform was off the table.

Throughout the 1960s, opponents of selective service openly criticized the draft as individuals found various ways to avoid conscription through “delays, exemptions, and deferments.”⁴⁹⁷ The deferment system, most especially, was a source of angst for many Americans as the public widely viewed it as exacerbating socioeconomic inequalities between rich and poor as the upper-class went to college while the working-class went to war.⁴⁹⁸ The American war effort in Vietnam continued to escalate through 1968 while domestic opposition to the war reached a crescendo at home. This opposition manifested itself through draft-resistance movements, widespread protests, and outright political disillusionment. For instance, *The Washington Post* retrospectively describes a massive, three-day, 100,000 person protest outside the Pentagon in October 1967 as “a cultural touchstone of the decade [and] a defining moment of American history...For the first time, the counterculture openly confronted the Establishment at the seat of American power.”⁴⁹⁹ Protests continued across the country, contributing to the nation’s divisive political climate and President Johnson’s decision not to seek re-election in 1968.

⁴⁹⁶ U.S. Congress, House, “To Promote the Maintenance of International Peace and Security in Southeast Asia,” H. J. Res. 1145, Public Law 88-408, 10 August 1964.

⁴⁹⁷ Rostker, *I Want You!*, 43.

⁴⁹⁸ James Fallows, “What Did You Do in the Class War, Daddy?,” *Washington Monthly*, October 1975. Available from <http://www.washingtonmonthly.com/features/2009/0911.fallows.html>; Internet.

⁴⁹⁹ Jeff Leen, “The Vietnam Protests: When Worlds Collided,” *The Washington Post*, 27 September 1999. Available from <http://www.washingtonpost.com/wp-srv/local/2000/vietnam092799.htm>; Internet.

Nixon's Campaign Promise

In late 1966, some 15 months before President Johnson declared he would not seek re-election, former Vice President Richard Nixon was in the early stages of his own campaign for the White House. He began by forming an inner-circle of likeminded friends, colleagues, and advisors to counsel him on all matters of public policy, including Columbia University professor Martin Anderson. At a March 1967 campaign meeting in Manhattan, Anderson, an economist by training, proposed that candidate Nixon reverse his longstanding position favoring conscription and come out publicly against the draft. Asking for time to study the issue before eventually presenting his findings to the group, Anderson recalls saying, “What if I could show you how we could end the draft completely – and increase our military power at the same time?”⁵⁰⁰

After weeks of research, Anderson submitted a position paper to Nixon for review. In his memo, Anderson argues that the draft “constitutes two years of involuntary servitude to the State” and eliminating it “would actually strengthen our security.”⁵⁰¹ Though Nixon expressed initial interest in the idea, several months passed without so much as a formal discussion or campaign meeting on the topic. But on 17 November 1967, a young reporter from *The New York Times* asked Nixon for his thoughts on the draft while sitting next to the candidate on a flight. Anderson writes, “Nixon smiled and

⁵⁰⁰ Martin Anderson, “The Making of the All-Volunteer Force,” in *The All-Volunteer Force: Thirty Years of Service*, ed. Barbara A. Bicksler, Curtis L. Gilroy, and John T. Warner (Washington, DC: Brassey's Inc., 2004), 16.

⁵⁰¹ Martin Anderson, “An Outline of the Factors Involved in Establishing an All-Volunteer Armed Force,” *Memorandum to Richard Nixon*, April 1967. Document available from Bernard Rostker, *I Want You! The Evolution of the All-Volunteer Force* (Santa Monica: RAND Corporation, 2006), CD-ROM.

replied evenly, ‘I think we should eliminate the draft and move to an All-Volunteer Force.’”⁵⁰² Soon thereafter, Nixon addressed a group of “attentive, polite” law students at the University of Wisconsin-Madison and raised the same point after a student questioned his views on selective service. The next day, the *Times* published an article titled, “Nixon Backs Eventual End of Draft.”⁵⁰³ With that, Richard Nixon became the country’s most prominent public champion for the creation of an All-Volunteer Force.

Despite Nixon’s unexpected change of heart on conscription, it did not become a major policy issue for the campaign until days before the election. On 18 October 1968, during a 10-day “policy blitzkrieg,” Nixon made a public address on *CBS Radio Network* to discuss his views on an All-Volunteer Force.⁵⁰⁴ In touching on everything from inequity and fairness to compensation and total costs, Nixon affirms, “What we can do, and what we should do now, is to commit ourselves as a nation to the goal of building an all-volunteer armed force...So I say, it’s time we looked to our consciences. Let’s show our commitment to freedom by preparing to assure our young people theirs.”⁵⁰⁵ Less than three weeks later, the American people elected Richard Nixon the 37th President of the United States.

⁵⁰² Ibid, 17.

⁵⁰³ Robert B. Semple, Jr., “Nixon Backs Eventual End of Draft,” *The New York Times*, 18 November 1967. Available from <http://query.nytimes.com/mem/archive/pdf?res=9F01E2D6173DE63ABC4052DFB767838C679EDE>; Internet.

⁵⁰⁴ Anderson, 18.

⁵⁰⁵ Richard M. Nixon, “Radio Address: The All-Volunteer Armed Force,” *CBS Radio Network*, 18 October 1968, in Rostker, CD-ROM.

Establishing the Commission

In January 1969, Arthur Burns, a member of the Nixon campaign team, sent the president-elect a report outlining “suggestions for early action” by the administration. Burns recommended the president “Appoint a special Commission charged with the task of developing a detailed plan of action for ending the draft.”⁵⁰⁶ Living up to his campaign promise, President Nixon directed Secretary of Defense Melvin Laird to set up such a “special Commission” on 29 January 1969.⁵⁰⁷ Laird, concerned by President Nixon’s speed moving forward, “was not enthusiastic about a special commission.”⁵⁰⁸ In fact, a DOD study was already underway when Laird took over as defense secretary. In a written response to President Nixon, Laird boldly asserts, “these initial steps, of themselves, make inappropriate at this time the establishment of a special Commission to develop a plan of action for ending the draft.”⁵⁰⁹ After consulting with the assistant secretary of defense for manpower and reserve affairs, Laird preferred instead for the Pentagon to take a year or so to conduct its own internal study on an All-Volunteer Force before allowing an external commission to take up the matter. In the meantime, Laird drafted a three-page memorandum which simply recommended “resolving draft inequities and improving draft procedures.”⁵¹⁰

⁵⁰⁶ Arthur F. Burns, “Suggestions for Early Action, Consideration, or Pronouncement,” *Memorandum to President-Elect Richard M. Nixon*, 6 January 1969, in Rostker, CD-ROM.

⁵⁰⁷ Richard M. Nixon, *Memorandum to Melvin R. Laird*, 29 January 1969, in Rostker, CD-ROM.

⁵⁰⁸ Rostker, 63.

⁵⁰⁹ Melvin R. Laird, *Memorandum to President Richard M. Nixon*, 31 January 1969, 1, in Rostker, CD-ROM. See also Rostker, 63.

⁵¹⁰ Melvin R. Laird, *Memorandum to President Richard M. Nixon*, “Selective Service Reform,” 3 February 1969, 1, in Rostker, CD-ROM. See also Rostker, 67.

President Nixon was hardly pleased with Laird's intransigence. According to Bernard Rostker, "On February 6, 1969, Nixon 'advised' Laird he wanted to go ahead with the outside commission. He congratulated him on the fact the department 'has already taken the initial steps for moving toward an all-volunteer force...[and should] continue, at full speed, with the efforts you currently have underway.'"⁵¹¹ With this, President Nixon set the slow wheels of government in motion.

This exchange between Laird and Nixon reveals a classic subsystem response to a jurisdictional threat from an external policy entrepreneur. Laird, in a clear bureaucratic effort to slow-roll presidential action, believed that an internal Pentagon study would be the most prudent way for the administration to move forward on such a major change to American defense policy, especially as the war in Vietnam raged on. A former member of the U.S. House of Representatives, Laird seemingly failed to understand the national politics surrounding a highly visible presidential commission. Moreover, the American political climate in 1969 would not have been conducive for a Pentagon study on the draft. Concerned about Vietnam and selective service, the American people would surely have viewed a Pentagon report with skepticism. This alone was reason enough for President Nixon to prefer an external commission of prominent Americans to an internal study by Pentagon bureaucrats.

As the nation's most powerful policy entrepreneur, President Nixon understood that a blue ribbon defense commission was the best way to effectively manipulate the

⁵¹¹ Ibid, 65.

politics, problem, and policy streams to facilitate a major policy change. By raising public support for an All-Volunteer Force and bringing new information and analysis into the policymaking process, the Gates Commission actually cut across two of Zegart's commission types: agenda commission and information commission. As the former, the Gates Commission's core function was to influence the public agenda by building mass public support for a new presidential initiative. Burns' 1969 report on "suggestions for early action" highlight this purpose by reminding the president-elect, "one of your strongest pledges during the campaign was the eventual abolition of the draft."⁵¹² In its latter form, the Gates Commission was to provide new information, facts, and analysis to influence government officials on the feasibility of an All-Volunteer Force. In his statement, "Announcing a Commission on an All-Volunteer Force," Nixon proclaims:

I have directed the Commission to develop a comprehensive plan for eliminating conscription and moving toward an all-volunteer armed force. The Commission will study a broad range of possibilities for increasing the supply of volunteer for service, including increased pay, benefits, recruitment incentives and other practicable measures to make military careers more attractive to young men...It will study the estimated costs and savings resulting from an all-volunteer force, as well as the broader social and economic implications of this program.⁵¹³

Indeed, the Gates Commission was about to become the nation's most important and influential blue ribbon commission in a generation.

In addition to logistical necessities like staff, office space, and an operating budget, a blue ribbon defense commission of this caliber would also require a cadre of

⁵¹² Burns, 19.

⁵¹³ Richard M. Nixon, "Statement by the President Announcing a Commission on an All-Volunteer Armed Force," 27 March 1969, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/?pid=1981>; Internet.

prominent, well-respected private citizens and former public officials to serve as commissioners and give this massive undertaking the public attention and credibility it deserved. Anderson reflects on the administration's decision making process in selecting the commissioners. He writes:

The members of the commission were carefully chosen. It is relatively easy to select members of a commission so that the result is predetermined. We deliberately – at some risk – chose not to do that. Instead, we decided to appoint five people who were for the idea, five who were against it, and five who, while they had no clear position, were men and women of integrity.⁵¹⁴

With this strategy in mind, President Nixon asked former Secretary of Defense Thomas S. Gates, Jr., an All-Volunteer Force skeptic, to lead the commission. Martin Anderson sat in on the meeting between Nixon and Gates. He recalls:

Gates protested that he was not the man for the job, saying, “But Mr. President, I’m opposed to the whole idea of a volunteer force. You don’t want me as your chairman.” “Yes I do Tom,” the President replied, “that’s exactly why I want you as the chairman. You have experience and integrity. If you change your mind and think we should end the draft, then I’ll know it’s a good idea.”⁵¹⁵

To his credit, President Nixon knew that without a strong and well-respected commission chairman in the lead, any report recommending the transition to an All-Volunteer Force would be dead on arrival in the defense community.

The Honorable Thomas Gates at the Helm

As Dwight Eisenhower's vice president, Richard Nixon was quite familiar with Thomas Gates' Pentagon résumé. A University of Pennsylvania graduate, investment

⁵¹⁴ Anderson, 19.

⁵¹⁵ Ibid.

banker, and Navy veteran, Gates held several senior DOD positions in the Eisenhower administration, including undersecretary of the Navy, secretary of the Navy, deputy secretary of defense, and secretary of defense. Although his tenure as defense secretary lasted just a year, Gates was highly respected among defense insiders and widely “credited with major management innovations that facilitated the Pentagon’s transition to modern tactics and weaponry.”⁵¹⁶ In short, Thomas Gates was a larger-than-life figure in the defense community and just the sort of person to usher in substantive changes to military personnel policy.

While serving in the Pentagon, Gates developed close working relationships with the Joint Chiefs of Staff⁵¹⁷ and earned a reputation for his warm personality and affable leadership style. A 1959 profile in *The New York Times* describes Gates as having a “persistent, questioning mind” with a “voracious interest in the opinions of everyone.”⁵¹⁸ According to one of his colleagues, Gates “would worry about his job, never take any problem lightly, and always try to talk things out. But he insisted upon our never losing

⁵¹⁶ Robert D. McFadden, “Thomas S. Gates Jr. Dies at 76; Was Defense and Navy Secretary,” *The New York Times*, 26 March 1983. Available from <http://www.nytimes.com/1983/03/26/obituaries/thomas-s-gates-jr-dies-at-76-was-defense-and-navy-secretary.html>; Internet.

⁵¹⁷ John G. Norris, “Gates Praised for Job as Defense Head,” *The Washington Post*, 14 June 1960. Available from <http://search.proquest.com.ezproxy.lib.utexas.edu/docview/141250277?pq-origsite=summon>; Internet.

⁵¹⁸ Jack Raymond, “A Sailor for the Top Defense Job,” *The New York Times*, 29 November 1959. Available from <http://query.nytimes.com/mem/archive/pdf?res=9F02E1DF173AEF3BBC4151DFB7678382649EDE>; Internet.

our sense of humor.”⁵¹⁹ Most importantly, Gates managed to leverage all of his personal characteristics “to deal effectively with interservice rivalries.”⁵²⁰

As chairman, Gates fostered a collegial commission environment where dissent was welcome. For instance, fellow commissioner Crawford Greenwalt asked Gates “whether the Commission was obligated to recommend an all-volunteer force plan” as “his only concern was that he be free to reject the all-volunteer solution.”⁵²¹ Gates told him that “it was not necessary for the Commission members to assume at the outset that an all-volunteer force solution was either feasible or desirable.”⁵²² According to Gates Commissioner 1, “We asked ourselves whether an All-Volunteer Force was both desirable and doable...[skeptics] raised the question as to whether [it] was desirable. Proponents...were not afraid to explore the question because they never doubted the wisdom of an All-Volunteer Force.”

Reflecting on Thomas Gates’ leadership as chairman, famed University of Chicago economist and Gates commissioner Milton Friedman recalls in his memoirs, “Tom Gates was a splendid, open-minded, even-handed chairman, who gradually shifted his position to become a convinced supporter of an all-volunteer army.”⁵²³ Similarly, Gates Commissioner 1 recalls:

⁵¹⁹ Ibid.

⁵²⁰ Ibid.

⁵²¹ Rostker, 77.

⁵²² Ibid.

⁵²³ Milton Friedman and Rose D. Friedman, *Two Lucky People: Memoirs* (Chicago: The University of Chicago Press, 1998), 379.

Everyone in the room respected [Gates]. He was thoughtful and never raised his voice. He never ruled with an iron hand and when he wanted to move on to another topic, everyone agreed. His sheer personal charisma and authority moved the process along. But he had an easygoing group to work with [and] worked closely with the staff to be well prepared for every meeting. It simply wasn't a difficult situation to manage.

Indeed, Gates was the perfect candidate to chair President Nixon's commission.

Gathering Information and Building Political Support

Although Gates decided not to hold any public hearings on the commission's work,⁵²⁴ he did demand an otherwise exhaustive information gathering process. This included briefings from senior Pentagon bureaucrats, meetings with the Joint Chiefs of Staff, and thorough analytical reports from the commission staff. These information venues gave the commissioners opportunities not only to learn but also to socialize their ideas with prominent subsystem players in an attempt to minimize any perceived jurisdictional threat to the military personnel policy subsystem's autonomy. In reality, however, the commission's work was absolutely a jurisdictional threat to the subsystem's autonomy.

DOD officials briefed the commissioners from 28-29 June 1969, including introductory remarks by Secretary of Defense Melvin Laird, a session on the Pentagon's "Project Volunteer" study by Assistant Secretary of Defense for Manpower Roger Kelley, and a series of presentations on various issues in military manpower policy.⁵²⁵ Further, Deputy Assistant Secretary of Defense for Manpower Paul Wollstadt attended a

⁵²⁴ Ralph P. Witherspoon, "The Military Draft and the All-Volunteer Force: A Case Study of a Shift in Public Policy," (PhD diss., Virginia Polytechnic and State University, 1993), 346.

⁵²⁵ *Ibid.*, 345.

follow-on meeting to assist the commission's study of and discussion on the military's reserve forces.⁵²⁶ Beyond defense officials, the Gates Commission also heard testimony from prominent VSOs like the American Legion and Veterans of Foreign Wars in its early fact-finding stages.⁵²⁷ No doubt, the commissioners used these first few private briefings, meetings, and hearings to frame their initial internal debates and chart a course moving forward. Gates Commissioner 1 offers that the commission relied heavily on its pro-volunteer force staff, recruited by Martin Anderson and Milton Friedman, for information briefings. Indeed, the commissioners pushed the staff and the staff in turn pushed the commissioners. In addition to the staff, Gates writes, "We consulted a wide range of representatives of the public, interested organizations, and experts as well as the Service Secretaries, the Joint Chiefs of Staff and other high officials in the Department of Defense and armed forces. We appreciate greatly their cooperation and valuable contributions."⁵²⁸

While the Pentagon and Gates Commission openly shared information and exchanged ideas, it did not come without internal-external subsystem tension. On 29 July 1969, just a month after Assistant Secretary Kelley's briefing on DOD's "Project Volunteer," Gates wrote to Laird expressing some concerns. Demonstrating his willingness to stand up to Laird's subsystem threat, Gates writes:

⁵²⁶ Ibid.

⁵²⁷ Ibid, 419.

⁵²⁸ Thomas S. Gates, Jr., "The Report of the President's Commission on an All-Volunteer Armed Force," *President's Commission on an All-Volunteer Armed Force* (Washington, DC: Government Printing Office, 1970), iii.

At the last Commission meeting...it was reported that the Department of Defense had undertaken a study of the all-volunteer armed force...several members of the Commission expressed great concern that a parallel formal report might be materially harmful...it is likely to lead to unnecessary public controversy and confusion...I do not believe there are any problems between us, but if there are, I would appreciate having your thoughts.⁵²⁹

Clearly, Gates understood that if Laird and the Pentagon were to produce a contradictory report that hijacked the issue definition and policy images surrounding the All-Voluntary Force concept, the commission's work would be for naught. In response, Laird assured Gates that the Pentagon had "no plan to prepare a formal report...which would parallel that being prepared by your Commission."⁵³⁰ By protecting the integrity of his presidential charter, Gates ensured that the commission's final report would be the seminal work on the matter.

On 16 December, Gates continued his politicking and met privately with the Joint Chiefs of Staff to hear their concerns and discuss the commission's forthcoming recommendations. The chiefs expressed the most worry about the commission's plan to increase compensation for enlistees, particularly first-term enlistees, during the tight budget years ahead. The chiefs further argued that senior enlisted personnel would perceive such a policy change as diminishing their many years of service to attract fresh recruits.⁵³¹ While the commission did not alter any of its recommendations based on Gates' encounter with the chiefs, these episodes with Pentagon officials highlight

⁵²⁹ Thomas S. Gates, Jr., *Memorandum to Secretary of Defense Melvin R. Laird*, 29 July 1969, in Rostker, CD-ROM.

⁵³⁰ Melvin R. Laird, *Memorandum to Chairman Thomas S. Gates, Jr.*, 7 August 1969, in Rostker, CD-ROM.

⁵³¹ *Ibid.*, 359.

Thomas Gates' willingness to share information and hear concerns from the military personnel policy subsystem's many stakeholders.

On 20 December 1969, after months of study, analysis, and debate, the commissioners unanimously concluded that an All-Volunteer Force solution was the most desirable, but not without some remaining internal differences. So on 9 January 1970, the commissioners met one last time to address these lingering disagreements. Gates facilitated a tense discussion in which "the commission argued over the wording and the feasibility of the AVF at particular force levels."⁵³² This internal tension also stemmed from a debate over the war in Southeast Asia. Gates Commissioner 1 remembers an episode involving the youngest commissioner, Georgetown law student Stephen Herbits. A draft version of the commission's final report included a page and a half of language supporting the Vietnam War. Herbits, usually deferential to the elder statesmen on the commission, spoke up in defiant opposition. He argued that the press would focus its reporting on that one section and completely pervert the commission's work. Further, he made the case that the war was only tangentially related and actually outside the scope of the commission's presidential charter. After receiving pushback from some of the other commissioners, Herbits threatened to vote against the final report in its draft form exclaiming, "Do you really want the youngest member of this commission telling the country he doesn't agree with its report?"

⁵³² Gus C. Lee and Geoffrey Y. Parker, "Ending the Draft: The Story of the All-Volunteer Force," *Human Resources Research Organization* (1977), 48. Commissioners expressed concerns including troop quality, manning the military's medical field, and the role of a standby draft, among others.

In the end, Gates successfully brokered a deal between the commissioners to agree to revised draft language after tensions eased. The letter of transmittal to President Nixon captures the spirit of their agreement without exposing any of their internal dissent. The letter reads:

We unanimously believe that the nation's interests will be better served by an all-volunteer force, supported by an effective stand-by draft, than by a mixed force of volunteers and conscripts; that steps should be taken promptly to move in this direction; and that the first indispensable step is to remove the present inequity in the pay of men serving their first term in the armed forces. We have satisfied ourselves that a volunteer force will not jeopardize national security, and we believe it will have a beneficial effect on the military as well as the rest of our society. The findings and recommendations summarized in Part I are unanimously agreed to.⁵³³

With a unanimous agreement secured, the commissioners shifted their attention to combating the forthcoming objections to their final report. According to Gus Lee and Geoffrey Parker, “Mr. Gates thought it was essential that the commission squarely face all major objections to the volunteer force, and eventually a complete section of the report was set aside to refute common criticisms of the volunteer force concept.”⁵³⁴ To this end, Gates began socializing the commission’s final recommendations immediately after the 9 January 1970 meeting. For instance, that evening Gates met Secretary of the Army Stanley Resor and his assistant secretary for manpower and reserve affairs over dinner to preview and discuss the commission’s final recommendations.⁵³⁵ Bernard Rostker notes, “As the Gates Commission proceeded to ‘prebrief’ the services on their

⁵³³ Gates, iii.

⁵³⁴ Ibid, 48.

⁵³⁵ Roskter, 86. Secretary Resor expressed his concerns with the commission’s staff analysis and other aspects of the forthcoming report.

emerging recommendations, it became clear that the commissioners' views were different from those prevailing in the Pentagon."⁵³⁶

One such instance highlights the tension between subsystem insiders and subsystem outsiders as the commission neared the end of its work. On 10 January, the morning after his dinner with Chairman Gates, Secretary Resor attended the commission's meeting to formally deliver the Army's 10-page written response to the report's findings and recommendations.⁵³⁷ On multiple occasions throughout the meeting, Resor referred to any potential volunteers as "mercenaries." According to Martin Anderson, "At some point, [Milton] Friedman couldn't take it anymore and responded to Resor, 'Look, let's make an agreement. If you promise to stop calling my volunteers 'mercenaries,' I will promise to stop calling your draftees 'slaves.'"⁵³⁸ No doubt, these tensions remained high as the commission prepared to issue its final report the following month. So to get ahead of any Pentagon misinformation campaign, Gates went out of his way to visit Senators John Stennis and Margaret Chase of the Senate Armed Services Committee to allay their concerns and discuss the commission's progress through late January.⁵³⁹ Clearly, Gates understood his central role in ensuring the commission's success with subsystem stakeholders on Capitol Hill.

⁵³⁶ Ibid.

⁵³⁷ Stanley Resor, *Memorandum to Thomas S. Gates, Jr.*, 10 January 1970, in Rostker, CD-ROM.

⁵³⁸ Witherspoon, 420. Anderson relayed this anecdote to Witherspoon during an interview for his dissertation research on 19 February 1993. Friedman was a colleague and friend of Anderson's through Stanford University's Hoover Institute.

⁵³⁹ Ibid, 365.

Indeed, the commission understood the implications of its work for the American people. As such, the commission designed its final report – issued 20 February 1970 – “to be a persuasive public document which presented the economic, social, and political arguments for a volunteer force and a rebuttal to the arguments against a volunteer force.”⁵⁴⁰ But this final report would not have come to pass were it not for the commission’s preceding staff reports and analyses. The staff director, Dr. William Meckling from the University of Rochester, organized the commission’s research under directors responsible for total force manpower requirements, supply of officers, supply of enlisted personnel, and historical, political, and social research, respectively.⁵⁴¹ Reflecting on his experience serving as a Gates commissioner, Frederick Dent writes:

A key to the successful execution of President Nixon’s charge was the splendid commission staff operating under the truly remarkable leadership of Dr. William H. Meckling, a dean from the University of Rochester. The large staff, consisting of scholars, military personnel, and consultants, produced important and pertinent studies that became the basis of the commission’s report to the President. These studies made four sizable volumes, which were nothing short of brilliant.⁵⁴²

In close consultation with Martin Anderson at the White House, the commission published its final report through the Government Printing Office and the commercial publishing firm, Macmillan Company. Thus, the Nixon administration would “ensure maximum public exposure of the Gates Commission report” through 5,000 hard cover

⁵⁴⁰ Lee and Parker, 55.

⁵⁴¹ Rostker, 112.

⁵⁴² Frederick B. Dent, “Reflections from the Gates Commission,” in *The All-Volunteer Force: Thirty Years of Service*, ed. Barbara A. Bicksler, Curtis L. Gilroy, and John T. Warner (Washington, DC: Brassey’s Inc., 2004), 9.

books and another 100,000 paperback copies by March 1970.⁵⁴³ This proved to be a smart and wildly successful public information campaign.

Gates' leadership in the final stretch was incredibly powerful as he "led the commission to settle its remaining differences and eventually persuaded all members to sign without a single dissenting opinion."⁵⁴⁴ The importance of the commission's unanimity on an All-Volunteer Force cannot be understated. The commissioners represented the policy, military, business, academic, religious, minority, and student communities. The commission – a veritable cross-section of society – signaled to the defense establishment that the American people were ready to embrace an historic change by dumping conscription for an All-Volunteer Force.

Policy Entrepreneurs in the Nixon Administration

With nation-wide visibility, the most powerful policy entrepreneur in American politics is the President of the United States. However, with limited time and an expansive policy agenda, any president must take care to select issues worthy of his attention and rely on others in his administration to follow in support. Since his November 1967 interview with *The New York Times*, President Nixon proved to be a steadfast advocate for reforming the draft system and implementing an All-Volunteer Force. Beyond his own campaign, Nixon even managed to extend his All-Volunteer Force agenda to the Republican Party. The 1968 Republican Party platform proclaims,

⁵⁴³ Witherspoon, 364.

⁵⁴⁴ Lee and Parker, 49.

“When military manpower needs can be appreciably reduced, we will place the Selective Service System on standby and substitute a voluntary force obtained through adequate pay and career incentives.”⁵⁴⁵ Less than a year later, on 13 May 1969 and just months after taking office, President Nixon sent a “Special Message to the Congress on Reforming the Military Draft.” He states:

Ideally, of course, [this] means no draft at all. I continue to believe that under more stable world conditions and with an armed force that is more attractive to volunteers, that ideal can be realized in practice. To this end, I appointed, on March 27, 1969, an Advisory Commission on an All-Volunteer Armed Force. I asked that group to develop a comprehensive plan which will attract more volunteers to military service, utilize military manpower in a more efficient way, and eliminate conscription as soon as that is feasible. I look forward to receiving the report of the Commission.⁵⁴⁶

President Nixon concludes by asking Congress to implement six “essential” draft reforms to address inequities in the system and give young men greater certitude for the future. Two days later, at Martin Anderson’s suggestion, the White House hosted the Gates Commission’s first meeting – scheduled for 15 May 1969 – in the Roosevelt Room. President Nixon even set aside time to “drop-by” and welcome the group.⁵⁴⁷ Certainly, this small gesture served “as an indication of the importance of the commission to the administration.”⁵⁴⁸

⁵⁴⁵ Republican Party, “Republican Party Platform of 1968,” 5 August, 1968, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/?pid=25841>; Internet. See also Friedman and Friedman, 378.

⁵⁴⁶ Richard M. Nixon, “Special Message to the Congress on Reforming the Military Draft,” 13 May 1969, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/?pid=2046>; Internet.

⁵⁴⁷ Martin Anderson, “The First Meeting of the President’s Commission on an All-Volunteer Force,” *Memorandum to Dwight Chapin*, 23 April 1969, in Rostker, CD-ROM.

⁵⁴⁸ Rostker, 76.

Once the Gates Commission submitted its final report, it would be up to the Nixon administration to see its policy recommendations through to implementation. Here again, President Nixon affirms his policy positions with a special message to Congress. His statement addresses several advantages of an All-Volunteer Force, including reduced draft calls, increased pay and benefits for volunteers, renewed public support, and individual freedom.⁵⁴⁹ With the full weight of the White House behind draft reform and an All-Volunteer Force, Congress spent much of 1971 wrestling with the commission's findings and recommendations. To this end, Gates Commissioner 1, a congressional staffer at the time, recalls Senator Ted Kennedy of Massachusetts' extremely negative reaction to the commission's report. To dispel Kennedy's concerns that an All-Volunteer Force would disproportionately burden racial minorities with fighting the nation's wars, a group of Nixon-Gates allies met with him informally. Bombarded with facts, analysis, and the political realities, Kennedy eventually backed down.

Secretary Laird Takes the Hill

On 23 February 1971, the HASC convened the first of 11 hearings to consider an "Extension of the Draft and Bills Related to the Voluntary Force Concept." From the outset, Chairman F. Edward Hébert of Louisiana expressed serious misgivings about the Gates Commission's recommendations. For example, Hébert states in his opening remarks, "In our present situation I think the only way to get an all-volunteer Army is to

⁵⁴⁹ Richard M. Nixon, "Special Message to the Congress on Draft Reform," 23 April 1970, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/?pid=2483>; Internet.

draft it.”⁵⁵⁰ Additionally, several senior HASC staffers reinforced the chairman’s view, expressing “great skepticism...that an all-volunteer force would work.”⁵⁵¹ But after 11 days-worth of hearings, Hébert’s views evolved after helpful testimony and a private assurance from one witness in particular, Secretary of Defense Melvin Laird.

Though Laird did not initially express much faith in the All-Volunteer Force concept,⁵⁵² he faithfully supported President Nixon’s vision where it counted most – on Capitol Hill. Appearing before the HASC, Laird testifies:

Some members of this committee have expressed doubt that it will be possible to rely solely on voluntary accessions to the Armed Forces...but I believe we can meet that goal if we in the Defense Department vigorously pursue the program we have formulated to reduce draft calls to zero, if the Congress supports this program by appropriate legislative action, and if the general public gives support by a positive attitude toward military service...So far as congressional action is concerned, the most important step to be taken is to provide funding which the President has requested for the purpose of making military service more attractive and rewarding.⁵⁵³

In addition to his testimony before the HASC, Laird made several political maneuvers to curry favor for the All-Volunteer Force within Congress, including an important private assurance. The Pentagon had opposed construction of an armed forces medical university in Bethesda, Maryland for nearly six years despite congressional

⁵⁵⁰ *Extension of the Draft and Bills Related to the Voluntary Force Concept and Authorization of Strength Levels: Hearings on H.R. 2476, 3496, 3497, 3498, and 3818, Day 1, Before the Committee on Armed Services, 92nd Congress, 24 (1971) (statement of Chairman F. Edward Hébert).*

⁵⁵¹ Rostker, 95.

⁵⁵² Secretary Laird addresses this criticism in the Foreword to Bernard Rostker’s book, *I Want You!* He writes, “In reading this volume, one could infer that, while Secretary of Defense, I hesitated on occasion in my support of the Gates Commission or was not aggressive in implementing changes in personnel acquisition practices. Such is not the case. The times we complex; the changes were significant; and our efforts had to be orchestrated carefully...It was mandatory, in my judgment, that we proceed deliberately and thoughtfully toward an all-volunteer force.” See pages xxiii-xxiv.

⁵⁵³ *Hearings on Extension of the Draft and Bills Related to the Voluntary Force Concept and Authorization of Strength Levels, (statement of Secretary of Defense Melvin R. Laird).*

support for the idea. So to help ease the way for the president's agenda, Laird met with Chairman Hébert and privately "agreed to testify on behalf of this [hospital] idea in exchange for the committee's support for the AVF."⁵⁵⁴ This quid-pro-quo was vitally important and "an example of how the consensus-building process sometimes worked."⁵⁵⁵

As the final bill cleared the HASC and moved to the full House for its consideration, Laird – a sixteen-year veteran of the House of Representatives – "personally phoned each member whose position was borderline."⁵⁵⁶ No doubt, Laird's efforts to rally support among his old colleagues were paramount. But President Nixon would have to make one last phone call to secure his All-Volunteer Force initiative. After the House and Senate reconciled differences between their respective versions of the bill in conference, Senator Gordon Allott of Colorado prepared to circulate a "Dear Colleague" letter to rally support for a military pay amendment he intended to tack-on to the conference report, essentially harpooning the compromise bill.⁵⁵⁷ After receiving word of his scheme, Nixon personally called Allott to offer support for the amendment in an upcoming military procurement bill, but not the current draft bill.⁵⁵⁸ It worked. On 28 September 1971, President Nixon signed H.R. 6531, the Military Selective Service Act of 1971, into law, extending the draft for just two more years and significantly increasing

⁵⁵⁴ Melvin R. Laird, "Introduction," in *The All-Volunteer Force: Thirty Years of Service*, ed. Barbara A. Bicksler, Curtis L. Gilroy, and John T. Warner (Washington, DC: Brassey's Inc., 2004), 6.

⁵⁵⁵ Ibid.

⁵⁵⁶ Ibid.

⁵⁵⁷ Gordon Allott, "Dear Colleague," *U.S. Senate*, 29 September 1971, in Rostker, CD-ROM.

⁵⁵⁸ Rostker, 96.

military pay and benefits to attract volunteers into the service. In his signing statement, Nixon called the bill “a significant step toward an all-volunteer armed force.”⁵⁵⁹

1986 Packard Commission Earns its Blue Ribbon

The late 1970s and early 1980s, in many ways, marked a nadir in American foreign and defense policy. Four incidents, in particular, highlight this low point. First, in November 1979 a mob of radicalized Iranian students stormed the U.S. embassy in Tehran and took more than 50 American citizens, diplomats, and marines hostage. Second, President Jimmy Carter ordered a failed rescue mission – dubbed *Operation Eagle Claw* – to secure the hostages resulting in the deaths of eight American servicemen after two aircraft collided at *Desert One* – the predesignated forward arming and refueling point in Iran.⁵⁶⁰ Third, in February 1983 several media outlets criticized the Pentagon’s procurement practices as reports surfaced that the Navy paid \$400 per hammer, \$640 per toilet seat, and \$7,900 per coffeemaker for a fleet of Lockheed Martin aircraft.⁵⁶¹ Finally, in October 1983 a jihadist militant group drove two truck bombs into the U.S. Marines Corps barracks in Beirut, Lebanon killing 241 American marines, sailors, and soldiers and nearly 60 French servicemen. After a varied American response,

⁵⁵⁹ Richard M. Nixon, “Statement on Signing Bill Authorizing Extension of the Draft and Increases in Military Pay,” 28 September 1971, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/index.php?pid=3169>; Internet.

⁵⁶⁰ Mark Bowden, “The Desert One Debacle,” *The Atlantic*, May 2006. Available from http://www.theatlantic.com/magazine/archive/2006/05/the-desert-one-debacle/304803/?single_page=true; Internet.

⁵⁶¹ Art Buchwald, “\$640 Flying Toilet Seat Hits the Pentagon Fans,” *Los Angeles Times*, 12 February 1985. Available from <http://search.proquest.com.ezproxy.lib.utexas.edu/docview/154096137?OpenUrlRefId=info:xri/sid:summon; Internet>.

President Reagan pulled all U.S. troops out of Lebanon in February 1984.⁵⁶² Even outgoing members of the Joint Chiefs of Staff, including Chairman General David Jones and Army Chief of Staff General Edward “Shy” Meyer, agreed it was time for defense reform in testimony before Congress.”⁵⁶³

With these crises, scandals, and tragedies as context, Pentagon mismanagement became a national issue and easy target for congressional scrutiny in the early to mid-1980s. Senators Barry Goldwater of Arizona and Sam Nunn of Georgia, SASC chairman and ranking member respectively, were especially convinced that the time had come for major change to the American national security structure. In addition to these focusing events and policy entrepreneurs, however, numerous academics, analysts, and politicians had been beating the reform drum for years. Jim Locher writes, “[P]ublic policy institutions and universities became new battlegrounds for pro-reform crusades: scholars and practitioners...held conferences, convened study groups, commissioned papers, and published books. These activities added significant information and ideas and helped build political support for reform.”⁵⁶⁴ Taken together, this all spurred a national conversation on defense reform that set the stage for presidential action.

⁵⁶² James R. Locher III, *Victory on the Potomac: The Goldwater-Nichols Act Unites the Pentagon* (College Station: Texas A&M University Press, 2002), 141-163.

⁵⁶³ James R. Locher III, “Has it Worked? The Goldwater-Nichols Reorganization Act,” *Naval War College Review* LIV, no. 4 (2001): 101. Available from <https://www.usnwc.edu/getattachment/744b0f7d-4a3f-4473-8a27-c5b444c2ea27/Has-It-Worked--The-Goldwater-Nichols-Reorganizatio>; Internet.

⁵⁶⁴ *Ibid*, 164.

President Reagan's Announcement

Responding to congressional pressure to address the Pentagon's problems, President Reagan announced the creation of a blue ribbon commission to study defense management on 17 June 1985. Speaking from the White House Rose Garden, Reagan declares, "[T]oday I've decided, at the recommendation of Secretary Weinberger and in consultations with Congress, to appoint an independent, bipartisan, Blue Ribbon Commission on Defense Management."⁵⁶⁵ While the president did not yet have a full list of commissioners in mind, he had made a decision about the chairman. He adds, "This is an important task, and so, I've asked David Packard to serve as Chairman of the Commission. He is a former Deputy Secretary of Defense, as you know, with an impeccable record that includes wide experience in and knowledge of our defense system, the defense industry, and government."⁵⁶⁶

President Reagan loosely described the commission's charter, including study and recommendations to improve the Pentagon's management, procurement, organizational, decision making, financial, and oversight systems.⁵⁶⁷ On 15 July 1985, he issued Executive Order 12526 to formally establish the commission. The order offered a more complete description of the commission's primary objective:

⁵⁶⁵ Ronald Reagan, "Remarks Announcing the Establishment of the Blue Ribbon Commission on Defense Management," 17 June 1985, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/index.php?pid=38784&st=Defense+Management&st1=>; Internet.

⁵⁶⁶ Ibid.

⁵⁶⁷ Ibid.

[T]o study defense management policies and procedures, including the budget process, the procurement system, legislative oversight, and the organizational and operational arrangements, both formal and informal, among the Office of the Secretary of Defense, the Organization of the Joint Chiefs of Staff, the Unified and Specified Command system, the Military Departments, and the Congress.⁵⁶⁸

President Reagan ordered the commission to submit its final report by 28 February 1986.⁵⁶⁹

Eventually, the administration named a total of 16 “highly qualified businessmen, scholars and former officials” to make up the President’s Blue Ribbon Commission on Defense Management.⁵⁷⁰ In fact, the commission’s charter specifically called for “persons with extensive experience and national reputations in commerce and industry, as well as persons with broad experience in government and national defense.”⁵⁷¹ Consequently, the Packard Commission became a veritable “who’s who” of future defense leaders. Six of the commissioners would go on to hold senior positions in government, including future Secretaries of Defense Frank Carlucci and William Perry, Secretary of the Treasury Nicholas Brady, Secretary of Housing and Urban Development Carla A. Hills, CIA Director James Woolsey, and National Security Advisor Brent Scowcroft.

⁵⁶⁸ Ronald Reagan, “Executive Order 12526: President’s Blue Ribbon Commission on Defense Management,” 15 July 1986, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from

<http://www.presidency.ucsb.edu/ws/index.php?pid=38892&st=Defense+Management&st1=>; Internet.

⁵⁶⁹ Ronald Reagan, “Executive Order 12542: President’s Blue Ribbon Commission on Defense Management,” 30 December 1985, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from

<http://www.presidency.ucsb.edu/ws/index.php?pid=38207&st=Defense+Management&st1=>; Internet.

⁵⁷⁰ Locher, 391.

⁵⁷¹ Reagan, “Executive Order 12526.”

Information Sharing with the Senate Armed Services Committee

The commission held its first meeting on 15 August 1985 at the Pentagon with Secretary of Defense Caspar Weinberger. The meeting was quite hostile and discouraging as “Each commissioner, including Frank Carlucci, was absolutely crestfallen and stunned by Weinberger’s extraordinarily defensive performance.”⁵⁷² To Packard and his colleagues, this meeting emphasized the complex nature of the bureaucratic waters they were wading into. Packard Staffer 1 recalls, “That [meeting] set the tone for everyone, helping the commissioners realize that something had to be done beyond simply looking at acquisition policy like Weinberger wanted us to.”

A month later, the SASC hosted a breakfast meeting for the Packard commissioners and their staff to informally discuss the various issues the commission might examine in its report. Former SASC staffer Jim Locher reports, “Frank exchanges at the meeting convinced Goldwater and Nunn that Packard and his colleagues were serious about their work and that the SASC could look forward to a cooperative relationship with the commission.”⁵⁷³ In a 24 September follow-up letter to David Packard, Chairman Goldwater writes, “There has been nothing but praise from members of my committee...for the obvious competent way in which you are handling your

⁵⁷² Locher, 391.

⁵⁷³ Ibid.

assignment...Let's keep in touch."⁵⁷⁴ Locher further notes, "Strong personal relationships enhanced communication between the commission and the SASC."⁵⁷⁵

While Weinberger's Pentagon was already proving difficult to work with, the SASC, on the other hand, became a wealth of information for the commission. Well before the Packard Commission stood up, Goldwater and Nunn asked their SASC staff to produce a thorough study on defense reorganization to guide the committee's internal deliberations. Goldwater and Nunn, with assistance from their staff, briefed the SASC study to the commission on 8 October 1985. This study, originally for the SASC, turned out to be a "principal resource" for the Packard Commission as well.⁵⁷⁶

The SASC study was just the beginning of the Packard Commission's information gathering process. Packard Staffer 2 emphasizes that the commission spent a great deal of time discussing, understanding, and agreeing on the Pentagon's problem definitions. Given their wealth of knowledge and experience, he highlights the collegial dynamic between the commissioners, emphasizing the point that they often deferred to their colleagues with expertise in the relevant subject matter at hand. Further, Packard Staffer 2 contends, "Look at the commission members themselves. Virtually every set of stakeholders was represented somewhere in that body of commissioners." Beyond the commissioners themselves, Chairman Packard recruited a top-notch staff to support the commission's work. According to Packard Staffer 2, the commission specifically sought

⁵⁷⁴ Ibid.

⁵⁷⁵ Ibid, 392.

⁵⁷⁶ Ibid, 393.

staffers who had some experience and expertise in the areas the commission would uncover, including military officers with an expertise on acquisition issues or experience on the Pentagon's Joint Staff. He further offers, "We used senior consultants to fill our knowledge gaps as we slowly learned what they were."

"Powerful, Activist, Energetic Chairman"

A graduate of Stanford University, David S. Packard was the co-founder and later chairman of the Hewlett-Packard Company. At the company's inception in 1938, Packard and his partner, Bill Hewlett, had just \$538 in capital but grew the company into a multinational corporation with \$31 billion in revenue over the years. In 1969, Packard, an active Republican, took leave from the company to serve in the Nixon administration as deputy secretary of defense to Melvin Laird. By 1972, Packard returned to Palo Alto, California to become chairman of the board for Hewlett-Packard Co. He was well known within Silicon Valley for his down-to-earth leadership style and the company's "HP Way" management philosophy. Packard entered semi-retirement in the 1980s but remained engaged with the company until his death in 1996. His wealth, estimated at \$4.36 billion, made him one of the richest men in America.⁵⁷⁷ With an extensive management, technology, and defense background, Senator William Roth of Delaware recommended that Packard lead a bipartisan defense reform effort to Secretary

⁵⁷⁷ Lawrence M. Fisher, "David Packard, 83, Pioneer of Silicon Valley, Is Dead," *The New York Times*, 27 March 1996. Available from <http://www.nytimes.com/1996/03/27/us/david-packard-83-pioneer-of-silicon-valley-is-dead.html>; Internet.

Weinberger as early as March 1984, well before President Reagan's announcement.⁵⁷⁸ Given the scope of the inquiry, Packard was absolutely the right person to lead the commission which would eventually bear his name within the defense community.

Among the first tasks for any blue ribbon commission is to understand its charter and presidential mandate. But Packard Staffer 2 quips, "I don't have any direct evidence that Packard even ever read the charter!" He adds, "I don't ever remember a question whether something was in the bounds of the charter. I think the commission collectively, particularly the chairman, did not feel any imposed boundaries on the areas that he could look into or the independence of its findings and recommendations. The charter got us to day one and the commissioners took us from there." In short, through Packard's strong leadership, the commission determined its own set of objectives.

Packard Staffer 1 recalls, "Packard drove the agenda. He was immediately set on the notion that this was not going to be a report that was going to sit around and collect dust. He wanted a report that would be his legacy. Packard wasn't going to accept a product that didn't meet his expectations." He attributes Packard's ability to effectively steer such a prominent group of commissioners and expert staff to his mastery of organizational leadership adding, "Packard invented an entire industry [in Hewlett-Packard Co.] and earned a lot of respect along the way." With such a wide-ranging mandate from President Reagan, Packard divided the 16 commissioners into five panels to tackle the commission's numerous objectives as efficiently and effectively as possible.

⁵⁷⁸ Locher, 285.

Indeed, Packard was a “powerful, activist, energetic chairman” who “controlled the commission’s agenda and work.”⁵⁷⁹ Similarly, Packard Staffer 2 contends, “There is nobody like Dave Packard – a man with that nature, stature, and competence – running the show. When he talked, people listened.” Moreover, he argues, “Packard was the commission between commission meetings.” As chairman, Packard was very involved in the commission’s research, analysis, and report. He frequently traveled back and forth between Washington and Palo Alto to tend to the commission’s business.

As the commissioners deliberated their final recommendations, they agreed on many fronts but came to loggerheads when the discussion turned to reorganizing the Joint Chiefs of Staff. For years, the chairman of the joint chiefs was on equal footing with his service chief counterparts as just one of the president’s “principal military advisers.”⁵⁸⁰ Thus, when it came to offering his professional military advice to the president and secretary of defense, the chairman had to represent the often watered down consensus view of the chiefs. Additionally, there was no real deputy position among the joint chiefs. The various service chiefs would merely rotate through as deputy and stand-in for the chairman in his absence. Critics argued that the status quo fostered and encouraged service self-interest and parochialism. But Packard commissioner and former Chief of Naval Operations Admiral (Ret.) James L. Holloway was a strong proponent of the current system. He believed that the joint chiefs were not “paralyzed by the burden of

⁵⁷⁹ Locher, 391.

⁵⁸⁰ U.S. Congress, Senate, “National Security Act of 1947,” S. 758, Public Law 80-253, 26 July 1947, 505. Available from <http://legisworks.org/congress/80/publaw-253.pdf>; Internet.

self-interest” and that the various reform proposals he had seen over the years were “completely contrary to the basic philosophy of our national military command structure.”⁵⁸¹

While Holloway was alone in his arguments against restructuring the JCS, the staff expressed serious concern that a dissenting report or opinion might seriously undermine the commission’s efforts.⁵⁸² First, proponents of the restructure plan argued that the chairman of the Joint Chiefs of Staff should be the president’s “principal military adviser.” This system would subordinate the service chiefs to the chairman and allow him to offer his personal, professional military advice. Second, proponents argued that the chairman deserved a stand-alone deputy, like every other executive in the federal government. Packard was never absolute about achieving unanimity among the commissioners. But he did clearly indicate that he sought consensus. According to one of the commission staffers, “It was sixteen commissioners sitting around, hashing this out, piece-by-piece, item-by-item. Everybody was engaged...There was a pretty strong emphasis on consensus, not unanimity.”⁵⁸³ Packard’s willingness to hear his colleagues’ concerns and address them one at a time ultimately led to Holloway’s concession as three of the most influential commissioners – Carlucci, Woolsey, and Scowcroft – supported the JCS restructure recommendation.⁵⁸⁴ As Packard Staffer 1 recalls the discussion, “We were aided in that [debate] by having retired senior military officers on the commission.

⁵⁸¹ James L. Holloway quoted in Locher, 180.

⁵⁸² Ibid, 396.

⁵⁸³ David Berteau quoted in Locher, 396.

⁵⁸⁴ Ibid.

The resistant general officers were outnumbered by those who favored it.” In the end, Packard’s strong leadership helped guide the commission to its unanimous final report, offering recommendations on everything from JCS restructuring and the Pentagon’s joint staff to professional military education and acquisition reform.

Political Momentum for Reform

The Packard Commission built political momentum for reform on several fronts. First, whenever Chairman Packard was in Washington, DC, he spent significant time on Capitol Hill “talking to senators and congressmen and regularly consulting with think tanks and experts...He was a tremendous socializer,” says Packard Staffer 1. Similarly, Packard Staffer 2 contends that the commission had regular interaction with the National Security Council staff, HASC and SASC members, and their staffs. He adds, “The folks who were going to receive this report really felt like there were heard and consulted along the way. We put together a number of discussions, public and private, with critics so they were able to voice their concerns, in part because of the optics, but also because these people were going to be part of the solution one way or the other.”

Second, Packard Staffer 1 adds, “You can’t beat having quality content and sound recommendations. Part of the quality is having members of the commission who think strategically and clearly.” Indeed, the commission managed to produce a cogent and unanimous document to present its analysis and ideas to the defense establishment. But Locher writes, “Senators Goldwater and Nunn’s satisfaction with the Packard Commission’s report stemmed not from its analytical rigor and ideas, but from its

political impact.” He continues, “It would deliver a devastating blow to administration anti-reformers and complicate their efforts to stonewall reform proposals.”⁵⁸⁵ The commission ultimately “found itself in agreement with many congressional proposals.”⁵⁸⁶

Next, to circulate its initial findings and recommendations, the commission published an interim report at the end of February 1986. This set the conditions for the commission’s final report and established a baseline of facts and analysis for the entire defense community. President Reagan publicly accepted the interim report by thanking Chairman Packard for the commission’s “bipartisan and unanimous” report.⁵⁸⁷ President Reagan even dedicated his 1 March radio address to defense reform and used the occasion to endorse the commission’s early recommendations. He states:

Last summer I appointed a bipartisan commission to study ways that we can redesign defense appropriations and management...To head the Commission, I chose Dave Packard, an entrepreneur and self-made man who started Hewlett-Packard in a garage in the 1930's and built it into one of our country's leading high-tech computer and electronics companies. Dave is world famous for his management skill, and his company is renowned for its efficiency and modern management techniques. The initial recommendations came in this week. They are a tremendous example of American know-how applied to an extremely complex and difficult problem. Their application, I'm convinced, would make every defense dollar more effective and make America stronger.⁵⁸⁸

⁵⁸⁵ Ibid, 398.

⁵⁸⁶ Ibid, 395.

⁵⁸⁷ Ronald Reagan, “Remarks on Receiving the Recommendations of the President’s Blue Ribbon Commission on Defense Management,” 28 February 1986, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/index.php?pid=36930>; Internet.

⁵⁸⁸ Ronald Reagan, “Radio Address to the Nation on the Defense Budget,” 1 March 1986, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/?pid=36938>; Internet.

A month later, the president signed National Security Decision Directive 219 to implement the recommendations that did not require congressional approval. It reads, “We must...be especially mindful of the need to move quickly and decisively to implement those changes that the Secretary of Defense and I have approved to date.”⁵⁸⁹ Indeed, President Reagan’s early support legitimized the commission’s work and defused potential conflict and dissent within the defense community, especially from an obstinate defense secretary – Caspar Weinberger.

Finally, Packard knew the Pentagon would be unenthusiastic about the commission’s recommendations and slow-roll the implementation phase of reform. Consequently, he suggested that he and the other commissioners reconvene a year later to get an update on the implementation of their recommendations. Packard Staffer 2 suggests the Pentagon was averse to discussing reform let alone actually implementing substantive changes. In fact, Packard alludes to these concerns in his letter of transmittal to Secretary Weinberger. He writes:

We hope this Final Report will assist the Department of Defense to implement a range of management improvements. Among these are the many Commission recommendations which the President designated in April 1986 for quick and decisive implementation. For this purpose, I would be pleased to continue to work with you in any way possible. I look forward to joining you, as the President recently requested, in a progress report in early 1987.⁵⁹⁰

⁵⁸⁹ Ronald Reagan, “National Security Decision Directive 219,” *The White House*, 1 April 1986. Available from <http://www.reagan.utexas.edu/archives/reference/Scanned%20NSDDS/NSDD219.pdf>; Internet.

⁵⁹⁰ David S. Packard to Caspar Weinberger, “Letter of Transmittal,” in “A Quest for Excellence: Final Report to the President,” *President’s Blue Ribbon Commission on Defense Management* (Washington, DC: Government Printing Office, 1986).

By making his commissioners available well into 1987, Packard signaled to Weinberger that he was not willing to let the commission's report fade into obscurity and become irrelevant. Clearly, part of the Packard Commission's effective political strategy included active participation in the national discussion on defense reform well after the commission's official expiration date.

Packard Commission Supports the 1986 Goldwater-Nichols Act

The Packard Commission and SASC's parallel but complimentary efforts established the intellectual framework and political support for the most significant changes to American defense policy since the National Security Act of 1947. The commission made several recommendations regarding national security planning and budgeting, acquisition organization and procedures, and government-industry accountability. Arguably, the most important and consequential recommendations the commission made deal with military organization and command, including:

1. Designating "the Chairman of the Joint Chiefs of Staff (JCS) as the principal uniformed military advisor to the President, National Security Council, and the Secretary of Defense, representing his views as well as the corporate views of the JCS."
2. Placing "the Joint Staff and the Organization of the JCS under the exclusive direction of the Chairman...The statutory limit on the number of officers on the Joint Staff should be removed to permit the Chairman a staff sufficient to discharge his responsibilities."
3. Channeling recommendations from the [Combatant Commanders] "through the Chairman so that [he] may better incorporate [their] views in his advice to the Secretary [of Defense]."

4. Establishing “a four-star Vice Chairman” position “as the sixth member of the JCS.”⁵⁹¹

The Packard commission’s many recommendations reinforced the HASC and SASC’s legislative efforts and contributed to a unified and coherent message within the defense reform movement. In a May 1986 op-ed in *The New York Times*, Senator Gary Hart of Colorado writes:

[M]ilitary reform was the province of a small band of iconoclasts in the Senate. Now [it] has become conventional wisdom...The Congressional Military Reform Caucus has grown to more than 130 lawmakers from both parties. And the Administration has endorsed...a wide-ranging package of reforms recommended by a Presidential commission headed by David Packard...Last week, the Senate unanimously passed legislation that would dramatically revamp the military hierarchy; the House of Representatives has passed a similar measure. The passage of these bills, due in large measure to the efforts of Senators Sam Nunn and Barry Goldwater, is a positive and significant step toward military reform.⁵⁹²

The commission’s recommendations clearly contributed to a positive feedback effect whereby the commission’s work bolstered the SASC’s work, the SASC’s work bolstered the commission’s work, and both benefitted from the president’s support and endorsement. This positive feedback helped overcome significant pockets of opposition and resistance within the Pentagon, especially from the Navy. For instance, Navy Undersecretary Seth Cropsey, with the tacit support of Navy Secretary John Lehman,

⁵⁹¹ David S. Packard, “A Quest for Excellence: Final Report to the President,” *President’s Blue Ribbon Commission on Defense Management* (Washington, DC: Government Printing Office, 1986), xx.

⁵⁹² Gary Hart, “An Agenda for More Military Reform,” *The New York Times*, 13 May 1986. Available from <http://www.nytimes.com/1986/05/13/opinion/an-agenda-for-more-military-reform.html>; Internet.

propagated an unsuccessful misinformation campaign against the commission's recommendations and the SASC's version of the legislation.⁵⁹³

In the end, Congress adopted many of the Packard commission's final recommendations for policy change.⁵⁹⁴ But one important area where the commission and Congress disagreed dealt with officer management on the joint staff. Although the Packard Commission was not specifically charged with taking on the military's complex personnel policies, it felt the topic was at least worthy of short discussion. The Packard report reads:

The commission believes that the present authority of the Chairman of the Joint Chiefs of Staff to influence the quality of the personnel assigned by the Armed Services to the Joint Staff is adequate to assure proper support for him, and for the Joint Chiefs of Staff. We note that the JCS corporately control all military personnel, and therefore are in the best position to provide the Chairman with the best possible staff. We do not believe that the Congress can usefully legislate new rules for selecting and promoting Joint Staff officers.⁵⁹⁵

The final version of H.R. 3622, the Goldwater-Nichols Department of Defense Reorganization Act of 1986, took a much different perspective as Congress had more faith in its ability to legislate change to the services' talent management systems than the Packard Commission did. In 1982, Representative Richard White of Texas introduced legislation requiring "nominees for Joint Staff service to be from among those officers considered to be the most outstanding officers of their armed force."⁵⁹⁶ Though the bill

⁵⁹³ Locher, 419.

⁵⁹⁴ David Berteau, "Acquisition Improvements for 2015 and Beyond: Testimony before the Senate Armed Services Committee," *Center for Strategic and International Studies* (2014), 1. Available from http://csis.org/files/attachments/ts140430_Berteau.pdf; Internet.

⁵⁹⁵ Packard, 36.

⁵⁹⁶ Locher, 76.

ultimately failed, the idea endured. Consequently, in 1986 the drafters of H.R. 3622 specifically mention among the bill's many purposes, "to improve joint officer management policies."⁵⁹⁷ These improvements included the formal establishment of "policies, procedures, and practices" for joint staff officer management, education and experience requirements for those officers designated for the joint staff, and various career guidelines and promotion policy objectives.⁵⁹⁸

President Reagan signed the bill into law on 1 October 1986 calling it "a milestone in the long evolution of defense organization." The President also thanked Senators Goldwater and Nunn, Representative Bill Nichols, and David Packard, among others, for their many years of work on the issue.⁵⁹⁹ While reviews of Goldwater-Nichols' long term policy outcomes among defense insiders are mixed,⁶⁰⁰ the legislative achievement alone, spurred in large measure by the Packard commission's recommendations, is a watershed moment in the history of American defense policy.

⁵⁹⁷ U.S. Congress, House, "Goldwater-Nichols Department of Defense Reorganization Act of 1986," H.R. 3622, Public Law 99-433, 1 October 1986, 992. Available from http://history.defense.gov/Portals/70/Documents/dod_reforms/Goldwater-NicholsDoDReordAct1986.pdf; Internet.

⁵⁹⁸ Ibid, 1026-1027.

⁵⁹⁹ Ronald Reagan, "Statement on Signing the Goldwater-Nichols Department of Defense Reorganization Act of 1986," 1 October 1986, *The American Presidency Project*, ed. John Woolley and Gerhard Peters, U.C. Santa Barbara. Available from <http://www.presidency.ucsb.edu/ws/index.php?pid=36525>; Internet. See also Locher, 420-421. Locher discusses that last minute decision to name the legislation after the bill's most prominent advocates as a final ploy to secure support for the bill in both chambers. According to Locher, Goldwater was the clear choice, Nunn less so. Further, SASC staffers worried that not including a Representative's name might diminish enthusiasm for the bill in the House. Consequently, the aging Bill Nichols, chairman of the Subcommittee on Investigations and Oversight, became the clear choice from the lower chamber.

⁶⁰⁰ Locher, "Has it Worked?," 109-110.

Summary

Throughout the latter half of the twentieth century, policymakers increasingly relied upon blue ribbon defense commissions to tackle some of the most pressing problems in American national security. Three of these pressing problems included pay and compensation reform for the post-World War II military, the end of conscription and transition to an All-Volunteer Armed Force, and defense management and reorganization in the wake of troubling military crises and scandals. With a strong commission chairman, inclusive information gathering process, and coherent political strategy, the 1948 Hook Commission, 1970 Gates Commission, and 1986 Packard Commission illustrate how blue ribbon defense commissions serve as institutional venues for policy change by spurring executive and legislative action toward substantive reform.

Two other patterns emerge through these cases. First, each of these commissions benefitted from the support of prominent policy entrepreneurs along the way, particularly when the commissions' recommendations entered the legislative process. Second, senior military leaders typically created the most significant obstacles to policy change. As external institutions, blue ribbon defense commissions do not operate in a vacuum. Commissioners have to take their recommendations to the subsystem for consideration.

The 1948 Hook Commission managed to radically restructure the military pay scales by building a political coalition for reform that included the likes of General Dwight Eisenhower and Secretaries of Defense James Forrestal and Louis Johnson.

Additionally, the defense community viewed the commission's chairman, Charles R. Hook, as an unimpeachable source on labor relations and employee compensation. But this expertise did not extend to retirement policy. While the Hook Commission did its due diligence with regard to understanding the military pay scales, it did not gather the information necessary to anticipate the services' arguments against its retirement proposals. While the Hook Commission proved instrumental with regard to military compensation reform, it failed to reframe the policy images and redefine the issues to bring about substantive change to retirement policy.

The 1970 Gates Commission is one of the two most successful and consequential blue ribbon defense commission in American history. A former secretary of defense, Chairman Gates brought the reputation, temperament, and integrity necessary to take on such politically controversial issues as conscription and an All-Volunteer Force. After an exhaustive information gathering process that included input from multiple stakeholders, Gates steered his fellow commissioners toward a unanimous final report and set of recommendations. Beyond leadership and information, the Gates Commission experienced a boon in political capital as President Richard Nixon embraced the final report and publicly supported its quick implementation. Further, many of the Gates commissioners and staffers continued their entrepreneurial advocacy work for an All-Volunteer Force well after the commission formally disbanded. Altogether, this neutralized naysayers in the military and Congress to bring about an end to conscription and create the All-Volunteer Force.

The 1986 Packard Commission is another of the two most successful and consequential blue ribbon defense commissions in American history. As a former senior Pentagon official and co-founder and chairman of Hewlett-Packard Co., David Packard was truly a national figure. Chairman Packard was unconcerned with the commission's more narrow acquisition charter and used his position to tackle the Pentagon's most pressing management and organization issues. Like Gates before him, Packard directed a top-notch staff to gather information and generate thorough analyses. Beyond the commissioners, Senators Barry Goldwater and Sam Nunn used the commission's final report as political leverage to quiet those senior military officers firmly opposed to defense reform and usher in the most comprehensive changes to American national security since 1947.

In closing, these three commission experiences should serve as historical guides for future defense policymakers confronted with complex national security issues. By understanding when and how blue ribbon defense commissions serve as effective institutional venues for policy change, policy entrepreneurs can use future commissions as vehicles to bring new facts, ideas, and analysis to bear on the policy status quo. The next chapter draws lessons from these case studies to offer relevant lessons and reveal potential policy implications for the 2015 Military Compensation and Retirement Modernization Commission.

Chapter 9: Recommendations for the Twenty-First Century All-Volunteer Force

This penultimate chapter melds theory and practice by addressing the prospects for policy change, making several recommendations to fix the military personnel policy subsystem's broken information processes, and offering thoughts on the twenty-first century All-Volunteer Force. First, I touch on the failed Ryan-Murray budget deal and the window of opportunity it created for long term military pension reform. Second, I discuss the prospects for success for the 2015 Military Compensation and Retirement Modernization Commission (MCRMC). Third, I offer several practical recommendations for the military personnel policy subsystem, including policy recommendations for the next undersecretary of defense for personnel and readiness.

The 2013 Ryan-Murray Budget Deal

In December 2013, House and Senate budget committee chairpersons, Representative Paul Ryan of Wisconsin and Senator Patty Murray of Washington, brokered a budget deal to find common ground between Republicans and Democrats, avoid a government shutdown, and make inroads toward long term fiscal savings. The resulting Bipartisan Budget Act of 2013, or Ryan-Murray budget deal, was a rare instance of bipartisanship in an era of significant congressional gridlock. President Barack Obama called the deal “a good sign that Democrats and Republicans in Congress

were able to come together and break the cycle of short-sighted, crisis-driven decision-making to get this done.”⁶⁰¹ He signed the bill into law on 26 December 2013.

Despite the bipartisan nature of the deal, the bill did not come without controversy. One of the key provisions of the budget deal included a reduction in annual Cost of Living Adjustments (COLAs) to retired pay for working age military retirees. According to *The Washington Post*, “The cut is small — a one-percentage-point reduction in the annual cost-of-living increase — but it has provoked outrage among veterans, some of whom argue that the country is renegeing on a solemn pact.”⁶⁰²

Working outside the Subsystem

The Ryan-Murray negotiation process itself epitomized the “unorthodox lawmaking” that now occurs outside of regular order and characterizes the modern U.S. Congress.⁶⁰³ According to *The Brookings Institution*, this process included non-partisan fact finding, repeated interactions, penalty defaults, and, most importantly, privacy.⁶⁰⁴ Jill Lawrence writes, “Privacy was another critical element of the negotiations. Murray and Ryan each had the confidence of their leaders to negotiate for their parties and make

⁶⁰¹ Barack Obama, “Statement by the President on the Budget,” *The White House*, 10 December 2013. Available from <https://www.whitehouse.gov/the-press-office/2013/12/10/statement-president-budget>; Internet.

⁶⁰² Lori Montgomery, “Younger Military Veterans are Angered by Budget Cuts to their Pension Benefits,” *The Washington Post*, 31 December 2013. Available from http://www.washingtonpost.com/business/economy/younger-veterans-outraged-by-budget-cuts-to-their-pension-benefits/2013/12/30/c43cbbec-6f02-11e3-b405-7e360f7e9fd2_story.html; Internet.

⁶⁰³ See Barbara Sinclair, *Unorthodox Lawmaking: New Legislative Processes in the U.S. Congress* (Thousand Oaks: CQ Press, 2011).

⁶⁰⁴ Jill Lawrence, “Profiles in Negotiation: The Murray-Ryan Budget Deal,” *The Brookings Institution* (2015), 10. Available from <http://www.brookings.edu/~media/research/files/papers/2015/02/profiles-negotiation-murray-ryan-lawrence/brookingsmurrayryanv421315.pdf>; Internet.

judgments...Polarizing, high-profile players in earlier negotiations...stayed in the background – resulting in a welcome dearth of press attention.”⁶⁰⁵ But the privacy that allowed Ryan and Murray to negotiate the deal in secret, denied stakeholders in the military personnel policy subsystem any input, and put the entire deal in jeopardy. While privacy may have facilitated the negotiations, the contemporary legislative process requires at least some air of transparency among congressional colleagues. Lawmakers do not like to be surprised.

The Subsystem Fights Back

Capitalizing on the outrage in the veterans’ community, several subsystem players quickly stepped forward to denounce the Ryan-Murray budget deal. *Army Times* was among the first, running an 11 December 2013 headline that reads, “Retiree COLAs Targeted in Budget Deal.”⁶⁰⁶ This conjured up the image that Congress was balancing the federal budget on the backs of veterans before military retirees could even digest details of the plan. Indeed, headlines like these fueled a vitriolic and bitter misinformation campaign.

In a joint “Dear Colleague” letter, Senators Kelly Ayotte of New Hampshire, Lindsey Graham of South Carolina, and Roger Wicker of Mississippi – all members of the SASC Subcommittee on Military Personnel in the 113th Congress – write, “While we

⁶⁰⁵ Ibid, 6.

⁶⁰⁶ Rick Maze, “Retiree COLAs Targeted in Budget Deal,” *Army Times*, 11 December 2013. Available from <http://archive.armytimes.com/article/20131211/NEWS05/312110027/Retiree-COLAs-targeted-bipartisan-budget-deal>; Internet.

appreciate the hard work of Chairman Ryan and Chairman Murray, as it is currently written, we cannot support the Bipartisan Budget Act of 2013 due to the legislation's provision that disproportionately and unfairly targets those who have put their lives on the line to defend our country.”⁶⁰⁷ Soon thereafter, “Parades of senators and House members condemned [the contentious COLA reduction] and promised to fix it quickly in follow-up legislation.”⁶⁰⁸ Indeed, Ayotte, Graham, and Wicker effectively raised the issue visibility among their colleagues in Congress and portrayed themselves as patriotic and noble champions of military personnel and veterans’ policy.

As criticism continued to mount, even Senator Murray, one of the budget’s architects, distanced herself from the deal. Austin Wright of *Politico* notes, “Her unease about a key element of her own deal...comes amid a backlash from veterans groups and Senate defense hawks that has put her and her colleagues in a tough spot going into an election year.”⁶⁰⁹ Similarly, Senator Carl Levin of Michigan, then-chairman of the Senate Armed Services Committee, supported dismantling portions of the deal. Commenting before the SASC, Levin remarks, “I believe that the COLA reduction is wrong because it

⁶⁰⁷ Kelly Ayotte, Lindsey Graham, and Roger Wicker, “Dear Colleague,” *U.S. Senate*, 13 December 2013. Available from http://www.ayotte.senate.gov/?p=press_release&id=1201; Internet.

⁶⁰⁸ *Ibid.*, 8.

⁶⁰⁹ Austin Wright, “Patty Murray Backs Off Military Pension Cut,” *Politico*, 18 December 2013. Available from <http://www.politico.com/story/2013/12/patty-murray-military-pension-cut-101313.html>; Internet.

targets a single group, military retirees, to help address the budget problems of the federal government as a whole.”⁶¹⁰

In the face of such strong congressional opposition, a lonely Paul Ryan defended the deal in a *USA Today* op-ed. He writes:

The need for reform is undeniable. Since 2001, excluding the costs of the wars in Iraq and Afghanistan, the cost per service member in the active-duty force has risen by 41% in inflation-adjusted dollars...All this reform does is make a small adjustment for those younger retirees. If they retire before age 62, the annual increase in their retired pay will be 1% less than the inflation rate. In other words, their benefits will grow every year — just at a slower rate.⁶¹¹

Despite Ryan’s firm stance and assurances that retiree benefits would continue to grow even with the COLA provision, he could not quell the growing VSO storm to keep his sinking ship afloat.

In a letter to Senate Majority Leader Harry Reid of Nevada and Senate Minority Leader Mitch McConnell of Kentucky, The Military Coalition writes:

We wish to express our grave concern and strong objection to the proposal within the Act that specifically seeks to penalize current and future military members who have served our nation for over twenty years...[COLA reductions] will have a devastating financial impact for those who retire at the 20 year point...While portrayed as a minor change, [this] is a massive cut in military career benefits and an egregious breach of faith.⁶¹²

⁶¹⁰ *Bipartisan Budget Act of 2013: Hearings on H. J. Res. 59, Day 1, Before the Senate Armed Services Committee*, 113th Congress, 2 (2014) (statement of Chairman Carl Levin). Available from <http://www.armed-services.senate.gov/imo/media/doc/14-04%20-%201-28-14.pdf>; Internet.

⁶¹¹ Paul Ryan, “Retirement Pay Can’t Take Over the Defense Budget,” *USA Today*, 22 December 2013. Available from <http://www.usatoday.com/story/opinion/2013/12/22/veterans-retirement-paul-ryan-budget-deal-column/4164713/>; Internet.

⁶¹² The Military Coalition to Harry Reid and Mitch McConnell, 11 December 2013. Available from http://www.ayotte.senate.gov/files/documents/TMC_ltr_Bipartisan_Budget_Act__Senate_.pdf; Internet.

Raising similar points in an appearance on *PBS News Hour*, MOAA President and CEO Norbert Ryan contends that the adverse financial impact on military retirees amounts to breaking faith with troops and their families. Speaking to the surreptitious nature of the deal, he further states, “This one percent cut was made in a back room by people that I don’t think understood the impact that this would have on the All-Volunteer Force.”⁶¹³ Even Ryan takes issue with the secretive negotiation and deal making process.

For his part, Secretary of Defense Chuck Hagel defended the Ryan-Murray budget deal in the name of growing DOD personnel costs but argued that disabled retirees should be exempt from any COLA reductions.⁶¹⁴ By February 2014, Congress overwhelmingly repealed the COLA provision and restored military retired pay to the status quo. In an outpouring of support, the House and Senate overwhelmingly voted to restore the cost of living adjustments in full, 326-90 and 95-3, respectively.⁶¹⁵

Period of Subsystem Vulnerability

From the Ryan-Murray budget deal in late 2013 through the release of the MCRMC’s final report in early 2015, the military personnel policy subsystem has experienced an extended period of vulnerability. While the COLA reduction provision

⁶¹³ Norbert Ryan, “Benefit Battles,” *PBS News Hour*, 2 January 2014. Available from http://www.moaa.org/Main_Menu/Multimedia_and_Press_Room/Defending_Military_Compensation.html; Internet.

⁶¹⁴ Tom Philpott, “Hagel, Ryan Defend COLA Caps, Except for Disabled,” *Stars and Stripes*, 26 December 2013. Available from <http://www.stripes.com/news/us/hagel-ryan-defend-retiree-cola-caps-except-for-disabled-1.259339>; Internet.

⁶¹⁵ Patricia Kime, “Congress Repeals Caps on Military Retired Pay,” *Military Times*, 12 February 2014. Available from <http://archive.militarytimes.com/article/20140212/BENEFITS05/302120025/Congress-repeals-caps-military-retired-pay>; Internet.

survived just two months, this brief episode raised the issue visibility on military pension policy well beyond the policy subsystem. Further, the national controversy on military pensions led many policymakers to openly defer to the MCRMC as a way to deflect tough questions on comprehensive compensation reform. Indeed, the policy subsystem is in a moment of punctuation that has opened a window of opportunity for the MCRMC to usher in long term reform to military retirement policy. But a question remains: is the commission strong enough?

Prospects for Commission Success⁶¹⁶

Through this dissertation's 53 elite interviews and three case studies on successful blue ribbon defense commissions, several themes, lessons, and implications emerge for the 2015 MCRMC's prospects for success, including requirements for a strong and activist chairman, an inclusive information gathering process, and a coherent political strategy. First, the commission's chairman, Alphonso Maldon, will have to rise to the occasion and demonstrate strong leadership in the face of subsystem opposition. Second, the commissioners must highlight their exhaustive fact-finding efforts and sound analysis. Third, the commission's most prominent members should socialize the report's final recommendations among former colleagues and protégées to advocate change.

⁶¹⁶ This section is adapted from Brandon J. Archuleta, "What the Compensation Commission Must Do to Succeed," *Defense One*, 10 February 2015. Available from <http://www.defenseone.com/ideas/2015/02/what-military-compensation-commission-must-do-succeed/105057/?oref=d-river>; Internet.

Activist Chairman

President Obama requested, and Congress authorized, creation of the MCRMC through the 2013 National Defense Authorization Act.⁶¹⁷ House and Senate leaders were responsible for making eight of the nine commission appointments, including General (Ret.) Pete Chiarelli, ex-DOD Comptroller Dov Zakheim, and former U.S. Senator and Medal of Honor Recipient Bob Kerrey, among others (see Appendix 9 for the full list). Meanwhile, the White House appointed the commission's chairman, the Honorable Alphonso Maldon, Jr.

A retired Army officer, Maldon first worked as a legislative assistant and then the director of the White House Military Office in the Clinton administration. In 1994, he was embroiled in a highly publicized joy-ride on the president's helicopter, Marine One, for a round of golf in Maryland.⁶¹⁸ He ultimately recovered from this embarrassment and went on to serve as assistant secretary of defense for force management from 1999 to 2001. Since leaving government, Maldon has enjoyed a successful private sector consulting career and is a founding partner of the Washington Nationals baseball team.⁶¹⁹ Interestingly, few subsystem interviewees had ever heard of Maldon and even fewer had

⁶¹⁷ U.S. Congress, House, "National Defense Authorization Act of 2013," H.R. 4310, Public Law 112-239, 2 January 2013, 1787-1795. Available from http://www.mcrmc.gov/public/docs/statutory/PLAW-112publ239_1.pdf; Internet.

⁶¹⁸ Douglas Jehl, "White House Delays Rebuke in Copter Case," *The New York Times*, 17 July 1994. Available from <http://www.nytimes.com/1994/07/17/us/white-house-delays-rebuke-in-copter-case.html>; Internet.

⁶¹⁹ Alphonso Maldon, Jr., "Biography," *Military Compensation and Retirement Modernization Commission*, 4 February 2015. Available from <http://docs.house.gov/meetings/AS/AS00/20150204/102859/HHRG-114-AS00-Bio-MaldonA-20150204.pdf>; Internet.

ever met him. Of the handful of subsystem actors who did know him, all agreed Maldon did not have the stature, respect, or reputation within the defense community to effectively take on military compensation and retirement reform. With four secretaries of defense and six undersecretaries for personnel and readiness in as many years, Maldon's selection as chairman highlights the Obama administration's ongoing trend in questionable political appointments for defense positions. No doubt, this reality did not lend much credibility or legitimacy to the commission's initial efforts.

To his credit, Maldon exceeded many of the low expectations his detractors expressed with strong performances in congressional testimony before the armed services committees in 2015. First and foremost, Maldon should be commended for guiding the MCRMC to its 15 unanimous recommendations. Senator Claire McCaskell of Missouri acknowledged as much before the SASC, noting that achieving unanimity on divisive policy issues is no easy task in Washington.⁶²⁰ Additionally, with unanimous recommendations, the MCRMC avoided the internal dissent that plagued the ill-fated 1978 Zwick Commission. Second, testifying before the SASC in February 2015, Maldon managed to seamlessly delegate questions from the committee to the appropriate subject matter expert on the commission. Third, Maldon seems to understand his role as the commission's chief spokesperson as he appeared on *PBS News Hour* to discuss the

⁶²⁰ *Hearings on Findings of the Military Compensation and Retirement Modernization Commission, Day 1, Before the Senate Armed Services Committee*, 114th Congress (statement of Claire McCaskell). Available from <http://www.armed-services.senate.gov/hearings/15-02-03-findings-of-the-military-compensation-and-retirement-modernization-commission>; Internet.

commission's recommendations the day the MCRMC released its final report.⁶²¹ But strong commission chairmen know when to step back and allow others to lead. Maldon will have to rely on his more prominent colleagues to help quarterback the report's recommendations through to adoption. If he lets the other commissioner's fade away, Maldon is relegating the commission's report to the cluttered dust bin of defense history.

Emphasizing Information and Analysis

The MCRMC conducted arguably the most expansive, inclusive, and transparent information gathering process in defense commission history. First, the commission held 55 public hearings at military installations around the world. Second, the commission published an interim report in 2014 to establish the facts before releasing its final report.⁶²² Third, the commission hired an analytics firm, True Choice Solutions, Inc., to build a unique survey instrument to gauge compensation preferences among service members.⁶²³ While the survey was hardly perfect, it was far more comprehensive and nuanced than anything the Defense Manpower Data Center typically produces. Next, the commission conducted a random-sample survey of some 150,000 service members and retirees across the active, guard, and reserve components. This is important because VSOs often cite their own internal surveys using data riddled with self-selection bias as

⁶²¹ Alphonso Maldon, Jr., "Military Commission Lays Out Major Reforms for Soldiers' Pay and Benefits," *PBS New Hour*, 29 January 2015. Available from <http://www.pbs.org/newshour/bb/military-commission-lays-major-reforms-soldiers-pay-benefits/>; Internet.

⁶²² Alphonso Maldon, Jr., "Interim Report," *Military Compensation and Retirement Modernization Commission* (2014). Available from <http://mldc.whs.mil/public/docs/reports/MCRMC-Interim-Report-Final-HIRES-L.pdf>; Internet.

⁶²³ Alphonso Maldon, Jr., "Final Report," *Military Compensation and Retirement Modernization Commission* (2015), 209. Available from <http://mldc.whs.mil/public/docs/report/MCRMC-FinalReport-29JAN15-HI.pdf>; Internet.

respondents are often dues-paying retirees with a vested interest in retirement policy. Finally, the commission relied on the RAND Corporation's proprietary Dynamic Retention Model to match the military's current force profile with projected force profiles under the proposed system.⁶²⁴ When taken together, critics will have a difficult time arguing the commission did not do its due diligence during the information stage.

The challenge here will be convincing skeptical subsystem actors that the commission's information and analysis is sound. Generals and admirals, in particular, will be tough audiences as they rely on their years of experience around service members as anecdotes to draw conclusions about compensation and retirement policies. As a result, these senior military officers are often victims of their own experience. Moreover, anecdotes are not data. The commissioners must emphasize their exhaustive and inclusive information gathering process and rigorous policy analysis to overcome the naysayers.

The commissioners must also anticipate and address the subsystem's counterarguments to their final report and recommendations. This is where the 1948 Hook Commission failed. If the commissioners allow the subsystem to reframe their recommendations as cost prohibitive or detrimental to recruiting and retention, the commission's proposals will fail to gain traction. The MCRMC must maintain its issue definitions through a firestorm of subsystem criticism to help usher in successful policy change.

⁶²⁴ Ibid, 258.

Building a Political Strategy

Drawing lessons from the Hook, Gates, and Packard commissions and their respective political strategies, the MCRMC will have to rely on its most prominent commissioners to help champion recommendations through to policy adoption and implementation. Simply letting the report “speak for itself,” as it were, is a recipe for the status quo. In particular, the retired senior military officers on the commission will have to reach out to their old colleagues and protégés in the Pentagon. Next, the former members of Congress on the commission will have to help socialize its recommendations on Capitol Hill so current members can better weigh the political pros and cons of modernization. It is one thing to unanimously sign-on to the commission’s recommendations, it is an entirely different thing to personally pick up the phone or knock on the door to lobby old friends in Washington.

Naturally, military compensation today is not the national issue conscription was in the 1960s and 1970s. Consequently, this commission’s report did not receive the same public fanfare as the Gates report did. But policymakers are nonetheless paying attention. In a 30 March 2015 letter to the MCRMC, President Obama writes, “My Administration fully supports the underlying objectives of each of the Commission’s 15 recommendations...I directed my team to consider these recommendations and to work with the Commission to adopt or refine the specific proposals in as many instances as

possible.”⁶²⁵ Similarly, SASC Chairman Senator John McCain and Ranking Member Senator Jack Reed have both signaled serious interest in modernizing military compensation and retirement policies for the twenty-first century.⁶²⁶ Finally, JCS Chairman General Martin Dempsey has publicly expressed concern over growing personnel costs in the past and may be willing to endorse common sense reforms moving forward.⁶²⁷

As Chairman Dempsey is scheduled to retire in the fall of 2015, the commission is going to need senior DOD officials with the staying power to effect change, including especially the new secretary of defense, Ashton Carter, who will lead the Pentagon through the remainder of the Obama administration. Secretary Carter’s first major test on military pension policy came in January 2015 when the MCRMC released its final report to the public. Speaking to troops at Fort Drum, New York in March 2015, Secretary Carter expressed support for the commission’s blended, defined benefit, defined contribution retirement proposal.⁶²⁸

⁶²⁵ Barack Obama to Alphonso Maldon, Jr., *The White House*, 30 March 2015. Available from <https://www.whitehouse.gov/the-press-office/2015/03/30/letters-president-military-compensation-and-retirement-modernization-c-0>; Internet.

⁶²⁶ *Hearings on Findings of the Military Compensation and Retirement Modernization Commission*, (statements of John McCain and Jack Reed). Available from <http://www.armed-services.senate.gov/hearings/15-02-03-findings-of-the-military-compensation-and-retirement-modernization-commission>; Internet.

⁶²⁷ Julian E. Barnes, “U.S. Military Eyes Cuts to Pay, Benefits,” *Wall Street Journal*, 17 November 2013. Available from <http://www.wsj.com/articles/SB10001424052702303755504579204141223865178>; Internet.

⁶²⁸ Andrew Tilghman, “Carter backs retirement benefits for younger troops,” *Military Times*, 31 March 2015. Available from <http://www.militarytimes.com/story/military/benefits/retirement/2015/03/31/secdef-retirement/70709310/>; Internet.

To be clear, however, reform will not come without a subsystem-commission fight. For instance, VSOs immediately consolidated their efforts through their umbrella organization, The Military Coalition (TMC), upon release of the MCRMC's final report. While TMC supports many of the commission's 15 recommendations, its member VSOs remain skeptical on retirement reform, in particular. In a letter to Senate lawmakers, TMC writes, "We remain very concerned that the blended retirement system could have an unintended negative effect on the ability of the services to retain sufficient mid-level NCOs and officers to 20 years of service."⁶²⁹ As the HASC and SASC move through the legislative process, it remains to be seen whether TMC and its VSOs will mobilize en masse and "Storm the Hill" in an effort to refute the commission's work. Indeed, commissioners and policymakers still have much work ahead in order to overcome subsystem barriers and opposition. But with clear interinstitutional signals from policy elites in favor of reform circulating throughout the military personnel policy subsystem, the MCRMC's prospects for policy change are likely better than most defense insiders might have originally thought.

Practical Subsystem Recommendations

There are three problem areas that subsystem actors and institutions must address in order for the subsystem to adapt, stay relevant, and better incorporate policy conflict. First, frequent political appointee turnover is significantly hindering DOD's bureaucratic

⁶²⁹ The Military Coalition to John McCain, Jack Reed, Lindsey Graham, and Kirsten Gillibrand, 6 March 2015. Available from <http://ncoausa.org/wp-content/uploads/2015/03/The-Military-Coalition-MCRMC-Recommendations.pdf>; Internet.

capacity. Second, insular subsystem information processes prevent idea diffusion within and across institutions. Third, the subsystem cannot view retirement reform and personnel management as two separate and distinct issue areas. They are inextricably linked and ought to be treated as such.

Addressing Pentagon Turnover and Bureaucratic Capacity

The military personnel policy subsystem's most chronic problem throughout the Obama administration has been the lack of stable leadership in the Pentagon's Office of Personnel and Readiness. As such, Secretary Carter must work with the White House to quickly nominate a new undersecretary of defense for personnel and readiness. This individual will literally be the seventh confirmed, acting, or stand-in undersecretary for P&R since 2009. For the Pentagon's sake, he or she must earn a swift Senate confirmation and bring a sense of political acumen to the compensation and retirement modernization discussion.

The last two years of a presidential administration does not leave much time for a new political appointee to effect policy change. Therefore, the next undersecretary must bring a clear policy agenda to the Pentagon to maximize his or her time in office. For better or worse, the next undersecretary will become the Pentagon's voice for compensation and retirement reform and cannot afford to be perceived as a compromised Washington bureaucrat. With effective leadership and a clear policy agenda, this undersecretary will be in a position to significantly improve P&R's bureaucratic capacity and bring the Pentagon out of subsystem obscurity and back to the central policymaking

role it deserves. The following list outlines the top ten strategic challenges for the next undersecretary of defense for personnel and readiness to take on.

1. *Maintain the long-term viability of the All-Volunteer Force.* No matter what technological advances lay ahead, the American military's decisive advantage will always be its people. Consequently, U.S. national security depends on the military's ability to effectively recruit, retain, and separate service members into and out of the twenty-first century All-Volunteer Force. DOD must leverage a range of incentives from technical training and education to compensation and benefits to do so.
2. *Ensure the military services are trained and ready to confront the myriad of threats in today's complex security environment.* Budgetary tensions between the operations and maintenance, training and readiness, and personnel accounts highlight the increasing need to find greater balance in the Pentagon budget. No doubt, troops should be well compensated for their service and sacrifice. But the American people also owe it to their sons and daughters serving in harm's way to train and equip them for battle so that they never engage in a fair fight with the enemy.
3. *Implement the MCRMC's Recommendations for Policy Reform.* In January 2015, the MCRMC published its final report with 15 recommendations to modernize military compensation and retirement policies. This includes a blended, defined benefit, defined contribution retirement system granting retired pay equal to 40 percent of a service member's "high three" base pay average after 20 years of service, continuation pay after 12 years to encourage additional service, and early vesting in a 401(k)-like plan with matching government contributions up to five percent.⁶³⁰ The next undersecretary will have to be prepared to take on those VSOs, service chiefs, and members of Congress who refuse to consider even modest changes to military entitlements. The need for political acumen here will be paramount.

⁶³⁰ Maldon, "Final Report," 37-39.

4. *Keep faith with troops and their families.* Service members and their families expect the U.S. government and American people to live up to their commitments in terms of military compensation, benefits, and healthcare. As such, President Obama directed that current service members be grandfathered from any retirement changes. Even slight reductions in the rate of compensation growth will likely be met with vitriol and hostility by retirees and the prominent VSOs that represent them. This can lead to declining morale for troops and their families. P&R will have to play a central role in any efforts to curtail personnel costs and publicly get out front by framing any changes as necessary and beneficial to the twenty-first century All-Volunteer Force.

5. *Provide world class medical care for service members and their families.* A 2007 *Washington Post* article revealed systemic neglect in treatment and care for wounded service members and veterans at Walter Reed Medical Center, the Army's premier medical facility.⁶³¹ While Secretary of Defense Robert Gates moved quickly to correct these problems and hold people accountable for their failures, similar issues still plague military hospitals around the country. A series of *New York Times* articles in 2014 highlighted a continuing pattern of errors in medical treatment for service members and their families.⁶³² The next undersecretary will have to stay vigilant and ensure troops and families receive the care they deserve. CBO estimates the Pentagon spent \$50 billion on healthcare in 2012, 30 percent of which went to working age retirees. Further, CBO forecasts a 25 percent increase in DOD healthcare costs between 2013 and 2023.⁶³³ But Congress has resisted the Pentagon's attempts to

⁶³¹ Dana Priest and Anne Hull, "Soldiers Face Neglect, Frustration at Army's Top Medical Facility," *The Washington Post*, 18 February 2007. Available from <http://www.washingtonpost.com/wp-dyn/content/article/2007/02/17/AR2007021701172.html>; Internet.

⁶³² Sharon LaFraniere and Andrew W. Lehren, "In Military Care, a Pattern of Errors but Not Scrutiny," *The New York Times*, 28 June 2014. Available from http://www.nytimes.com/2014/06/29/us/in-military-care-a-pattern-of-errors-but-not-scrutiny.html?_r=0; Internet.

⁶³³ Douglas W. Elmendorf, "Options for Reducing the Deficit: 2014-2023," *Congressional Budget Office*, November 2013, 236. Available from <https://www.cbo.gov/sites/default/files/cbofiles/attachments/44715-OptionsForReducingDeficit-3.pdf>; Internet.

increase co-pays and fees for military families and retirees.⁶³⁴ Beyond ensuring proper medical care, the next undersecretary will have to diligently manage rising TRICARE costs so health care does not consume the personnel budget.

6. *Manage the size and structure of the military through the current defense drawdown.* The Army is experiencing the most acute personnel cuts across the uniformed services. At the height of the wars in Iraq and Afghanistan, the Army had some 590,000 soldiers on active duty. But with an ongoing separation and retirement board process, the Army is now on a glide path to drop below pre-WWII levels to between 440,000 and 450,000 troops by Fiscal Year 2017.⁶³⁵ Further, if Congress does not reverse sequestration or extend elements of the Ryan-Murray budget deal beyond Fiscal Year 2016, the Army could fall to as low as 420,000 soldiers by Fiscal Year 2019.⁶³⁶ Sizing the Army to meet future threats will be vital to national security.
7. *Control the growth in DOD Personnel Costs.* Beyond compensation and retirement reform, future defense budgets call for a one percent (rather than 1.8 percent) increase in military base pay and an annual one percent decrease in housing allowances for the next five years. The Joint Chiefs of Staff have called for even further reductions in compensation but meet continued congressional resistance to the proposal.⁶³⁷
8. *Foster productive relations across the Active, Guard, and Reserve components.* Army Chief of Staff General Raymond Odierno and President of the National Guard

⁶³⁴ Patricia Kime, "Proposed Tricare Fee Hikes Dead for Now," *Army Times*, 30 April 2014. Available from <http://archive.armytimes.com/article/20140430/BENEFITS06/304300068/Proposed-Tricare-fee-hikes-dead-now>; Internet.

⁶³⁵ Dave Phillips, "Army Cuts Hit Officers Hard, Especially Ones Up From Ranks," *The New York Times*, 12 November 2014. Available from <http://www.nytimes.com/2014/11/13/us/cuts-in-military-mean-job-losses-for-career-staff.html>; Internet.

⁶³⁶ Andrew Feickert, "Army Drawdown and Restructuring Background and Issues for Congress," *Congressional Research Service* (2014), 12. Available from <http://fas.org/sgp/crs/natsec/R42493.pdf>; Internet

⁶³⁷ Travis J. Tritten, "Over Strong Joint Chiefs Objections, House Moves to Preserve Military Pay, Benefits," *Stars and Stripes*, 6 May 2014. Available from <http://www.stripes.com/news/over-strong-joint-chiefs-objections-house-moves-to-preserve-military-pay-benefits-1.281766>; Internet.

Association Major General (Ret.) Gus Hargett sparred over public remarks Odierno made at the National Press Club in 2014.⁶³⁸ This episode proved only the beginning in an ongoing and divisive spat between the active and guard components over budgets, resources, and mission sets. P&R must privately arbitrate future disputes.

9. *Address sexual assault in the military.* Addressing military sexual assault has been a key issue for the Pentagon in recent years. Military and congressional leaders have worked to raise awareness of the issue and reduce incidents of sexual assault. But reports of military sexual assault increased by 50% in May 2014.⁶³⁹ Critics like Senator Kirsten Gillibrand see this increase as part of the Pentagon's perennial failure to address the cultural roots of the problem. But Pentagon leaders argue that victims are just now starting to feel comfortable reporting incidents of sexual assault. The 2015 NDAA included a legislative proposal by Senator Claire McCaskill to address sexual assault while allowing commanders to retain jurisdiction and decision making authority. If the Pentagon cannot point to substantive improvements in military sexual assault and justice, Senator Gillibrand and her allies have vowed to reintroduce the stalled Military Justice Improvement Act in future sessions of Congress.

10. *Collaborate with VA to assist veterans transitioning to civilian life.* As the military continues to reduce total end strength, ensuring a smooth transition to civilian life for separating service members will be an important component of P&R's work. In the wake of the 2014 VA scandal and Secretary Eric Shinseki's resignation, Congress increased VA funding by \$17 billion to overhaul the VA healthcare system.⁶⁴⁰

⁶³⁸ Paul McLeary, "Trouble Brewing Between U.S. Army's Active Duty and Guard Forces," *Defense News*, 13 June 2014. Available from <http://www.defensenews.com/article/20140113/DEFREG02/301130024/Trouble-Brewing-Between-US-Army-s-Active-Duty-Guard-Forces>; Internet.

⁶³⁹ Helene Cooper, "Pentagon Study Finds 50% Increase in Reports of Military Sexual Assaults," *The New York Times*, 1 May 2014. Available from <http://www.nytimes.com/2014/05/02/us/military-sex-assault-report.html>; Internet.

⁶⁴⁰ Theodore Schleifer and Richard A. Oppel, Jr., "Deal Allots \$17 Billion for Overhaul of V.A. Health Care System," *The New York Times*, 28 July 2014. Available from http://www.nytimes.com/2014/07/29/us/deal-reached-in-congress-on-va-funding.html?_r=0; Internet.

Further, President Obama nominated, and the Senate confirmed, former Proctor and Gamble chief executive Bob McDonald as the next VA Secretary soon thereafter. P&R will have to continue working with VA to find ways to streamline the transition for veterans from DOD to VA care.

Opening the Subsystem's Insular Information Processes

The subsystem's insular and closed information processes have contributed to the military personnel policy subsystem's information undersupply and subsequent autonomy. Without new ideas and meaningful policy conflict, the subsystem will certainly continue to monopolize and perpetuate the military's pension policy status quo. While blue ribbon defense commissions like the 2015 MCRMC are in the best position to create subsystem conflict and threaten policy jurisdictions, these institutional venues for policy change typically only occur once in a generation. Consequently, the subsystem will have to find more reliable ways to incorporate new ideas, information, and analysis to generate meaningful policy conflict on a regular basis. Here I offer five ideas for subsystem institutions to consider as a means to better incorporate policy conflict into the subsystem's information processes.

First, the HASC and SASC subcommittees on military personnel should host annual field hearings at military installations around the country. Subcommittee field hearings will give members of Congress an opportunity to leave Capitol Hill's well-scripted hearing venues behind and hear concerns directly from various groups within the military – junior officers, senior non-commissioned officers, spouses and partners, and

DOD civilians, among others. By allowing these groups to have some input into the subsystem's policymaking process, the two subcommittees will see beyond the Pentagon's carefully managed issue definitions and policy images to understand how personnel, compensation, retirement, and health care policies affect real people. What is more, by incorporating information and ideas from field hearings, Congress can provide more thorough oversight and hold the Pentagon accountable for its personnel policies and ensure the bureaucracy is moving away from its industrial era practices and towards a twenty-first century All-Volunteer Force.

Second, the service secretaries should formally establish Service Member Advisory Councils to give the voiceless target population some input into the personnel policies driving their careers. The service secretaries already travel to bases around the world to hear from service members. But these visits are typically well-managed and carefully staged so that installation leaders are not surprised by any input or feedback the troops provide. So while the secretaries think they are taking the force's pulse, as it were, they are really receiving a filtered Pentagon message. What is more, service members selected to meet and speak with a service secretary are all too aware that controversial views or provocative statements may get back to the chain of command and lead to reprimand or reprisal. Thus, creating an advisory council and institutionalizing policy feedback through repeated interactions with the same group service members will give service secretaries a better sense of the ground truth within an across the force. As

serving on an advisory council will necessitate candor, advisors will be able to speak freely without fear of reprisal.

Third, Secretary of Defense Carter should relax Pentagon requirements for Non-Disclosure Agreements (NDAs) regarding unclassified DOD policy proposals. These NDAs stifle subsystem information exchange and marginalize the Pentagon, particularly the Office of Personnel and Readiness, from the subsystem's policymaking process, thus ceding power to the congressional subcommittees on military personnel and influence to prominent VSOs. By allowing Pentagon officials to socialize potential policy proposals with subsystem actors and institutions earlier in the policymaking process, DOD will be able to incorporate disparate ideas and create more adaptable personnel policies over the long term.

Fourth, prominent VSOs should expand their policy advocacy beyond retiree issues. While influential VSOs like MOAA claim to represent all service members, they clearly do not. With so much institutional knowledge and policy experience, VSOs can help the Pentagon and Congress establish adaptable policies for the twenty-first century All-Volunteer Force. But for too long, these VSOs have been stuck in the past. By expanding their policy portfolios to address issues that concern the non-career force – career transitions, separation pay, VA benefits, etc. – these prominent VSOs will grow their constituencies and become even more important players in the subsystem's policymaking process.

Finally, national media outlets like *The New York Times* should formally establish a defense policy column to bring greater attention to otherwise overlooked Pentagon issues. The defense media will no doubt continue their in-depth coverage of DOD issues for interested and savvy subsystem audiences. But by hiring a defense columnist and giving him or her latitude to write on any number of Pentagon issues, these major media outlets can raise the subsystem's issue visibility for a national audience. Walter Pincus' long-running national security column in *The Washington Post* has already proven this can be a successful model for a national newspaper to follow. In sum, these five ideas can open up the subsystem's insular information processes to better incorporate meaningful policy conflict in the pursuit of establishing adaptable personnel policies in the future.

Personnel Management for the Twenty-First Century

Several interview respondents expressed serious concerns about the prospects for compensation and retirement reform without corresponding changes to personnel management (see Appendix 8). Indeed, retirement policy and personnel management are inextricably linked. To tinker with one, but not the other, puts the long term viability of the All-Volunteer Force in jeopardy. Moving forward, retirement benefits must be far more flexible for the twenty-first century All-Volunteer Force than they have been. Moreover, these retirement policies must be tied to a personnel management system that allows service members more flexibility in their career paths to facilitate both

professional development and personal growth. Economist Tim Kane has already offered several tremendous ideas in his recent research on the “Total Volunteer Force.”⁶⁴¹

Speaking before the United States Corps of Cadets on his final official visit to West Point, Secretary of Defense Robert Gates pondered, “How can the Army break-up the institutional concrete, its bureaucratic rigidity in its assignments and promotion processes, in order to retain, challenge, and inspire its best, brightest, and most-battled tested young officers to lead the service in the future?”⁶⁴² Defense policymakers must understand and appreciate that the military is in the midst of retaining millennials and recruiting netizens – two generations of young people willing to eschew the trappings of traditional, twentieth century industrial careers. Consequently, personnel management policies for the twenty-first century All-Volunteer Force should include career management through professional networking, flexible opportunities for professional development, and voluntary stabilization assignments. To his credit, Secretary of Defense Ashton Carter recently acknowledged that retaining talent for the twenty-first century through flexible personnel management is among the Pentagon’s top priorities.⁶⁴³

Research on ex-service members from the *Harvard Kennedy School* highlights dissatisfaction with the military’s lockstep career paths, particularly, “Frustration with a

⁶⁴¹ See Tim Kane, *Bleeding Talent: How the U.S. Military Mismanages Great Leaders and Why It’s Time for a Revolution* (New York: Palgrave Macmillan, 2012).

⁶⁴² Robert M. Gates, “Secretary of Defense Speech: United States Military Academy (West Point, NY),” *U.S. Department of Defense*, 25 February 2011. Available from <http://www.defense.gov/speeches/speech.aspx?speechid=1539>; Internet.

⁶⁴³ Ashton B. Carter, “Remarks on Future of the Force,” *U.S. Department of Defense*, 30 March 2015. Available from <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=1927>; Internet.

one-size-fits-all system...with emphasis on bureaucratic personnel processes.”⁶⁴⁴ Indeed, a military career ladder with several professional gates on a rigid timeline for promotion does not necessarily meet millennial expectations for professional success. The military must find ways to “match individual officer talents against requirements”⁶⁴⁵ through effective career management by allowing officers to pursue positions that satisfy personal preferences and meet professional requirements. No future promise for deferred compensation will make up for a service member’s career dissatisfaction.

Graduate education and broadening assignments play an important role in an officer’s development and the right opportunity at the right time can be enough to retain the military’s best. For instance, the Army recently consolidated its many competitive fellowships and scholarships into the Broadening Opportunity Program to allow officers to submit just one application for consideration by several programs.⁶⁴⁶ This gives the Army an opportunity to select the best-fit applicants for each. These opportunities typically include graduate education at a top university followed by a related utilization assignment to benefit DOD in some capacity.

Despite the new system, the Army cannot select every qualified officer for such a competitive program, especially considering future budget constraints that will make paying for professional development opportunities and retention programs more difficult.

⁶⁴⁴ Sayce Falk and Sasha Rogers, “Junior Military Officer Retention: Challenges & Opportunities,” *Harvard Kennedy School* (2011), 3.

⁶⁴⁵ Casey Wardynski, David S. Lyle, and Michael J. Colarusso, “Towards a U.S. Army Officer Corps Strategy for Success: Retaining Talent,” *Strategic Studies Institute* (2010), 14.

⁶⁴⁶ C. Todd Lopez, “No Excuses Now for Officers not to Apply for Fellowships, Scholarships,” *Army News Service*, 13 December 2011. Available from <http://www.army.mil/article/70802/>; Internet.

As such, the Army must continue looking for innovative ways to retain millennials by ensuring their professional and intellectual development. For instance, Army policymakers should consider Post-9/11 GI Bill education sabbaticals as an option. Such a program would allow millennials to use their GI Bill benefits in a 12 to 24 month education sabbatical at a reduced obligation of two days of service for every one day of school. Though these officers would still receive their salaries and benefits, the Army could justify a shorter service obligation because it would not be funding tuition. Under this plan, officers who spend two academic years in school (approximately 21 months) would owe three and one half years of service back to the Army, enough time for a complete operational or utilization assignment. This is value added to the institution. Of course, officers would have to gain acceptance to an appropriate program of study and prove their benefits cover tuition. But the need to retain and develop talented millennials – a generation that values individual growth and flexibility – makes this worth further exploration.

Assignment stability for the twenty-first century All-Volunteer Force will be increasingly important for military spouses and partners who wish to pursue careers of their own. A 2010 *RAND* study observes that military wives are more likely to be “Not in the Labor Force” than their civilian counterparts with similar characteristics.⁶⁴⁷ Additionally, “military spouses have a tendency to be underemployed” as a result of an

⁶⁴⁷ Nelson Lim and David Shulker, “Measuring Underemployment among Military Spouses,” *RAND Corporation* (2010), 42. Available from www.rand.org/content/dam/rand/pubs/.../RAND_MG918.sum.pdf; Internet.

educational mismatch in which well-educated spouses take jobs they are over-qualified for.⁶⁴⁸ Frequent moves, household responsibilities, and partner pay-grade all factor into this reality.⁶⁴⁹ Moreover, the study states, “[A] persistent lack of employment opportunity affects a spouse’s quality of life, and perennial dissatisfaction with life could affect retention.”⁶⁵⁰ Finally, nearly 60 percent of military spouses believe they influence their husband’s decision to stay in the service to a “large” or “very large” extent.⁶⁵¹

The Army should use the promise of voluntary stabilization as another means to retain millennial officers and their families. Allowing officers to stay on an installation up to five years, or return after extended military schooling, will allow spouses and partners to build careers of their own and contribute to household income. The Air Force has already instituted something similar. The Voluntary Stabilized Base Assignment Program “provides enlisted Airmen a stabilized tour [of four to five years] in exchange for volunteering for an assignment to a historically hard to fill location.”⁶⁵² Millennials will have to seriously consider whether the Army is the best place to raise their families and spend their formative working years. As such, a voluntary stabilization program for officers would enhance family stability by allowing children to remain in school, partners to pursue careers, and couples to stay in their homes. However, voluntary stabilization

⁶⁴⁸ Ibid, 46.

⁶⁴⁹ Ibid, 2.

⁶⁵⁰ Ibid, 5.

⁶⁵¹ Ibid.

⁶⁵² Secretary of the Air Force, *Air Force Instruction 36-2110* (Washington, DC: Department of the Air Force, 2009), 113. Available from http://static.e-publishing.af.mil/production/1/afdw/publication/afi36-2110_afdwsup_i/afi36-2110_afdwsup_i.pdf; Internet.

cannot be limited to just families. Single officers should have this opportunity as well. Though not easy to implement, the military ought to consider voluntary stabilization in order to retain talented millennials who might otherwise seek the stability of civilian life.

Summary

The 2013 Ryan-Murray budget deal opened up a window of opportunity for policy change that the 2015 MCRMC can exploit with an activist and energetic chairman, inclusive information gathering process, and coherent political strategy. Beyond the commission as an institutional venue for policy change, a new undersecretary of defense for personnel and readiness must bring with him stable leadership and a clear policy agenda to improve the Pentagon's bureaucratic capacity within the military personnel policy subsystem. Next, the subsystem's various institutions should open up their insular information processes by holding subcommittee field hearings, creating Service Member Advisory Councils, limiting use of Non-Disclosure Agreements, expanding VSO policy portfolios, and establishing defense policy columns at national newspapers, respectively. This will help the subsystem incorporate meaningful policy conflict into its policymaking processes. Finally, the subsystem must protect the long term viability of the All-Volunteer Force by complementing any changes in military compensation and retirement policy with corresponding changes to the military's anachronistic, industrial era personnel management system. The twenty-first century All-Volunteer Force will require these changes to effectively recruit and retain the next generation of service members.

Chapter 10: Conclusion

This dissertation has sought to explain the policymaking processes that have perpetuated the military pension policy status quo for nearly 70 years. Since the end of World War II, defense scholars, analysts, and policymakers alike have all proposed various economic models to dramatically revise and reform the archaic and antiquated military retirement system, to no avail. I argue that the reason for this pension policy stasis stems from the autonomous military personnel policy subsystem's information processes. This insular and closed policy subsystem lacks institutional memory, prevents information diffusion across institutions, dismisses new ideas, and stifles policy innovation. As a result, subsystem actors are left to search for and prioritize interinstitutional signals from across the subsystem to determine acceptable personnel and compensation policies. Moreover, frequent personnel turnover erodes bureaucratic and legislative capacity within the subsystem. The consequence is a subsystem that monopolizes and maintains military retirement policy with an air-tight grip.

Theoretical Conclusions

This dissertation offers a renewed theory of autonomous policy subsystems to reenergize the subsystems literature after two decades of dormancy by: 1) tracing the political development of military pension policy over the course of American history through a subsystems lens; 2) "getting inside" the contemporary policymaking process to understand the information processes that perpetuate subsystem autonomy; and 3)

examining cases in which blue ribbon defense commissions served as institutional venues for policy change by breaking down policy monopolies with information oversupply.

First, a powerful veterans' policy subsystem, predecessor to the contemporary military personnel policy subsystem, emerged in the wake of the Civil War as military pensions were commonplace throughout the United States. Congressional pension committees approved national and individual pension bills with ease, powerful interest groups lobbied for government largess, a partisan Pension Bureau doled out pensions to curry favor with voters, pension attorneys and claim agents assisted clamoring veterans apply for eligibility, U.S. presidents championed and blocked pension measures at various points, and the national media and concerned citizens paid close attention as the process unfolded.

Second, the veterans' policy subsystem evolved by way of interest group life cycles and bureaucratic consolidation following World War I during the interwar period. Organizations like the Grand Army of the Republic faded away as a new generation of Great War veterans returned home to fight their own pension battles with help from new groups like the American Legion and Veterans of Foreign Wars. Knowing the decades of corruption in the Pension Bureau, congressional lawmakers charged a new bureaucracy, the Veterans' Bureau, with managing veterans' pension, health, disability, and social welfare programs in the years after World War I. Less than a decade later, President

Hoover consolidated all veterans' programs under the new Veterans' Administration during the Great Depression. The VA exists to this day.

Third, legislative reorganization across Congress and the American national security apparatus effectively split veterans' and military personnel policy into two distinct and separate subsystems in the aftermath of World War II. This transformation helped spur subsystem autonomy by minimizing the scope of policy conflict vis-à-vis military personnel policy. Over the seven decades since, the autonomous military personnel policy subsystem saw only one genuine, albeit fleeting, threat to its policy supremacy in the failed Military Retirement Reform Act of 1986, or Retirement REDUX.

The subsystem development of military pension policy places the current military personnel policy subsystem in a greater historical context to better understand its autonomous policymaking processes. This dissertation argues that an autonomous policy subsystem is characterized by insular, expert-based channels of information, specialized media attention, parochial interest groups, a politically inactive – yet advantaged – target population, and an inherent lack of policy conflict. As such, I conclude that it is the insular and closed nature of the autonomous military personnel policy subsystem that has perpetuated the pension policy status quo for nearly 70 years.

By exploring the subsystem's information processes to better understand its autonomy, I make five key findings. First, frequent personnel turnover in DOD's Office of Personnel and Readiness and on the HASC and SASC military personnel

subcommittees degrades the subsystem's institutional memory. Further, subsystem actors, especially senior military officials, are often unwilling to challenge the subsystem's assumptions because they are simply too unfamiliar with the policy jurisdiction. Second, limited analytical capacity and hierarchical bureaucratic stove pipes make the Pentagon unresponsive to requests for information from other subsystem actors and institutions. The consequence is chronic subsystem information undersupply.

Third, there is a distinction between power and influence within the subsystem as Congress retains the power and prominent VSOs wield the influence. This leads to the provocative revelation that the Pentagon's Office of P&R is essentially "missing in action" and has marginalized itself in the subsystem's policymaking processes. As such, P&R enjoys neither power nor influence. Fourth, subsystem actors deal with information undersupply by searching for and prioritizing interinstitutional signals from the subsystem's policymaking environment. These signals stem from sources like the Joint Chiefs of Staff, the president's annual budget, congressional hearings, VSOs mobilization efforts, political appointments, reports, articles, and op-eds, and private discussions. Finally, the usually unresponsive military personnel policy subsystem is actually quite responsive to demands for change from the policymaking environment when the issues in question are matters of military social policy rather than military compensation policy. In short, subsystem issue type matters when gauging the potential for policy change.

Beyond exogenous shocks, focusing events, and policy tragedies, three blue ribbon defense commissions – all with a prominent chairperson at the helm, inclusive information gathering process, and coherent political strategy – have successfully brought about non-incremental policy change by flooding the subsystem with new information, ideas, facts, and analysis to overcome the comfortable status quo. First, the 1948 Hook Commission recommended significant changes to military compensation policy that Congress adopted through the 1949 Career Compensation Act. Second, the 1970 Gates Commission ushered in the end of conscription and the beginning of the All-Volunteer Force. Soon thereafter, Congress authorized, and President Nixon signed, a short extension of the draft to facilitate the 1973 transition to an All-Volunteer Force. Third, the 1986 Packard Commission made several recommendations to reorganize the American national security structure and revise officer career timelines to encourage joint qualification and experience across the military services. The Packard Commission's work complemented a parallel congressional effort to pass the 1986 Goldwater-Nichols Department of Defense Reorganization Act of 1986.

The 2013 Ryan-Murray budget deal opened a window of opportunity for policy change that the 2015 Military Compensation and Retirement Modernization Commission may be in a position to exploit. But beyond blue ribbon defense commissions, the autonomous military personnel policy subsystem must find ways to open up its insular information process and incorporate meaningful policy conflict. The twenty-first century All-Volunteer Force will require more adaptable personnel policies moving forward.

Future Research Agendas

Like most scholarly works, this dissertation raises additional questions and potential methods for future research agendas. First, as the late Paul Sabatier might beg of a budding policy scholar, is this dissertation's theory broad and generalizable in scope? Policy scholars looking to apply the renewed theory of autonomous policy subsystems and replicate my findings should take to the field and test this dissertation's five hypotheses in a different subsystem. By interviewing policy elites in a separate and distinct autonomous policy subsystem, future policy scholars will contribute to a growing body of qualitative work on the policymaking process.

One such area worthy of examination is the housing policy subsystem. Modern housing policies have a rich history, dating back to the Great Depression and President Roosevelt's New Deal. With bureaucracies like the Office of Housing in the U.S. Department of Housing and Urban Development and the Federal Housing Administration, congressional subcommittees on Housing, Transportation, and Urban Affairs in the House and Senate, public-private partnerships like Fannie Mae and Freddie Mac, interests groups like the National Home Owner's Association, and a politically disparate – yet advantaged – target population in American homeowners, the housing policy subsystem offers fertile ground to continue exploring information processing, subsystem conflict, and policy change and stasis. Research of this sort would make an important contribution to the subsystems literature by confirming or refuting this dissertation's findings.

I have gone to great lengths to describe and draw conclusions about the subsystem information processes that have perpetuated the pension policy status quo for nearly 70 years. But a second question this dissertation raises deals with the magnitude, direction, and receipt of interinstitutional signals between elites in an autonomous policy subsystem. Policy scholars interested in subsystem information processing should look for innovative ways to measure and quantify these interinstitutional signals and information flows. Like the Policy Agendas Project and issue attention, an increase in subsystem elite signaling may also foreshadow pending policy changes in an effort to fend off jurisdictional threats from the external policy environment. Work of this sort will strengthen the quantitative body of knowledge in the subsystems literature.

Final Thoughts

This dissertation has applied a subsystem lens to better understand military pensions and the policymaking process, past and present. But the pension policy story is by no means complete. As long as the U.S. military aims to attract top talent, policymakers will require some form of retirement benefit to recruit, retain, separate, and reward volunteers for their service. But after more than a decade at war, this generation of soldiers, sailors, airmen, and marines cannot be passive bystanders in the military's personnel policymaking process. Only by speaking up, overcoming institutional barriers, and offering provocative ideas can service members break down the autonomous policy subsystem and catalyze policy change. The time has come for defense policymakers to adapt and reform the military's archaic personnel policies for the twenty-first century.

Appendices

Appendix 1: Military Personnel Policy Subsystem Players

Armed Services Subcommittees for Military Personnel	
<p>U.S. House of Representatives</p> <ul style="list-style-type: none"> • Joseph J. Heck, R-NV, <i>Chairman</i> • Walter B. Jones, R-NC • John Kline, R-MN • Mike Coffman, R-CO • Tom MacArthur, R-NJ • Elise Stefanik, R-NY • Paul Cook, R-CA • Steve Knight, R-CA <ul style="list-style-type: none"> • Susan Davis, D-CA, <i>Ranking Member</i> • Robert A. Brady, D-PA • Niki Tsongas, D-MA • Jackie Speier, D-CA • Timothy Walz, D-MN • Beto O'Rourke, D-TX 	<p>U.S. Senate</p> <ul style="list-style-type: none"> • Lindsey Graham, R-SC, <i>Chairman</i> • Roger Wicker, R-MS • Tom Cotton, R-AK • Thom Tillis, R-NC • Dan Sullivan, R-AK <ul style="list-style-type: none"> • Kirsten Gillibrand, D-NY, <i>Ranking Member</i> • Claire McCaskill, D-MO • Richard Blumenthal, D-CT • Angus King, I-ME

Figure 1: Congressional Subcommittees for Military Personnel (May 2015).

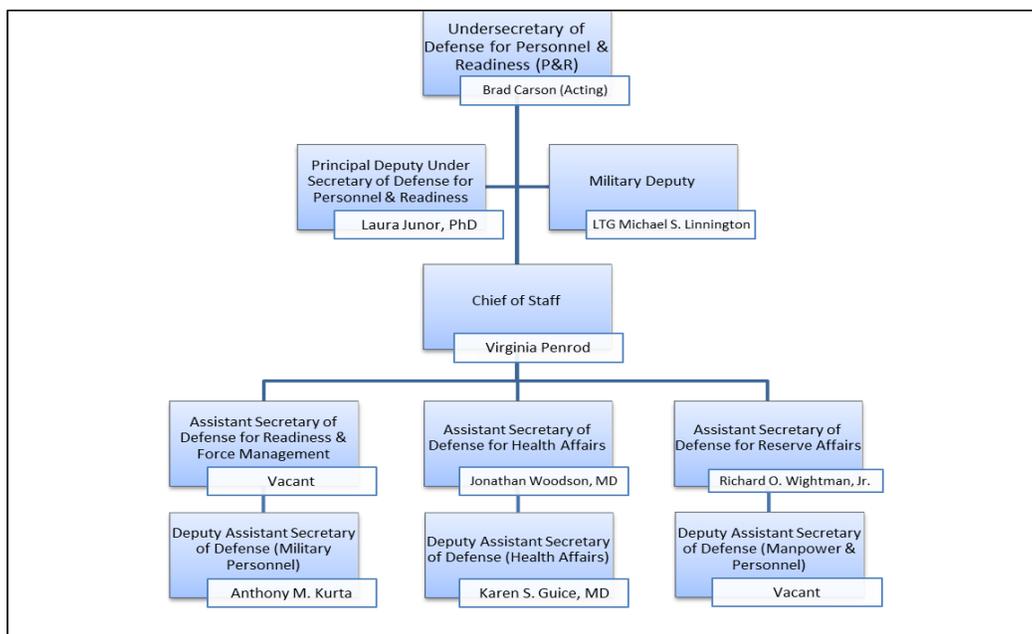


Figure 2: Office of the Under Secretary of Defense for Personnel & Readiness (May 2015).

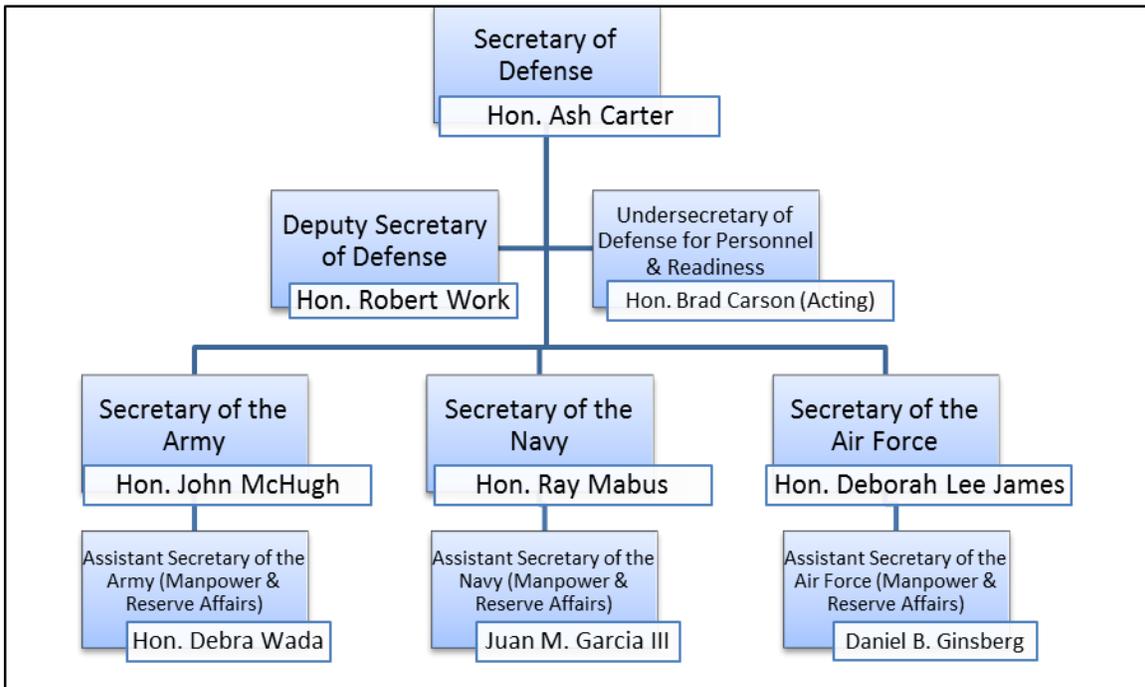


Figure 3: Service Secretaries & Assistant Secretaries for Manpower & Reserve Affairs (May 2015).

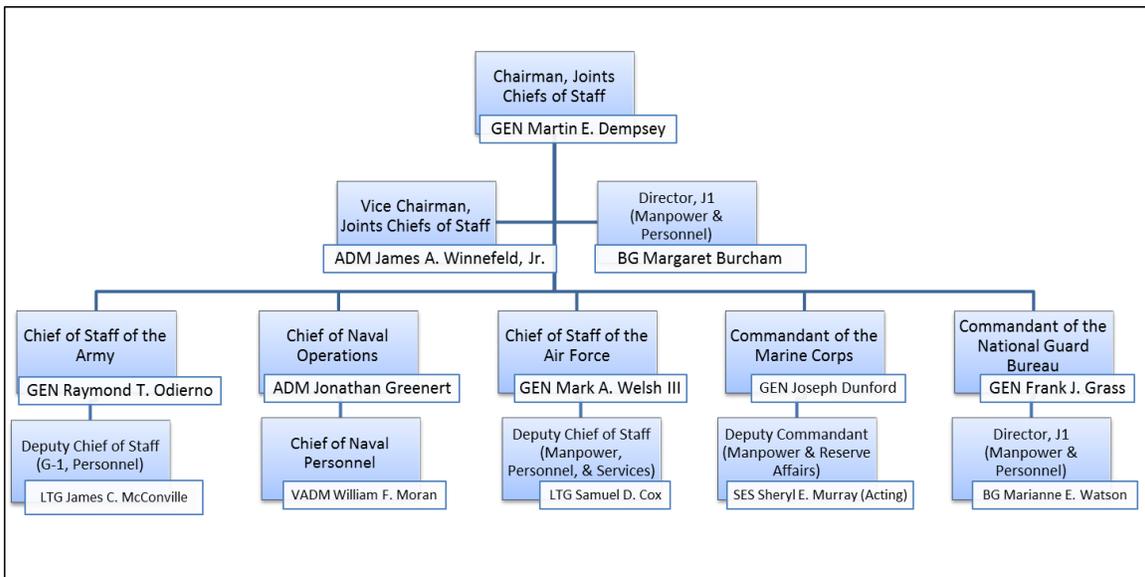


Figure 4: Joint Chiefs of Staff and Service Deputies for Manpower & Personnel (May 2015).

Veterans Service Organizations
• American Legion
• Concerned Veterans of America (CVA)
• Fleet Reserve Association (FRA)
• Iraq & Afghanistan Veterans of America (IAVA)
• Military Officers Association of America (MOAA)
• Reserve Officers Association (ROA)
• The Military Coalition (TMC)
• Veterans of Foreign Wars (VFW)

Figure 5: Sample of prominent Veterans Service Organizations.

National Media Outlets	Defense Media Outlets	Defense Blogs / Websites
• <i>The New York Times</i>	• <i>Stars and Stripes</i>	• <i>Defense News</i>
• <i>The Washington Post</i>	• <i>Military Times</i>	• <i>Defense One</i>
• <i>The Wall Street Journal</i>	• <i>Army Times</i>	• <i>Breaking Defense</i>
• <i>USA Today</i>	• <i>Navy Times</i>	• <i>Real Clear Defense</i>
• <i>Time Magazine</i>	• <i>Marine Corps Times</i>	• <i>The Best Defense</i>
		• <i>War on the Rocks</i>

Figure 6: Sample of influential defense media outlets.

Think Tanks / Research Institutes
• American Enterprise Institute (AEI)
• Center for American Progress (CAP)
• Center for a New American Security (CNAS)
• Center for Strategic & Budgetary Analysis (CSBA)
• Center for Strategic & International Studies (CSIS)
• Hoover Institute, Stanford University
• Hudson Institute
• Office of Economic & Manpower Analysis (OEMA), USMA
• Security Studies Program (SSP), MIT
• Strategic Studies Institute (SSI), Army War College
Federally Funded Research & Development Corporations (FFRDCs)
• RAND Corporation
• Institute for Defense Analysis (IDA)
• Center for Naval Analysis (CNA) Corporation

Figure 7: Sample of influential Think Tanks / Research Institutes / FFRDCs.

**Appendix 2: Information Processing within the Military Personnel Policy
Subsystem Interview Questions (Ch. 7)**

1. What are the most effective and constructive venues to share information on military retirement policy with other institutions/organizations/actors (Congress, DOD, MOAA/Fleet Reserve, media, think tanks, etc.)? Why?
 - a. Formal briefings
 - b. Informal meetings
 - c. Personal/Confidential conversations/correspondence
 - d. Congressional Committee/Subcommittee Hearings

2. What are the most effective and constructive tools to share information on military retirement policy with other institutions/organizations/actors (Congress, DOD, MOAA/Fleet Reserve, media, think tanks, etc.)? Why?
 - a. Think Tank Report
 - b. Government Report
 - c. Hearing testimony
 - d. Hearing question and answer periods

3. What/who is the most *powerful* institution/actor with regard to military retirement policy?
 - a. Service Chiefs
 - b. Service Members
 - c. HASC/SASC Subcommittees for Military Personnel
 - d. Military Interest Groups / Veterans Organizations
 - e. Media
 - f. Think Tanks / Policy Scholars

4. What/who is the most *influential* institution/actor with regard to military retirement policy?
 - a. Service Chiefs
 - b. Service Members
 - c. HASC/SASC Subcommittees for Military Personnel
 - d. Military Interest Groups / Veterans Organizations
 - e. Media
 - f. Think Tanks / Policy Scholars

5. In terms of political and institutional memory, are any of the following twentieth century laws still relevant to the twenty-first century policymaking process? Why or why not?
 - a. Officer Personnel Act of 1947
 - b. Defense Officer Personnel Management Act of 1980
 - c. Retirement Redux of 1986
 - d. Redux Repeal of 1999
6. How do these various institutions/actors signal their policy preferences on military retirement?
7. In your experience, have you seen new information influence (affirm or change) the policy position of an institution/organization/actor on military retirement?
8. How can institutions/actors better leverage information to signal their policy preference and effect policy change or stasis?
9. Is interinstitutional information processing timely and helpful? If so, why? If not, why not?
10. Please describe the policymaking process as you experience it.
11. What expectations, if any, do you have for the newly formed *Military Compensation and Retirement Modernization Commission*? How should the commissioners gather their information and who should they hear from?
12. What would be the most helpful and/or harmful 2nd and 3rd order effects of military retirement policy change? Why? Have you shared this view with Congress/DOD/Interest Groups/defense media/think tanks, etc.?
13. How do matters of military compensation, retirement, and healthcare policy differ from other personnel policy areas like suicide prevention, “don’t ask, don’t tell,” women in combat, and sexual assault?

Appendix 3: Interview Responses Coded By Hypothesis (Ch. 7)

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
Bureaucrat 1	<p>Non-disclosure agreements can facilitate work on sensitive information but w/o consultation of other groups and no outside engagement.</p> <p>Reserve Policy Board used to stove pipe information to DOD.</p> <p>Non-disclosure agreements preventing information processing for close-hold topics.</p>	<p>Some people are well versed in these issues but most only loosely familiar.</p>	<p>Service Chiefs still very powerful and Congress may go the other direction despite opposition.</p> <p>Diversity of players in Reserve Affairs with all different perspectives.</p> <p>NG component privy to additional access and can use back channel political means to get their way.</p>	<p>Anticipate several documents like the President's budget to signal what we're doing and what we care about.</p> <p>Passover for promotion sends a signal to Service Members they are no longer required.</p>	<p>End of DADT is an incredible success story for this Administration.</p> <p>DOD went about DADT repeal in a methodical ad deft way. Night and day compared to the Clinton-era DADT debate.</p> <p>Interinstitutional pressure from outside DOD to address sexual assault.</p> <p>Army believes it's addressed the issue by Congress does not.</p>
Bureaucrat 2		<p>Historical considerations discussed / mentioned but never weighed heavily on DA / OSD working groups</p>			
Bureaucrat 3		<p>Staff understands acronyms and familiar with culture and ethos.</p> <p>Only memory w/ gray haired guys like me.</p> <p>Institutional memory so important w/ DOD Civilians and SES.</p> <p>Same good idea fairies with every new cohort.</p> <p>Temporal nature of the process.</p>		<p>General officers must understand how to make their case for more resources.</p> <p>The Army is the worst at this as their leaders don't understand this at all.</p> <p>Must prepare GOs for their roles as Senior Leaders and resource providers.</p> <p>Interacting w/ CODELs to make case so they are more willing to give resources.</p>	<p>Level of emotion w/ non-pay issues (sexual assault, suicide, etc.)</p> <p>American feels these issues because they affect them too (sexual assault, LGBT issues, suicides, etc.)</p>

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
Bureaucrat 4	Congress doesn't like to be kept in the dark.	Not at my level.		Funnel questions to Members for them to ask and allow DOD put information into the public record.	
Bureaucrat 5	<p>We won't carry anything to the Hill voluntarily.</p> <p>Only if a committee or Members specifically asks the department.</p> <p>Vetted for specific policies.</p> <p>I don't know we can do any better.</p> <p>Work problems in a non-public way.</p> <p>Submit working draft of legislation and it goes public.</p> <p>DOD has responsibility to work w/in Administration / OMB before Capitol Hill.</p> <p>DOD is not an independent agent. We work w/in the administration.</p>	<p>Experienced subcommittee personnel have a reputation for bipartisanship.</p> <p>People w/ specific jobs and relevant charters may have institutional memory. Others would have blank stares</p> <p>The people who need to know, know it, and know it well.</p> <p>Role of professional staffers changed w/ departing Members.</p>	When I think of personnel [policy], I don't even think of Senator Gillibrand.	Frowned upon but we work back channels to Capitol Hills.	<p>When I think of personnel [policy], I don't even think of Senator Gillibrand.</p> <p>Task forces w/ collaborative efforts on major social matters.</p> <p>At my level, a leader does compensation and social policy.</p>
Bureaucrat 6	Stove pipe management of officer communities.	Can be an educational process on new DOD ideas w/ professional staffers.	Can get called to task by Congress and told to fix.	<p>Extensive preparation for hearings</p> <p>Sense of Member questions through informal channels.</p> <p>Following the DBB, one Member postured with questions.</p> <p>Signals from Chiefs during testimony.</p> <p>Media does cover these issues</p>	

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
				<p>DBB got a lot of attention from our perspective.</p> <p>Pay and compensation got a lot of attention in the military papers.</p> <p>Downside is that w/ public scrutiny, DOD often pays more or creates/leads to growing costs.</p> <p>Over enthusiasm, in some quarters, to be <i>seen</i> doing things for the troops, especially on the Hill.</p> <p>Adversarial relationships, signals between VSOs and DOD are rarely overt, often tacit.</p> <p>Staffer Days for HASC/SASC Staffers to visit and share ideas.</p>	
Bureaucrat 7	<p>Provide information <i>they</i> ask for and provide information <i>we</i> think they need. These are not necessarily the same.</p> <p>JCS "Tank" often lacks thorough and thoughtful analysis.</p> <p>Hard to get a deep discussion because briefing material often lacks depth.</p> <p>JCS format and venue doesn't lend itself to salient discussion.</p> <p>Hold annual Staffer Days to discuss legislative initiative for the next year to educate staffers on research and strategy.</p> <p>MLAs will call DOD staff and ask questions to tease out policies.</p> <p>Don't have the time to do the analysis,</p>	<p>Need leaders in place, in policy and law, to shape the force profile we need</p> <p>No one believes our retirement system is broken as they see the success of the AVF.</p> <p>Biggest fear is that we're going to break the AVF.</p> <p>Need leaders in place, in policy and law, to shape the force profile we need.</p>	<p>Service Chiefs largely influenced by Secretary of Defense and Chairman.</p> <p>Chiefs can dominate the public discourse w/ the "Tank" holding more influence and vetting policy proposals.</p>	<p>Say things informally, once it's in writing it needs to be vetted by DOD, including caveats.</p> <p>Ways to communicate w/ different groups.</p> <p>Read the <i>Early Bird</i> to see how the day is going to go.</p> <p>Deal w/ press/defense media to ensure accurate policy reports go out.</p> <p>Post-DBB panic was so real Secretary of Defense felt compelled to announce Grandfather Clause to current Service Members.</p> <p>Roll out major policy initiatives w/ LA & PA and visit the Hill to explain, brief and discuss initiatives w/ professional staffers of subcommittees.</p>	<p>DADT and women in service will stay at the forefront.</p> <p>Significant emotional events draw public scrutiny.</p> <p>"If we open our doors to one group, we must open them to all."</p> <p>Significant discussions w/ LGBT advocacy groups.</p>

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
	consequently use FFRDCs like RAND to conduct analysis.			Army Legislative Fellows will get through to Members and Staff with their insights.	
Bureaucrat 8	Hard to get out ahead of the Administration.		<p>Power: HASC/SASC Subcommittees for Military Personnel.</p> <p>Article 1, Section 8 of the Constitution makes Congress the most important institution to the Army.</p> <p>National crisis might be required for policy change.</p> <p>Cannot under appreciate the role of Congress in raising an Army.</p> <ol style="list-style-type: none"> 1. Army Personnel 2. O&M Army 3. RTDE Procurement <p>This Secretary is very much attuned to VSOs and the Army's going to take it in the shorts because of it.</p>	<p>Member to Member / Senator to Senator personal relationships to influence policy.</p> <p>Staff influence</p> <p>Point is to influence key Members and staffers so they can spread the word.</p> <p>Women in Service review was in an off the record meeting to inform senior women Members</p> <p>Foundational briefing for force structure reorganization or installations (BCT closures)</p> <p>Formal announcements were received well, relatively speaking</p> <p>A lot of small steps to get a favorable reply</p> <p>Budget issue as non-resolvable so that creates legislative space for other issues</p> <p>Army can send signals through the Statement of Administrative Policy (SAP).</p> <p>Army "appeals" signal the Army's most important policy initiatives.</p> <p>13 Appeals on personnel issues alone for 2014 NDAA.</p> <p>Signals the Army is not happy with the current state of affairs on personnel side.</p>	<p>Taking time to educate and convert Members and Senators w/ facts about sexual assault cases.</p> <p>No personalized face to the Chiefs' arguments against sexual assault.</p> <p>Difficult message for chiefs to communicate.</p> <p>Capitol Hill operates in anecdotes and victims.</p> <p>Floor fight to kill Senator Gillibrand's amendment via a perfecting amendment or through conference committee. Perfecting amendment similar to Levin's position but gives everyone something to vote for and take positive action against sexual assault.</p> <p>Sexual assault is a longstanding issue.</p> <p>No time to study panel's proposals before legislating.</p> <p>National exposure for Gillibrand makes it difficult to steer her away from it.</p> <p>Harry Reid doesn't want a Dem on Dem fight over sexual assault. He's giving Gillibrand more time.</p> <p>Framing as women's and victims' policy issues.</p>

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
Bureaucrat 9			<p>With so few Members having served, hard to build credibility for DOD with Congress.</p> <p>Makes it difficult for a Congress to address growing compensation.</p>		
Bureaucrat 10	<p>Communication w/ Commission is through OSD, not directly from the Services.</p> <p>Not a whole lot of specific actions until proposals are public.</p>	Not much institutional knowledge. Short list of people who know these things.	<p>Batting average of analytic community on retirement reform is essentially zero.</p> <p>No topic in the manpower world has been worked as hard</p> <p>As a practical matter, Members looking for top cover from Service Chiefs and Secretary.</p> <p>Members of Congress have a narrow view.</p> <p>Chiefs used CBO scoring and Clinton's weakened administration to push through Redux repeal.</p>	<p>Chiefs have many ways to signal personal feelings</p> <p>Raises the bar on DOD and those who want to make change</p> <p>As a practical matter, Members looking for top cover from Service Chiefs and Secretary.</p> <p>Personal conversations w/ Senior DOD officials and their commitment to work over Hill and VSOs</p>	
Bureaucrat 11			<p>Influence: Military Interest Groups / Veterans Organizations.</p> <p>VSO voting base to mobilize Members and voters and build membership.</p> <p>Hill responds to VSO calls and mobilization.</p> <p>VSOs mobilize to protect constituency. Sensitivity to how steep the ramp is to get people out of service.</p>	<p>Secretary of Defense directed Chiefs to find consensus because dissident advice is not a strong signal.</p> <p>Trying to get consensus all across components and services across DOD to send a message to the Hill.</p>	
Bureaucrat 12	Stove piping of information in OSD depends largely on Secretary's personality.	Tried to revise DOPMA multiple times w/ no luck on Capitol Hill.	Individual leaders are not reading information.	Secretary Rumsfeld as a change manager but media portrayed his tenure otherwise	Social issue policy change came from the top-down.

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
	<p>Almost totally lost the ability to do our own research and analysis.</p> <p>Senior leaders wary of think tanks and analysis. They've been burned before.</p> <p>Process of building working group report to commission has been slow.</p>	<p>Walk-around brief by Dr. Chu to revise DOPMA.</p> <p>Couldn't persuade SASC that something was broken w/ DOPMA.</p> <p>Clifford Stanley turned SES resignations cause turbulent and rocky tenures.</p> <p>Acting Bureaucrats w/ little clout or power.</p> <p>Bureaucrats unable to fill the power vacuum.</p> <p>Frequent turnover in P&R causing talent flight.</p> <p>Can't get senior executives to work at DOD.</p> <p>Time when OSD policy was full of young energetic experts.</p>	<p>Service Chiefs open to many issues but not compensation and retirement policy.</p> <p>Service Chiefs reluctant to take on change.</p> <p>Service Chiefs not convinced the personnel management system / retirement is broken.</p> <p>Influence: Military Interest Groups / Veterans Organizations.</p> <p>Secretary Rumsfeld as a change manager but media portrayed his tenure otherwise</p> <p>Service Chiefs not convinced the personnel management system is broken/retirement</p> <p>Chiefs have to sign on to endorse/signal change.</p> <p>RC will have to endorse as well.</p> <p>Outsize influence</p> <p>Copy each other's work but not all that informative</p> <p>Clifford Stanley turned SES resignations cause turbulent and rocky tenures</p> <p>Acting Bureaucrats w/ little clout or power</p> <p>Bureaucrats unable to fill the power vacuum</p> <p>Frequent turnover in P&R causing talent flight</p>	<p>Service Chiefs will have to sign-on to endorse/signal change.</p> <p>RC will have to endorse policy change as well due to its outsize influence.</p> <p>Commissioners as signal for strength</p> <p>Time to re-evaluate the experience AVF. Previous officials pushed review of AVF but Under Secretary P&R refused.</p> <p>No movement before 2016 Presidential election.</p>	<p>SECDEF and administration initiated the change.</p>
Journalist	DOD is slow at information flow and	Les Aspin - 1986 Military Retirement pay	Power: HASC/SASC Subcommittees for	Talk to Members and Staffers regularly for	Senator Gillibrand isn't interested in pay

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
1	<p>sharing.</p> <p>Details dribble out over time.</p> <p>Legislative issues flow out over time as well.</p>	<p>cut by making this a budgetary issue. Created accrual accounting for the MRF.</p> <p>Joint Chiefs got involved to repeal Redux due to concerns over reduced benefits and sustaining AVF.</p> <p>Joint Chiefs cried wolf over Goldwater-Nichols but it didn't work.</p>	<p>Military Personnel</p> <p>Power rests w/in Congress entirely</p> <p>They know they lose the power if there is no NDAA passed</p> <p>Rare for entities outside of the committees to act on pay issues</p> <p>Minimal media influence or coverage</p> <p>Army Times reporters visited slums and dumps for reporting, miserable living conditions. Coverage focusing on poor living conditions resulted in correction of BAH.</p> <p>Only think tank that matters is RAND because they are on the DOD payroll.</p> <p>Nobody believes Chiefs because they are political. Last smidge of independence.</p>	<p>potential stories and follow ups.</p> <p>Covering pay issues gets Soldiers excited and sells newspapers.</p> <p>Coverage on facts of pay gaps and why it exists, etc.</p> <p>MOAA/ROA invented idea of pay gap, comparing pay raises to CPI/EI and worked to close gap despite DOD objections</p> <p>Have to create budget crisis atmosphere for leverage.</p> <p>Reform might happen if reformers can create a crisis budget atmosphere. But Congress doesn't care.</p> <p>Budget release only happens once a year and that signals policy preferences.</p>	<p>issues.</p>
Journalist 2	<p>Journalists denied interviews because DOD is frustrated with their reporting.</p> <p>DADT leak lead to a <i>Washington Post</i> article.</p> <p>Gates started making people sign non-disclosure agreements because he wanted to prevent leaks.</p> <p>Journalists work the system for information anyway they can.</p> <p>Waxes and wanes w/ OSD or White House controlling and stove piping the message.</p> <p>Services were able to share information more freely under Secretary Gates.</p>	<p>System designed for WWII model of combat.</p> <p>Don't find the Hill to be super knowledgeable.</p> <p>Never deal w/ Capitol Hill staffers as a result.</p> <p>I don't think OSD is particularly good right now.</p> <p>Highly variable along every spectrum.</p>	<p>Generational divide arming VSOs.</p> <p>Younger guys might soon say this sucks.</p> <p>Influence: Military Interest Groups / Veterans Organization</p> <p>Chiefs will have to be the ones who run it through by creating a crisis.</p> <p>VSOs have become very good at working this issue.</p> <p>No political appetite.</p> <p>MOAA wields tremendous influence, and I've never known why.</p>	<p>CBO/GAO/Professional Reviews/Journals</p> <p>Want people to poke and prod at the conventional wisdom.</p> <p>Once sequestration was issued, DOD attempted to court media to become more of a lap dog.</p> <p>Capitol Hill largely doesn't care that much.</p> <p>Change advocated from DOD must come from the highest levels to be heard and in unison.</p> <p>Secretary of Defense as political appointee can speak more freely; whereas, the Chiefs cannot.</p>	<p>Different influences on social issues.</p> <p>DADT and sexual assault more about values as a nation. People can get excited about those issues.</p> <p>Less about the military and more about the country and the role of Gays in America vs. obligation to Soldiers and veterans we've asked so much of.</p>

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
			MOAA and VSOs tend to be more influential on pay issues than Chiefs.	Cut to GO level is so huge the personal networks come into play Every Service Member is "exceptional."	
Journalist 3			Power: HASC/SASC Subcommittees for Military Personnel. In all my years in Washington, I've never seen a Congress this dysfunctional. But they still write the laws. Influence: Military Interest Groups / Veterans Organizations. Nobody listens to the Service Chiefs on these issues anymore. They're open to change in retirement. But it's the veteran's organizations that are preventing change.	Closed Congressional Hearings can be very constructive venues for education, learning, and information flow. Members willing to ask questions, engage witnesses, and debate their colleagues. But as soon as the cameras turn on, it turns into a show. With regard to the media, op-eds can be a very effective way for policy makers and leaders to signal to everyone where they stand on an issue.	Military social issues are an extension of American social life that affects everyone just like integrating the Army did on American race relations in the 40s, 50s, and 60s.
Journalist 4		Pentagon complaining about losing quality folks during Redux repeal era to Clinton administration. Redux failed to build in transition for smooth implementation based on entry date. 20 year retirement has worked, however ineffectively for the career AVF. Can other strings be pulled to entice two decades of service? Concurrent receipt has created perverse incentive to claim disability to get retirement and disability, thereby creating a VA backlog.	Object is to change minds on Capitol Hill. DOD has to produce something to sway minds. Instruments necessary to persuade Congress. I've seen lots of reports in my 36 years. Nothing gets done unless Congress sees a need. Worst Congress I've ever seen. Congress is ruled by cable news. I don't make much of a distinction between power and influence.	Never saw JCS chairman like Hugh Shelton who fought for pay and benefits Congress not ready to make changes and won't do anything courageous. Chairman McKeon is an absolute joke and Congress is gutless. Cost savings won't resonate until debt crisis or war is over. Chiefs are on board for controlling personnel costs.	Social issues are much more comfortable for lawmakers to jump in to. Politicians have already taken a side on these social issues before they were relevant to the military.

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		<p>Hereditary condition like diabetes or obesity caused issues like sleep apnea, not the military.</p> <p>Members are often failed by poor education on these issues.</p> <p>Never saw JCS chairman like Hugh Shelton who fought for pay and benefits.</p>	<p>Congress w/ increasingly no military experience feels guilty and has Rose colored glasses about pay and benefits for military and veterans.</p> <p>When the fighting stops, personnel costs will be much more suspect.</p> <p>Influence: Military Interest Groups / Veterans Organizations</p> <p>Congress sees one large constituency in Veterans.</p> <p>Very powerful MSO/VSOs, more powerful than ever and can mobilize membership.</p> <p>MOAA not willing to compromise and doesn't care about O&M costs because they will argue there are ways to find money w/o touching troops.</p>		
Journalist 5		<p>Turnover in DOD makes it difficult to maintain relationships.</p> <p>No incentive for bureaucrats to take on long term issues.</p> <p>DOD is "The Building" of small ideas.</p> <p>It tackles only short term goals.</p>	<p>Service Members are <i>hardly</i> the most influential.</p>	<p>Service Chiefs may signal an interest to cut personnel costs to help them pay for the things they want.</p>	<p>Service Chiefs drag their feet on social issues and are usually unwilling to implement sweeping change.</p>
Lobbyist 1	<p>Information flow is not timely, Congress requires constant information.</p> <p>Is it budget driving policy or policy driving budget?</p> <p>No open dialogue w/ Chiefs because they</p>	<p>History of where we've been and how we got here today.</p> <p>Examine why these took place. Directly related to budget issues.</p> <p>Concerns generally about up-front costs.</p>	<p>Influence: Service Chiefs</p> <p>Service Chiefs and their immediate staffs wield the influence.</p> <p>Questions of recruit, retain, retire. Part of our job here is to educate Members of</p>	<p>No open dialogue w/ Chiefs because they create a united front w/ tremendous pressure.</p> <p>Have to pay for the AVF. Current system is "unsustainable" in whose view?</p>	<p>Pay and non-pay personnel issues don't differ from the lobbying perspective.</p> <p>MOAA saw the winds of change in DADT and changing Member demographics.</p>

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	<p>create a united front w/ tremendous pressure.</p>		<p>Congress, staffers, and DOD.</p> <p>The problem is well-intended think tanks and reporters</p> <p>Compensation and retirement are big issues.</p>	<p>MOAA inserts itself and testifies to discuss the needs of an AVF.</p> <p>Senior military leaders signaling, off the record, to MOAA for advocacy and level-headedness. They've asked for MOAA to be a "louder voice."</p> <p>Off the record signals from DOD/Services to Advocacy organizations on the politics of the policies and tip their hats on future decisions and paths.</p>	
Lobbyist 2	<p>Capitol Hill is frustrated w/ DOD policymaking.</p> <p>TMC issues so wide that learning is fast and furious but organizations soon rely on TMC POC responsible for the portfolio.</p> <p>ROA goes to DOD to change policy but when DOD is slow and bureaucratic, ROA goes to Capitol Hill to change laws.</p>	<p>Problem with this city is turnover of personnel. It shortens corporate knowledge.</p> <p>Military assignment turnover facilitates corporate knowledge turnover.</p> <p>Congressional staff turnover is high as well.</p> <p>VSO corporate knowledge is a little better.</p> <p>Corporate knowledge can endure myths and legends.</p> <p>Administration rotates four star leaders from job to job.</p> <p>Bring abstract of policy to a reality while trying to educate office staffers.</p> <p>When staffers move offices, Members can take on a new role.</p> <p>Role is to educate staffers and explain issues. The more knowledgeable the staffer, the more leadership that office is going to take.</p>	<p>Power: HASC/SASC Subcommittees for Military Personnel</p> <p>We're all pawns in a game and depending on the issue power in one case might be powerless in another.</p> <p>Power brokers on Capitol Hill.</p> <p>Institutions can have undue influence at times.</p> <p>Congress doesn't respect institutions that aren't candid. Use straight forward answers.</p> <p>MOAA uses The Military Coalition as its leverage.</p> <p>Growing TMC membership and 5.5 million members.</p> <p>TMC now has a veterans committee but previously did not</p> <p>Veteran's centric VSOs don't provide much input.</p> <p>Eight VSOs realized they could do more</p>	<p>General / Flag officers behave like political appointees with non-controversial testimony.</p> <p>Congress doesn't respect institutions that aren't candid. Must provide straight forward answers.</p> <p>Military relationships can be helpful for signal transmission.</p> <p>One on one relationship --> "We're here to help you. Resource for constituents." Educate staffers with a value they don't already have.</p> <p>Submitting written testimony for VSOs can be very powerful.</p>	<p>ROA had a hard resolution on Gays in the military.</p> <p>General testified at ROA convention about Gay son that led to a shift in thinking and passionate debate.</p> <p>Ultimately led to the death of the resolution three years later, but not necessarily support for Gays in the military.</p> <p>Resolution to include women in selective service.</p> <p>MSOs/VSOs staying largely quite on social issues.</p> <p>Because membership is divided on social issues, ROA won't take a public policy stance.</p> <p>TMC avoids controversial issues</p>

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		<p>Professional staff a little more hands off. HASC & SASC tend not to hire out of VSOs. Rather, hire out of the Pentagon.</p>	<p>together than alone.</p> <p>Core leadership of TMC and 7-8 associations w/ support association doing some work w/ additional strap hangars</p> <p>Organization's financial stability as an important feature for longevity. Building development capacity and sponsorship.</p> <p>Mergers among associations as the VSO landscape changes.</p> <p>Will IAVA / CVA be bright new stars that burn out quickly or will they have more maturity and staying power?</p> <p>Veterans of First World War died out...literally.</p> <p>Often invited in to review legislation.</p>		
Lobbyist 3	<p>Not a lot of info from DOD.</p> <p>DOD keeps us at arm's length.</p>	<p>No knowledge among Members of Congress</p> <p>Educating Members of Congress is important especially as only so few current Members have military experience.</p> <p>Another hoop to explain distinction between military service and police or fire fighters</p> <p>Military experience among Members won't mean they'll side with FRA viewpoint</p> <p>Despite Org's prestige, hard to cut through to educate Members of Congress and raise awareness</p> <p>Org. Members often confused by complexity and nuances of policy specifics that institutions fail to effectively</p>	<p>Power: HASC/SASC Subcommittees for Military Personnel</p> <p>HASC/SASC subcommittees are the most powerful of all actors</p> <p>VSOs survey force for Members of Congress.</p> <p>Think tank reports make a splash then fizzle out.</p> <p>Look to influence specific Members w/ hope they'll influence colleagues.</p> <p>Not many legislators w/ military experience or staffers w/ military experience.</p> <p>Military Fellows very effective for</p>	<p>One on one meetings w/ staffers and Members to put out message</p> <p>HASC/SASC subcommittees are the most powerful of all actors</p> <p>Grassroots programs are effective</p> <p>"Storm the Hill" events can be effective when veterans visit DC from all over</p> <p>Use the most active civically to engage Members and staff</p> <p>Sends a signal</p> <p>"Storm the Hill" events</p> <p>Call the district office during August</p>	<p>Involved with suicide prevention and military lending.</p> <p>Poor correlation between deployments and suicide.</p> <p>Staying away from women in combat and sexual assault because they are criminal, legal, and moral issues. Although, women retirees are interested in those issues.</p>

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		communicate.	<p>informing staff and Members</p> <p>Primarily work w/ legislators.</p> <p>Invite Navy and USMC Congressional Fellows to FRA for a briefing...preaching to the choir</p> <p>Get org. members motivated and help them see value of Membership & Advocacy</p> <p>Good Relations w/ Susan Davis as Ranking from San Diego</p> <p>Generally confident that committee will follow Chair/Ranking.</p>	recess.	
Lobbyist 4			<p>DOD/Congress can't keep VSOs happy 100% of the time. We can be your strongest advocate and loudest critic.</p> <p>There's a shelf life for VSOs that take the name of a specific war (IAVA, Vietnam Vets of America, etc.)</p> <p>MOAA extremely influential w/ several registered lobbyists.</p> <p>Train chapter members for advocacy.</p> <p>Never tell a commander how to command.</p> <p>Chiefs have already drunk the Kool-Aid.</p>	<p>Signals to the force on 1.0% vs. 1.8% pay raise.</p> <p>Meet w/ commission to provide policy perspective but we won't help cut off our own right foot.</p> <p>Advocating status quo at all costs because the institutional culture demands going to bat for status quo.</p> <p>Cooperating might as well be caving in.</p> <p>Chiefs will speak their mind until told to shut up</p>	<p>Resolutions on social issues.</p> <p>Weighing in on social issues depends</p> <p>Aware of disparities in stationing Gay Soldiers in states that don't recognize their marriages.</p> <p>National organization won't touch it.</p>
MCRMC 1	White House leaves this to Hage's discretion.		<p>Clout not that different than gun control legislation.</p> <p>MOAA/ROA has as much clout as NRA.</p>	<p>Service Chiefs have to speak out.</p> <p>Screwing a military retirement screws w/ families.</p>	

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			<p>Powerful lobbies reach into Executive Branch via senior retired officers w/ contact to the Service Chiefs</p> <p>It's difficult for Members of Congress to stand up to MOAA and VSOs.</p> <p>No upside for Members who stand up</p> <p>Downside for Members w/ military districts --> veterans in every district</p>	<p>Service Chiefs need 3-stars to whisper to the Hill.</p> <p>Sending private signals to Hill saying personnel accounts are killing us.</p> <p>Commissioners have to be non-partisan.</p> <p>Build support through policy entrepreneurs willing to champion reforms.</p> <p>Dynamics of Commissioners.</p> <p>Muted signal from WH on Chairman</p> <p>Secretary and Deputy in public (private support to loosen shackles for Chairman and Chiefs).</p> <p>Prefer defense industry stays quiet on military compensation and retirement issues.</p>	
MCRMC 2		<p>No seamless bridge for REDUX.</p> <p>Fact sheet and findings on history of commission.</p>	<p>Influence: Service Members through Focus Groups and Panels.</p> <p>No staff-to-staff coordination between commission & HASC/SASC.</p> <p>VSOs engaging but not an outsize influence.</p> <p>Working with the Service Chiefs and Service Members has been influential.</p> <p>Services balancing readiness vs. compensation.</p>	<p>Surprised by Ash Carter's letter.</p> <p>Didn't know why DOD did that.</p> <p>Everything is on the table due to bland letter / recommendations.</p> <p>Murray-Ryan budget was a blessing in disguise for the Commission.</p> <p>Looking to make new plan attractive to build momentum for any new plan.</p> <p>Leverage deal with interest groups to push through Commission's recommendations.</p>	

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MCRMC 3	<p>It will be harder for DOD to not like recommendations if much of much of the information comes from the Pentagon.</p> <p>Some of DOD's working group work was shared but not all.</p>	<p>Knife edge start date for REDUX was a failure.</p> <p>Transition period to opt into new system.</p>	<p>The Service Chiefs are influential w/ GEN (Ret.) Chiarelli.</p> <p>No manual to guide pay and retirement.</p>		
MCRMC 4	<p>Great interaction between DOD and Commission with lots of back and forth.</p>	<p>Started documenting history of personnel and pension policy to help everyone on the Commission.</p>	<p>If I say 'yes' to one, I have to say 'yes' to all.</p> <p>We meet with anyone who wants to meet.</p> <p>Information seen as a data point rather than at face value.</p> <p>VSOs/MSOs willing to "help" and representing their constituents and ALL SERVICE MEMBERS.</p> <p>These groups have many different perspectives.</p>		
MCRMC 5	<p>We have great support from DOD right now.</p> <p>Staff can't ID recommendations</p> <p>Political leadership in DOD willing to engage w/ Commission</p> <p>DOD is being extremely helpful but VA is not.</p>	<p>Studying and understanding history of personnel and pension policy is on our list of things to do. It's just not on the front burner yet.</p> <p>Taking time to gather information.</p>	<p>Commissioners have the power. Staff just facilitates.</p> <p>Success for commission will depend on getting everyone to agree what the status quo costs. We must question underlying assumptions.</p> <p>Honeymoon period w/ all organizations that have a stake in the game.</p> <p>Input w/o influence at this point. But it is coming.</p> <p>All stakeholders have to have a voice, agree on the facts, and debate policy.</p>	<p>We don't have anything to say to HASC/SASC yet. But we will.</p> <p>Staff at HASC/SASC willing to help and engage.</p> <p>Must bring everyone along.</p> <p>Leveraging political relationships when socializing recommendations.</p> <p>Clear signal from Congress on COLA is something to consider moving forward.</p> <p>No change w/o Service Chiefs agreeing.</p>	

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Scholar 1	<p>Civilian officials from DOD Office of P&R.</p> <p>Uniformed Personnel leaders (G-1) also very engaged.</p>	<p>OPA at the heart of the matter in addition to DOPMA/ROPMA.</p> <p><i>Waiting in Dead Man's Shoes</i> by Donald Chisholm documents the history of these many policies.</p> <p>Staffers super informed and professional.</p> <p>CBO/GAO/CRS reports gauge history and can help Hill w/ direction.</p> <p>People know the history and costs.</p> <p>History of passing legislation after policy reaches crisis point.</p> <p>But crisis atmosphere often lend to poor policy.</p> <p>Good example of deliberation decision was the AVF.</p> <p>But it was created quickly and stood the test of time.</p>	<p>Status quo prevails every time through lobbying.</p> <p>VSOs operating on fertile ground. Congress willing to listen to their same old argument.</p> <p>Service Chiefs want change in retirement benefits.</p> <p>Members work through lobbyists to exert power.</p> <p>Policy Scholars work until they are blue in the face w/ no effect.</p> <p>Subcommittees agreeing on all fronts w/ affirmation by Full Committee.</p>	<p>Think Tanks use policy reports, open letters, and editorials.</p> <p>Change through multiple fronts until reach critical mass.</p> <p>Be ready and armed with facts.</p> <p>Forming Coalitions of decision makers by working group.</p> <p>Civilians to force change on the institution.</p> <p>Strong Secretary theory to take charge and get it done.</p> <p>Connecting w/ Congressional Staffers from Personnel Subcommittee.</p> <p>Sometimes with an Office Staffer (MLA).</p> <p>Deliberate and sober analysis can lead to no immediate outcome but can be effective in the long term.</p> <p>Edited volume totally independently funded. No way related to official government work. Pulled together the team to do it. Examines theories of change and attempted to apply in practical terms. Grant proposal.</p> <p>Comparative book partially funded by Undersecretary of P&R w/ some support from DOD.</p>	<p>Guessing paycheck issues differ from non-pay check issues.</p> <p>Pay check issues all coalesce.</p> <p>Must be some difference</p> <p>TMC split on non-pay check issues.</p>
Scholar 2	<p>Can't get out ahead of OSD and politicize myself. Eschew those kinds of activities to maintain my ability to impact things from</p>	<p>Groundhog Day - Attrition and drawdown from the 90s.</p>	<p>Influence: Military Interest Groups / Veterans Organizations</p>	<p>Strong incentive for DOD to do a one-size-fits-all plan to prevent potential Congressional cuts.</p>	

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	<p>the inside.</p> <p>Last 18 months of DOD Working Group has been very effective to develop its ideas and socialize them around the building.</p> <p>Objective advice and credibility on the inside.</p> <p>We battered them into submission. DOD working group as an opportunity to learn. DOD brings proposals and RAND runs the analysis to show the numbers.</p>	<p>Misunderstanding of what an expert means.</p> <p>Generals think in anecdotes. Just because they get a pay check doesn't mean they are an expert in pay issues.</p> <p>Not much expertise.</p>	<p>Feedback effect from VSO influencing the Pentagon.</p> <p>DOD to accommodate proposals for VSO perspective before it's out the door.</p> <p>DOD driven by optics to VSOs and defense media. This drives proposals.</p> <p>Think Tank contribution is influence in the "sausage making process."</p>	<p>Extremely short fuse for the commission. This work is timely.</p>	
Scholar 3	<p>I think information flow is timely.</p>	<p>My concern is that the AVF is failing.</p>	<p>MOAA is like the Gun Lobby!</p> <p>Confluence between VSO and SMs.</p>	<p>Back channel information to Members of Congress, Staffers, DOD officials, etc.</p> <p>I think about what Service Members have to do, tell Congress that it's a decision between them and their families.</p>	<p>Military is a socially conservative organization. It doesn't want to take any chances.</p>
Scholar 4	<p>No strong leadership in P&R.</p> <p>Briefing policy report w/ P&R but no interest.</p> <p>High turnover at Undersecretary level.</p> <p>Briefed w/ Army and Air Force personnel but policy can't be set service by service.</p> <p>Think Tanks settle on an 80% solution and produce work more quickly</p> <p>Many FFRDCs take a much slower approach.</p> <p>Virtually impossible to engage DOD.</p> <p>Better luck engaging Members on Capitol</p>	<p>Not as much institutional memory on personnel policy w/ turnover.</p> <p>Armed Services Committees and staffs.</p> <p>Think Tanks have to produce w/in the Congressional Cycle and DOD planning cycles.</p> <p>One Commander may ask for a RAND study and then the guy two Commanders later would get it and not be interested.</p> <p>People want to support the troops but don't really know how.</p> <p>VSOs and DOD pushed Service Chiefs pushed for Redux repeal.</p>	<p>VSOs are similar to unions, representing interests of retirees.</p> <p>They do this at the expense of the next generation of service members.</p> <p>There's a distinction between power and influence.</p> <p>While Congress has the power, there are multiple other influential actors.</p> <p>VSOs strategize about Congressional Staffers.</p> <p>Current Service Members have no voice at the table.</p> <p>Chiefs are not the right people to push</p>	<p>Think Tank Report.</p> <p>Briefed my report at RAND</p> <p>My personnel study was a year or two too early. It was too long and too wonky.</p> <p>More play out of the <i>Washington Post</i> Outlook piece than the report itself.</p> <p>I don't like writing my opinion but at some point you've got to take a side.</p> <p>Rudderless P&R system in DOD. Some Republicans are fed up with it.</p> <p>Appoint a strong leader in DOD to lead this cause for P&R reform.</p>	<p>See things changing on social policy issues but not on budgetary issues.</p> <p>Not an active lobbying effort on some of these issues.</p> <p>It's not the normal military groups arguing on these broader domestic issues.</p>

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	Hill.		reform.	<p>Radical reforms w/ DOD by disestablishment.</p> <p>In 2014 NDAA, Congress passed an amendment to do the true choice survey w/ publicly available data. Subject to conference.</p> <p>Expect a generational divide in the data.</p> <p>Retirees socialize w/ other retirees and don't see the vast number of people who churn through the system w/ nothing.</p> <p>Mix of interested Members of Congress w/ some from HASC.</p> <p>Some are open to listening and others are not.</p> <p>I've been told the Service Chiefs will have to endorse any changes.</p>	
Scholar 5		<p>Aspin formed coalition to pass Redux.</p> <p>Cost to convert cash to accrual basis as facilitating factor.</p> <p>Aspin believed longer careers were better for DOD.</p> <p>If we reduced incentive to leave at cliff vesting, people will stay longer.</p> <p>Knife edge statutory approach was "unfair."</p> <p>Question of cost profile over the long term for health care and retirement policies.</p>	<p>Power: HASC/SASC Subcommittees for Military Personnel</p> <p>This is based on the Constitution and legislative statutes.</p> <p>If the HASC/SASC Chairs want something done, with competent staff direction, and w/o real push back, it will become law.</p> <p>Influence: Service Chiefs.</p> <p>"If I had to pick one group to be on my side, it's the Chiefs."</p>	<p>Congress is not a good steward of financial matters, responsive to constituents.</p> <p>JCS Shelton stirred the "unfair" cries for retirement. Chiefs were unhelpful on Redux repeal.</p> <p>Individuals affected feel deeply wronged and journalists grabbed onto that.</p> <p>Media flames it as DOD turning its back on retirees/Soldiers.</p> <p>For the rank and file, they will find this as a betrayal of trust.</p>	<p>Levin rolled back Gillibrand as committee chair.</p> <p>Chairman's authority strengthened with committee votes.</p> <p>Number of reasons they differ: social issues facilitate personalized anecdotes to build public support. Allows development of narrative. Even w/ facts out there, media and opponents will create narratives. Deals w/ social attitudes and social behavior.</p> <p>Once social issues get out in the media, it changes the game.</p>

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		At the time of Redux, cash value and accrual value were roughly the same.	VSOs get out their message to members / Retirees Power of status quo cannot be underestimated.	Absent behavior, Service Chiefs send powerful and influential signals if they speak w/ unified voice.	Stories continue w/ lemming effect Editorial pages don't necessarily do the fact finding The real question is why does one get more traction than the other? Is this endemic to our society?
Scholar 6	Information exchange is not always helpful. As an outsider [to the policy subsystem] people who've been working on personnel issues their entire careers felt threatened by the guy who just showed up and wrote a book. The subsystem proved hostile toward outsider w/ provocative ideas. Very territorial and unwilling to engage. No senior military officer or Member of Congress reached out to author to discuss Total Volunteer Force concept, book, or Atlantic article. Military policymakers in DOD were not open to new ideas that would fundamentally change personnel management.	Rigid DOPMA policies stifle personnel management and push best people out of military No one in uniform seems to understand the problems DOPMA created for talent retention. Many saw the Total Volunteer Force concept as an affront to the military's values.	Power: HASC/SASC Subcommittees for Military Personnel There are actions DOD can take to reform personnel policy. But power ultimately rests with Congress. My book proved provocative and resonated w/ junior and field grade officers.	Articles, interviews, books. Visibility for the scholar matters when gaining traction for a policy preference for an idea. Policy entrepreneurs and reforms have to build momentum with their ideas through articles, etc. It will ultimately take opportunities to share these ideas directly w/ senior military/DOD/congressional/administration officials to build that momentum. Hearings are mostly staged. Book and Atlantic article w/ NYT write ups about the book proved to be the most effective tools.	
Scholar 7	DOD not responsive. They're a self-licking ice cream cone. OSD values information from Services, something the stove pipe often times hides.	Legacies of the past are just dead weight keeping us from adjusting to the current threat. No knowledge of these issues among the political class.	Power: HASC/SASC Subcommittees for Military Personnel Congress' job is to raise, train, and equip an Army.	Everyone responds to the budget and its priorities. Been a long time since defense wonk community has thought long and hard about personnel issues other than the cost.	Interests of the administration and reflection of civilian agenda. Good snapshot of American society. Impetus for social change in the military coming from White House and body politic.

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
	<p>OSD is at low ebb of influence, especially at the political appointee level.</p> <p>Long time HR people at DOD don't have the political clout to make change despite their clear expertise.</p>	<p>Even the provisions of Goldwater-Nichols seem like ancient history.</p> <p>Goldwater-Nichols proved the perfect cold war system just as the Cold War was ending.</p> <p>We're now much more at the opposite end of spectrum where specialists would be better for the system.</p> <p>Notion of an era of uncertainty is wrong. We know what the world looks like in terms of threats - prevent mid-east explosions and deter Chinese.</p> <p>Personnel accounts are always the last to go. End strength, modernization, O&M, and R&D will all be cut before compensation.</p>	<p>Put so many demands on the Pentagon, there are not free lunches. Other priorities pay the price.</p> <p>Influence: Service Chiefs.</p> <p>If they dig their heels in, that will be a problem.</p> <p>Burden of proof is on the defense reformers who are interested in changing the system.</p> <p>Multiplicity of players, but VSOs would jump all over change.</p> <p>The Military Coalition doesn't represent 9/11 generation of veterans. They are set in their ways.</p>	<p>Michelle Flornoy appointed as Secretary of Defense would have sent a clear signal to defense community that reform is coming.</p> <p>Chiefs have a gate keeper function and they have to say yes to reform.</p> <p>VSOs revered and feared community in America. Waiving the bloody shirt will be powerful.</p>	<p>People unhappy with social change may stay in the service due to a bad economy.</p> <p>Social issues multiplied by the compensation question, couple with a post-Afghan feeling of failure, could affect retention.</p>
Scholar 8	<p>No looping around General Officers to provide information to Congress. Must go through DOD.</p> <p>DOD leaders would sometimes visit OEMA at West Point.</p> <p>Current batch of senior leaders have a limited attention span. Challenge to get their attention on complicated policy issues.</p> <p>People know these new ideas are there but won't let the policy get beyond the politics.</p> <p>DOD doesn't know what to do w/ the information.</p> <p>No incentive to change institutional size of the Army.</p>	<p>Long time Pentagon staffers are the only ones left with any knowledge.</p> <p>GI w/ no human resources / personnel management experience.</p> <p>Principals-Agent issue where the people don't have all the information they need</p> <p>Fast churn in the personnel shops.</p> <p>Inch-deep and mile wide w/ no framework to make policy decisions.</p> <p>Too much churn in the Pentagon</p>	<p>Create stakeholders in "talent" management and buzz around ideas.</p> <p>Power: HASC/SASC Subcommittees for Military Personnel</p> <p>Congress has all the power but they don't think analytically.</p> <p>Have to have the institutional support behind the ideas.</p> <p>Get people reading and thinking.</p> <p>DOD doesn't know what to do w/ the information</p> <p>Too much churn in the Pentagon.</p> <p>OEMA often accused of ghostwriting</p>	<p>Meetings don't matter</p> <p>New ideas worked through staff to principals</p> <p>Rings of Colonels protect everyone with Stars</p> <p>Create stakeholders in "talent" management and buzz around ideas</p> <p>Videos to build ideas. Create a buzz about the idea.</p> <p>Until we have a Chief who can think deeply about these issues, we won't have reform.</p> <p>Chief will have to stand up to these ideas.</p> <p>Right person in the right job.</p>	<p>24 hour news cycle gets attention on social issues.</p> <p>Leaders focused on staying power.</p> <p>Army/military should not be the instrument for social change.</p> <p>Mullen went w/ President in line w/ DADT.</p>

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
			provocative reports / analyses.	Need a General Marshall to push this through and fight for it.	
Scholar 9	<p>Army would be better off w/ a Chief willing to shape the force's downside rather than fall into obsolescence.</p> <p>Pentagon will have to wake up on these issues to champion change.</p> <p>Pentagon doesn't always get it right.</p> <p>Chiefs / DOD always late to the fight.</p>	<p>Grandfather for the future</p> <p>Zero profiles in courage in this Congress</p> <p>No political / instrumental knowledge on these issues</p> <p>Part-time legislators</p> <p>Can't pass complex legislation</p> <p>Members used to be defense experts. Not anymore. Can't pass complex legislation anymore.</p>	<p>Chair and Ranking tend to be on the same page on this.</p> <p>Constitution set it up so Congress raises an Army.</p> <p>Can't influence strategic level.</p> <p>Iron triangle doesn't have the clout it used to have. Mil-Industrial complex has so much clout.</p> <p>Large opposition from VSOs on reform. VSOs savor military entitlements.</p> <p>Highly trained and equipped rifleman vs. happy retirees.</p> <p>If we don't make changes, the active duty force will be cut.</p> <p>Grandfather clause for the future.</p> <p>Zero "profiles in courage" in this Congress.</p>	<p>Congress looks to Chiefs to justify positions but when they don't want to, they ignore the Chiefs.</p> <p>Executive appointees.</p> <p>Hard to recruit good people for civilian bureaucrats.</p> <p>Vetting process too hard and money is poor.</p> <p>Not clear to me that this administration has placed strong executives.</p> <p>If this administration really wanted change, they would have appointed a much stronger commissioner.</p> <p>Immediately sends a signal.</p>	<p>Social issues much more important because they affect everyone through war fighting and good order and discipline.</p>
Scholar 10	<p>Can't do anything w/o OSD and OSD reluctant to do anything unless all the Services are willing to do it.</p> <p>Slows the process down.</p> <p>Services also hide behind the OSD stove pipe.</p> <p>OSD P&R unwilling to challenge</p>	<p>Conceptually policymakers have some idea, but no details</p> <p>Topics for defense reform work at conferences, not real policymaking</p> <p>Most personnel experts w/ zero incentive to think creatively.</p> <p>A phenomenal amount of time and energy</p>	<p>Power: Military Interest Groups / Veterans Organizations</p> <p>VSOs as the most powerful institution.</p> <p>Service Chiefs are risk averse</p> <p>HASC/SASC Subcommittees as risk averse as well. Most chicken of chicken shits in this game.</p>	<p>Private conversations w/ CSA.</p> <p>Must construct a system that will force people to trade compensation options.</p> <p>Give it to any community, other communities will want it.</p> <p>Unlikely Service Chiefs to turn personnel community in favor of reform.</p>	<p>Have to deal w/ women in combat beyond initial entry to retention through child-rearing.</p> <p>Compensation issues are immutable constraints they have to deal with. Social issues seen as someone else's political agenda imposing it on military culture.</p> <p>DOD exacerbating social issues.</p>

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
	<p>orthodoxy.</p> <p>Part of the dynamic that prevents us from getting anything done.</p> <p>Leverage that reality to reinforce the need for change.</p> <p>DOD treats compensation in a stove pipe.</p> <p>DOD treats talent management in a stove pipe as well.</p> <p>No readily accessible source for information and good ideas.</p> <p>One size fits all centralized personnel policy run by OSD.</p> <p>Anyone who leans forward on these issues in and administration is at risk.</p>	<p>to change something small.</p> <p>Not the same scale of organizational type as Wal-Mart, GE</p> <p>Closed labor market w/ different talent requirement throughout the system</p> <p>How do you deal w/ system optimization at that scale?</p> <p>The system does deal w/ merit but through patronage for the elite.</p> <p>The key has to be about choice.</p> <p>Missed a big opportunity to address cyber recruiting and retention.</p> <p>Closing window and closed windows.</p>		<p>Chiefs will have to get on board to give the White House cover.</p> <p>Not sure this group of Chiefs can get there.</p>	
Scholar 11	<p>Army officers are so field oriented that they've never been in the Pentagon and Senior Army leaders become totally captive by civilian counterparts once they reach General Officer ranks.</p> <p>Academic analysis has largely been absent and has fallen to the FFRDCs (RAND, etc.)</p> <p>Think tanks seen as largely political organizations w/ slanted scholars.</p>	<p>There was a time when Members of Congress knew something about MILPERS.</p> <p>Professional Staff are retired COLs who think they should have been Generals.</p> <p>Whole staff holds the system captive.</p> <p>Whole REDUX reform collapsed when Congress wouldn't go through with it.</p> <p>Reforming DOPMA through extending high tenure portions for 30+ years for GOs and FOs.</p> <p>Refined up or out promotion system would have to address vesting.</p>	<p>HASC/SASC Subcommittees are the most powerful with the professional staffs holding up reform.</p> <p>Service Chiefs are very powerful but can't decide between Vice-Chairman of the Board or President of the Union.</p> <p>Chiefs are in a dilemma.</p> <p>VSOs pander to their membership and place Congressmen in an adversarial position.</p> <p>Not all technically analytical, more problem solving</p> <p>Multiple actors wield influence.</p>	<p>Hiring/Firing commanders after scandal or crisis sends a clear signal to the force, especially after sexual assaults.</p> <p>Comes down to willingness of Service Chiefs and Congress to make changes in fear of dropping retention.</p> <p>Can't afford to wait 20 years to see change and savings.</p> <p>Entire structure of P&R is screwed up. A strong appointee w/ Senate confirmation will signal seriousness on personnel issues.</p> <p>Inherent conflict w/ Activist role of Undersecretary and Assistant Secretaries.</p>	<p>Hiring/Firing commanders after scandal or crisis sends a clear signal to the force, especially after sexual assaults.</p> <p>Must break down the old boy network on sexual assault.</p> <p>Social issues are important as part of the social fabric of society.</p> <p>Not a distinction on social issues.</p> <p>Commanders should be relieved of command if they fail to uphold trust on sexual assault.</p>

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
		<p>Bonus March as an example of service members waiting for pensions from 42 to 55 or 65.</p> <p>Immediate annuity.</p> <p>Service Chiefs gave away the "candy store" w/ Tricare in the 90s.</p>	<p>Professional Staff are retired COLs who think they should have been Generals.</p> <p>Whole staff holds the system captive.</p>	<p>This might be the right time to reform in context of drawdown and sequester.</p> <p>Going to require real commitment for commission.</p> <p>Chiefs have to understand this is a zero-sum game w/ Dollars.</p> <p>Appointees to pick a few things to work on.</p>	
Scholar 12	<p>OEMA has expertise and is timely with information.</p> <p>RAND is slow in information processing.</p> <p>RAND takes forever and requires formal briefings, etc.</p> <p>The trick is getting information to power, quickly.</p> <p>Service Chiefs lack the political permission to cross the administration on retirement reform.</p> <p>Chiefs can't cross their political masters. But CSA will never care enough about this to build reform momentum.</p> <p>Problem is people can do the work but can't communicate it.</p>		<p>HASC/SASC - Congress as political masters who control the retirement and personnel plans / laws</p> <p>10-15-55 plan should help junior officers and field grades voice their opinions on retirement reform.</p> <p>Lobbyists will push back against OEMA for trying to "defund" retirement.</p> <p>Tom Ricks' defense blog as a source of ideas and information.</p> <p>Some media trying to build influence for service members.</p> <p>Commission as a political stall tactic.</p> <p>10-15-55 plan as the starting point for debate rather than the DBB plan.</p> <p>Trying to build momentum w/ new plan for commission.</p> <p>Would be neat for commission to mention it or use our data / organization.</p>	<p>Using easy to understand methods to convey complex retirement policy proposals. Viral animated YouTube video.</p> <p>Opponents of retirement reform will frame this as an attack against our troops and wounded warriors.</p> <p>Helping ideas go viral through social media and empowering junior officers w/ ideas, options, and opportunities.</p> <p>OEMA doesn't have a voice and trying to build momentum for their ideas.</p> <p>OEMA and AWC willing to push important ideas.</p> <p>Impression management for senior leaders to share.</p> <p>Service Chiefs interested and open to pension reforms.</p> <p>Making direct contact w/ commissioners to share ideas.</p>	

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
Staffer 1			Professional staff is incredibly powerful and helpful.	Interest groups reach out directly to OCLL personnel. Two-way solicitation for meetings w/ DOD P&R office. Members can signal interest in specific DOD recommendations.	Senator signaled interest in DOD sexual assault recommendations.
Staffer 2		Way the Army looked in 1978 (in the wake of Vietnam) was hollowed out and unacceptable.	Service Chiefs and a host of other factors. Local veterans groups wield influence w/in community.	Members take signals from senior veteran constituencies. Members take signals from other Members.	Social issues cause Members to weigh in w/ outside groups to get involved and interested. 20 mark-up provisions on military justice.
Staffer 3	OSD Legislative Affairs struck fear in services and created information stove pipe. People in DOD afraid to talk to Capitol Hill Staffers. Non-Disclosure Agreements hamstringing information flow. OSD desires to control message and hold information to the last minute.	Member interest on these issues varies. Professional staff offers personnel stability for HASC/SASC. Member changeover [on the subcommittee] is rapid because of a lack of popularity. Stacked w/ freshmen w/ little interest or expertise on personnel issues. Members w/ military experience don't rely necessarily on staff expertise alone.	Active duty force doesn't have any voice, at least any effective voice. Military/veterans interest groups generate grassroots impact on Members.	Service chiefs create crisis and Members accept the signal. In this case, service chiefs signal policy preferences on TriCare fees and slowing growth of compensation but Congress is not listening. Most effective way to signal is to personalize the message w/ frame or personal message w/ faces and stories. Create a crisis and personalize.	Social issues on personnel subcommittee are not "winners." <i>The Invisible War</i> created a learning opportunity. Les Aspin leveraged women w/ sexual assault issues and "multiple cameras." Press leaks from DOD Public Affairs on social issues. I don't see any difference. DOD holds info until the last minute in both areas. Members fall all over themselves to raise some social issues and get involved. Advocacy group interest shifts w/ regard to social issues.

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
Staffer 4			<p>High ranking officials.</p> <p>Veterans Advisory Board from the District.</p>	<p>No feedback from VSOs (on sexual assault) legislation.</p> <p>Not terribly fruitful to engage VSOs.</p> <p>Bipartisan agreements for studying issue signals seriousness.</p> <p>Mixed signals in private versus in public from senior military officials.</p>	<p>Sexual assault more of an emotional issue.</p> <p>Interaction w/ IAVA</p> <p>Member met w/ victims of sexual assault.</p> <p>Reached out to Susan Burke (<i>Invisible War</i>)</p> <p>Lackland AFB CODEL visit to learn more.</p>
Staffer 5	<p>Services work better w/ Members than OSD does but OSD stove pipes.</p> <p>Services helpful and timely with information but not OSD.</p>	<p>A lot of turnover among senior officers in the Pentagon and Members and staffers on the Hill.</p> <p>Not a lot of institutional memory.</p> <p>Service chiefs concerned about their legacies over 2-4 year tenures and not interested in rocking the boat.</p>	<p>HASC/SASC subcommittees as most powerful.</p> <p>These issues have to be legislated.</p> <p>Service Chiefs as the most influential.</p> <p>Service chiefs still hold a great deal of sway and influence on Capitol Hill.</p> <p>Members defer to chiefs on a lot of issues.</p>	<p>Members and senior military officers share ideas as a function of their positions. Staffers build relationships.</p> <p>SEN McCaskill and GEN Odierno discussed sexual assault legislative strategies.</p> <p>OCLL helps senior officers prepare testimony for congressional hearings.</p> <p>LAs share information beforehand and plant questions.</p> <p>Testimony is a means of getting witness/senior officials on the record for oversight and holding agencies to account.</p> <p>Senior officers and Members signal policy preferences in private meetings w/o commitment.</p> <p>Any media attention and Member interest drives policy response.</p>	<p>Media attention and Member interest drives policy response from DOD/GOs.</p>
Staffer 6		<p>Some staffers remember first hand. Most committee staffers also remember. But Members do not.</p>	<p>Service chiefs typically just toe the party line</p>	<p>Tend to see Members take signals from the Subcommittee Chair and Ranking Member.</p>	<p>Social issues driven by passion, not money.</p>

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
		Not as much of a background knowledge on these issues for Members.	<p>Include VSOs in active conversations.</p> <p>Civilian Sec Def. can speak up w/o retribution but he has not does so.</p> <p>I've worked on a lot of issues and have never seen groups (VSOs) so well organized.</p> <p>DOD only invites committee staff to "Staff the Hill" days.</p> <p>Member to Member interaction – e.g. senior to junior.</p>	<p>Hearings signal interest in an issue and desire to hold people accountable.</p> <p>Rare to get candid feedback in hearings.</p>	<p>Passion group initiates.</p> <p>Disproportionate amount of time and attention dedicated to working on these issues.</p> <p>Social issues can create distance by don't hurt.</p>
Staffer 7	In depth and detailed analysis could take weeks but simple questions are answered quickly.	<p>Understanding these issues would require research and resources for Members.</p> <p>OSD liaison shops available for information.</p> <p>CRS reports are helpful.</p> <p>Have to seek information from DOD.</p>	<p>HASC/SASC subcommittees as most powerful.</p> <p>History of bipartisanship.</p> <p>"When the Chiefs come on the Hill to testify, they carry a lot of weight."</p>	<p>Clear and concise legislative language to get Member attention.</p> <p>Look for opportunities to connect constituents w/ DOD services to signal a desire to earn Member interest. Especially true with constituent corporations.</p> <p>Credibility of signal sender matters.</p>	<p>Some offices highly focused on sexual assault.</p> <p>One set of issues deals with diversity and the other is quality of life. Must be dealt with differently.</p> <p>Historically, diversity has always been good for the military as an institution.</p> <p>Social issues get a lot more attention than other issues.</p>
Staffer 8	<p>Not supposed to be a lot of back channeling because DOD discourages it.</p> <p>Getting services and OSD to work together can be difficult.</p>	<p>HASC & SASC do not move mountains like the Goldwater-Nichols era.</p> <p>Controversial issue w/ BRAC-like vote – (Devil Shift).</p>	<p>Service chiefs as the most influential.</p> <p>Personal relationships from Member to service chief.</p> <p>Credibility can have a huge impact.</p> <p>Congress needs the authority to deliberate and amend.</p>		<p>Broader public interest in social issues.</p> <p>They pull at the typical person's heart strings.</p>

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
Staffer 9	<p>OSD stove pipes information from services.</p> <p>OSD tries as much as possible to control the message to Congress.</p>		<p>HASC/SASC subcommittees as most powerful.</p> <p>Congress fighting w/ administration for primacy on these issues.</p> <p>Army OCLL is the only service that works in the Pentagon while the other services' LL shops work on Capitol Hill.</p> <p>Army Staff not structured to be influential and do a horrible job of exerting influence.</p> <p>Service chiefs as most influential.</p> <p>Significant influences by way of majority party's political posture.</p> <p>Army reluctant to break w/ administration</p> <p>Service chiefs carry different type of weight over the civilian secretary.</p> <p>HASC will dismiss senior military who aren't willing to be candid.</p> <p>Army is the least influential, least impactful, and least powerful service.</p>	<p>Service chiefs must signal willingness to be honest brokers and offer professional military advice.</p>	<p>Special interest issues like sexual assault.</p> <p>Issues that transcend the military like sexual assault fit into a broader political mosaic.</p> <p>When Service Chiefs don't sufficiently consider these broad political issues, they are vulnerable.</p>
Staffer 10		<p>Build institutional memory through deliberative education process.</p> <p>Educating Members takes significant time and resources, well beyond the typical two-page memo.</p> <p>Task forces and other organizations can facilitate education process.</p>	<p>HASC/SASC subcommittees as most powerful.</p> <p>Committees are the most powerful, according to the congressional powers as described in the Constitution.</p> <p>Congress often defers to the Pentagon and the chiefs.</p> <p>Service chiefs as most influential.</p>	<p>Request for meetings (formal and informal) signals interest in organization's work.</p> <p>Hearing testimony from commission chair will provide opportunities for interinstitutional signaling.</p>	

	Stove Pipe	Institutional Memory	Power & Influence	Interinstitutional Signaling	Responsive Subsystem Behavior
			When committees are not united, chiefs become most influential.		
Staffer 11	OSD keeps tight controls and stove pipes information to Congress. But this depends on the Secretary and his staff.	Not a lot of institutional knowledge. No Member remembers the 90s, let alone the 80s. Secretary of the Army has better understanding of military personnel issues than most and is extremely helpful to the Army in general.	HASC/SASC subcommittees as most powerful. VSOs holding complete sway an issue unlikely. Power ultimately rests with Congress as everything is in law. Service chiefs as most influential. Service chiefs signal influence to Members.	If military cannot convince Congress, Congress will act on its own accord despite DOD qualms, signaling a need for DOD change. Service chiefs signal to influence Members. Service chiefs will have to endorse an idea and recommendations – all of the Joint Chiefs. Under the table signals to Congress (backchannel).	Process is the same but Member attention grows on social issues. VSOs work grassroots for membership. Social groups and lobbyists weighing in. Social issues galvanize people but the mundane issues like retirement only get retirees excited. Confluence of factors.
Staffer 12		P&R in DOD has knowledge of these issues. The Commission should be able to do a short piece on this Most people regard DOPMA as a huge success DOPMA on the forefront of personnel management around government No credible critique of DOPMA REDUX was misunderstood and Service Chiefs raised serious concerns Congress pulled the plug on REDUX prematurely	Service chiefs as most influential. Service chiefs have to be behind reforms and their support is extremely meaningful.	Bureaucratic appointments.	Social issues get Member attention as high profile issues. Death gratuity and death benefit mishandled during Iraq/Afghan issues. Slew of other benefits for widows and orphans. Draws on historical themes.

Appendix 4: Gates Commission and Policy Change Interview Questions (Ch. 8)

1. Did the Gates commissioners and staff believe the commission was truly independent of the executive, acting under delegated powers and authority?
2. What is the role of the Chair in the setting the commission's agenda?
3. Is it necessary for a commission's success to be led by a "powerful, activist, energetic chair?" What about name recognition and credibility?
4. How do the commissioners and staff expand/narrow the scope of inquiry?
5. What are the fundamental differences between an information commission and investigatory commission?
6. What are the necessary conditions for successful information gathering?
7. What are the necessary conditions for successful adoption of the commission's policy recommendations?
8. Is it important or necessary for the commission to keep the congressional committees of jurisdiction informed on the process? What about socializing recommendations?
9. Who are the most important actors/institutions to earn support from? SECDEF, JCS, POTUS, Congress?
10. How does a commission determine its report/recommendation roll out strategy?
11. How can a blue ribbon defense commission get its recommendations onto the president's agenda? Congress' agenda?

Appendix 5: Packard Commission and Policy Change Interview Questions (Ch. 8)

1. Did the Packard commissioners and staff believe the commission was truly independent of the executive, acting under delegated powers and authority?
2. What is the role of the Chair in the setting the commission's agenda?
3. Is it necessary for a commission's success to be led by a "powerful, activist, energetic chair?" What about name recognition and credibility?
4. How do the commissioners and staff expand/narrow the scope of inquiry?
5. What are the fundamental differences between an information commission and investigatory commission?
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7. What are the necessary conditions for successful adoption of the commission's policy recommendations?
8. Is it important or necessary for the commission to keep the congressional committees of jurisdiction informed on the process? What about socializing recommendations?
9. Who are the most important actors/institutions to earn support from? SECDEF, JCS, POTUS, Congress?
10. How does a commission determine its report/recommendation roll out strategy?
11. How can a blue ribbon defense commission get its recommendations onto the president's agenda? Congress' agenda?

Appendix 6: Interview Responses Coded By Hypothesis (Ch. 8)

	Commission Chair	Information Gathering Process	Coherent Political Strategy
<p>Gates Commissioner 1</p>	<p>Former SecDef who'd been out for 10 years. "Everyone in the room respected him. He was thoughtful and never raised his voice. He never ruled with an iron hand and when he wanted to move on to another topic, everyone agreed. His sheer personal charisma and authority moved the process along. But he had an easygoing group to work with. Worked closely with the staff to be well prepared for every meeting. It simply wasn't difficult situation to manage."</p> <p>Very active discussion but there was never any need to quietly lobby fellow commissioners. Chairman Gates managed to keep everyone on track by facilitating discussions and keeping the tone civil. People really listened to each other and there was little need to vote on things to settle differences.</p>	<p>"We asked ourselves whether an AVF was both desirable and doable as parallel studies. A couple of Generals and Admirals were skeptics and raised the question as to whether the AVF was desirable. Proponents of the AVF were not afraid to explore the question because they never doubted the wisdom of an AVF."</p> <p>Commission relied heavily on the staff briefings for information. Staff was dominated by pro-AVF people. CNA was a Chicago economics group and hence had many AVF supporters. Commission pushed the staff to improve analyses on various fronts. Alan Wallace, Milton Friedman, Marty Anderson helped select the staff and Meckling only came on as staff director as the rest of the staff was in place. The commissioners never cared to second-guess the staff appointments. Chair supervises the Commission ED.</p>	<p>One of the only times there was tension in the room was due to Stephen Herbits and the first chapter. There was a page and a half in the draft final report supporting the War in Vietnam in the near final draft of the War. Argued the press would hone in on the one page and pervert the commission's work. Argued that it was outside the scope of the charter. Threatened to vote against the final report making it 14-1 and not sign onto it. Do you really want the youngest member of this commission telling the country he doesn't agree with it? A little nervousness in the room.</p> <p>Some of the Gates members remained active afterwards on the issue through their professional capacities. But once the commission disbanded, everyone left. Gates Commissioner 1 worked issue on the House side and then on the Senate side, working AVF extensively. Gates Members had an extra year to socialize its recommendations because the DOD was still putting together its own recommendations.</p> <p>Gates Commissioner 1 was doing a lot of the politics on the Capitol Hill side, served as a chief lobbyist on the Hill, in a sense. Some individuals carried on the commission's work and spirit in their private and professional lives. Wrote speeches for McGovern and Goldwater to frame their pro-AVF stances to fit with their respective political ideologies. Helped change Les Aspin's position over lunch through intellectual debate and discussion.</p> <p>Commission took time to bring the Pentagon along with the commission's recommendations. Quiet leadership within the Pentagon carried AVF concept forward. Laird picked up the report and issue after the commission disbanded. Roger Kelley's staff had been providing the Commission staff with all the information it needed. Laird told Kelley to get the Pentagon on board with the report. Kelley's background had been negotiating labor-relations at Caterpillar. Kelley drove the issue along in the Building and brought it along. The commission was never preoccupied with the external stakeholders and their potential criticism.</p> <p>Sen. Kennedy reacted negatively to the Gates Report. A small informal delegation from the Gates Commission delegation went to SEN Ted Kennedy to convince him to back down from his opposition. Individuals played a role but the commission did not formally carry on its work.</p> <p>Part of the problem is that commission, if their good commissions, really do reflect society. But given today's partisan context, it's hard to find a commission that can survive. Politicians and Policymakers now don't care what the recommendations are as long as it supports their ideological perspectives. There was never any debate about left or right. The first move when setting up a new commission should be to not appoint any current or former members of congress. Members of Congress are not interested in solving problems as institutional representatives of Capitol Hill. The commission can go over the heads of the political class and straight to the public with its analysis and recommendations. As soon as political people are on a commission, the results/report/recommendations are no longer</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy
			credible. Must select statesmen whose credibility is beyond reproach and no longer interested in active political life. The problem with the commission approach is that the list of potential appointees is incredibly short. Friedman wanted to convert all service member compensation and benefits to cash.
Packard Staffer 1	<p>Packard drove the agenda. He was immediately set on the notion that this was not going to be a report that was going to sit around and collect dust. He wanted a report that would be his legacy.</p> <p>Packard wasn't going to accept a product that didn't meet his expectations. A master of organization and leadership who inspired others.</p> <p>It would be wrong to put all the commission's success at Packard's feet alone. The other commissioners were stars. To have a seasoned leader who had invented a company and knew technology, knowing what a huge challenge that was for the Pentagon. Packard invented an entire industry and earned a lot of respect along the way.</p>	<p>The commission met with Secretary Weinberger in August 1985 with the whole commission present at the Pentagon. Even Carlucci was crestfallen by Weinberger's hostility and defensiveness. That set the tone for everyone, helping the commissioners realize that something had to be done beyond simply looking at acquisition policy like Weinberger wanted us to.</p>	<p>You can't beat having quality content and sound recommendations. Part of the quality is having members of the commissions to think strategically and clearly. Can you tell somebody in 30 or 60 seconds what you want to do? One of any commission's chief problems is simplifying complex information so people understand it. Consequently, Members of Congress may reject it out of hand.</p> <p>Packard was a wiz at that stuff. He came into town for a week or so each month and from the beginning to end he was up on Capitol Hill talking to Senators and Congressmen and regularly consulting with think tanks and experts. He was a tremendous socializer. He knew how to get things to done.</p> <p>We were aided in that by having retired senior military officers on the commission. The resistant GOs were outnumbered by those who favored it (Scowcroft, etc.) PX Kelly was very resistant and certainly didn't endorse what we did. I don't recall the military having any unfavorable comments about acquisition reform.</p> <p>A lot of time on this. Internally, lots of conversations on this. A third of the commissioners were from out of town and most had significant DC experience. These people knew how to make Washington work. Getting commissioners all together and on board wasn't a difficulty we had. They were all very committed to the commission's work.</p>
Packard Staffer 2	<p>"I think the commission collectively, particularly the chairman, did not feel any imposed boundaries on the areas that he could look into or the independence of its findings and recommendations."</p> <p>"I don't have any direct evidence that Packard even ever read the charter. I don't ever remember a question whether something was in the bounds of the charter. The Charter got us to day one and the commissioners took us from there. Commission determines its own set of objectives." Sure there were plenty of contact between Packard and Commissioners.</p> <p>"There is nobody like Dave Packard. A man with that nature, stature, and competence running the show, when he talked, people listened. Preeminent individual chairman as changes the nature of the field."</p> <p>"Packard was the commission between commission meetings. He was very involved and frequently moving things back and forth between DC and Palo Alto." Chairman himself was very involved in analysis, findings, reporting, etc.</p>	<p>Commission willing to listen to the experts on certain issues. Deferring to expertise within the commission. Dynamics that must be considered.</p> <p>Look at the commission members themselves, virtually every set of stakeholders was represented somewhere in that body of commissioners. At the time you negotiate the charter, you don't know who is going to be executing the charter. Parallel and simultaneous negotiation of who was on the commission. Charter itself must be interpreted by the commissioners.</p> <p>Spent a good bit of time understanding the nature of the problem and finding agreement on what the problems were. Find staffers who know collectively in all the areas you are going to uncover. When we built the staff we started with a strong focus on Army/AF officers who had expertise on acquisition issues. When it came to USMC, we wanted to someone who served on the joint staff. We used senior consultants to fill our knowledge gaps as we slowly learned what they were.</p>	<p>A lot of daily interaction with the NSC Staff, HASC/SASC Members and their staffs). Folks who were going to receive this report really felt like there were heard and consulted along the way. The folks who were going to receive this report really felt like there were heard and consulted along the way. We put together a number of discussions, public and private, with critics so they were able to voice their concerns in part because of the optics but also because these people were going to be part of the solution one way or the other We had enough time and staff to do these sorts of things. DOD was paying for it but no control over it. The resources necessary were available. I don't recall any sense of major issues that haven't been death because we didn't have the time to do it.</p> <p>Packard knew the Pentagon would not be enthusiastic. He suggested that he and the commission reconvene a year later to get updates on implementation across government. Everyone knew they'd be standing up to do a report card. On the day the commission released its April acquisition report, the President signed a national security directive initiating a study of the preliminary findings. This was put on the president's agenda. Plenty of presidential commissions who don't have that kind of access. Depends on who is involved. When you've been in the game long enough, you know most of the players.</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy
			<p>Interaction between commission and the executive branch and the legislative branch. Executive branch wasn't all that excited about congress engaging on reform because they didn't agree on the problem statement. Pentagon was resisting all conversation let alone change. Ad hoc Task Force on Pentagon Reform in the building - What David Packard saw from the beginning, and certainly after meeting Goldwater-Nichols, decided to play a role as surrogate between the executive and legislative branches. Only one instance where Packard and the Congress disagreed, rank of the VCJCS. We did have people on the Hill who understood the ramifications of these recommendations and how to deal with them. Goldwater and Nunn were a strong balance who made this work. Take that studious caution on one hand and firebrand on the other and you've got the right mix for good solid work. Without Goldwater/Nunn it would have been much harder for Dave Packard to be successful. Moved the ball legislatively and through the executive branch. Pentagon today isn't blessed with the same sort of Capitol Hill.</p>

**Appendix 7: Military Compensation and Retirement Modernization Commission
Interview Questions (Ch. 9)**

1. What/who is the most *powerful* institution/actor with regard to military retirement policy?
 - a. Service Chiefs
 - b. Service Members
 - c. HASC/SASC Subcommittees for Military Personnel
 - d. Military Interest Groups / Veterans Organizations
 - e. Media
 - f. Think Tanks / Policy Scholars

2. What/who is the most *influential* institution/actor with regard to military retirement policy?
 - g. Service Chiefs
 - h. Service Members
 - i. HASC/SASC Subcommittees for Military Personnel
 - j. Military Interest Groups / Veterans Organizations
 - k. Media
 - l. Think Tanks / Policy Scholars

3. In terms of political and institutional memory, are any of the following twentieth century laws still relevant to the twenty-first century policymaking process? Why or why not?
 - m. Officer Personnel Act of 1947
 - n. Defense Officer Personnel Management Act of 1980
 - o. Retirement Redux of 1986
 - p. Redux Repeal of 1999

4. How do these various institutions/actors signal their policy preferences on military retirement?

5. In your experience, have you seen new information influence (affirm or change) a policy position for the Commissioners?

6. How can institutions/actors better leverage information to signal their policy preference and effect policy change or stasis (e.g. Ash Carter's letter to Chairman Maldon)?

7. What expectations, if any, do you have for the *Military Compensation and Retirement Modernization Commission*? How have the commissioners gathered their information and who should they hear from?
8. What would be the most helpful and/or harmful 2nd and 3rd order effects of military retirement policy change? Why? Have you shared this view with Congress/DOD/Interest Groups/defense media/think tanks, etc.?
9. Has the Commission received the resources necessary (time/staff/budgets) for success?
10. Is the Commission closely adhering to its charter or expanding its mission?
11. Is the Commission moving in a unified direction?
12. How does the recent Ryan-Murray budget deal and COLA change affect the Commission's work?

Appendix 8: Interview Responses Coded By Hypothesis (Ch. 9)

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
Bureaucrat 1					
Bureaucrat 2					
Bureaucrat 3	Scope is too darn big --> compensation encompasses everything from health care to basic pay	Expect the commission to put a lot of weight into DOD proposals. A commission would give DOD an opportunity to put forth its proposals. Commissioners understand the customers in Service Members	Inability of the last two Congresses to deal w/ hard issues Congress seeking political cover in Commission Anything DOD does must be legislated DOD wanted BRAC-like up or down vote Congress has blown pay and compensation turning them into benefits and entitlement	If the commission is going to recommend changing things, it's got to save money Pay for the AFV set up to attract at 70% of comparable civilian pay. Cannot pay a price or value a Soldier Congress has blown pay and compensation turning them into benefits and entitlement	Military must grow its own from w/in without lateral entry opportunity Compensation must produce the force required Recruit and retain, equity Pentagon is about resources (time, money, etc.)
Bureaucrat 4			Commission reforms will be DOA until the whole system is about to fail Commission is serving as political cover w/ excess time. Congress has imposed other laws because they can't say no	We can't sustain the current system Have to put forward bold proposals to address major resource issues Otherwise going down a path that is fiscally unsustainable \$31k to \$63k for an E-4 w/ personnel costs growing dramatically Unsustainable front and backend benefits	We can't sustain the current system Dynamics w/in military may see this positively
Bureaucrat 5	Broad charter --> Compensation, DOD schools, GI bill, retirement, and healthcare I don't have any expectations for change	Part of their ability will rely on the staff and their search for information and options			Family w/ spouses might become unhappy if 401(k) plans tank "Tell me again why I am putting up with this crap." A COA of 50% at 25 years. To do so, timelines would extend and people may re-evaluate their timelines and lives. Change promotions, commands, and have an older force

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
					<p>If we came up w/ retirement system dependent on 401(k), my contention is that we will affect the culture of the institution</p> <p>Weight heavy the decision to stay or go</p> <p>Pay tables compliment 20 year retirement policy and the up or out system</p> <p>Personnel management is an art, not a science</p>
Bureaucrat 6			<p>It depends: people, politics, and budgets</p> <p>Change might also depend on force posture in Afghanistan and political will</p> <p>I expect a number of us would be called to socialize the Secretary's and DOD's preferences/efforts</p>	Retirement caps up under budget pressure...the gorilla in the room	<p>Compensation must meet goals of workplace management system: recruit, retain, distribute/assign, motivate, and separate</p> <p>Don't have to pay comparably but we have to pay competitively</p>
Bureaucrat 7	<p>To get something done, on time, Commission will have to work quickly</p> <p>About the Commissioner - "I don't know him."</p>	To the extent DOD can, it will make substantive recommendations	<p>Retirement Commission will be bold in its proposals</p> <p>Change will benefit the individual and the department</p>		<p>No one believes our retirement system is broken</p> <p>Success of the AVF</p> <p>Biggest fear is we're going to break the AVF</p> <p>Approached this with "If we could benefit the force and design a new system, how would we do it?"</p> <p>No logical reason for retention to drop off at 20 years. Modeled after personnel structure rather than strategy</p> <p>Multi-Part system will give department levers to shape the force</p> <p>Creating a system will that allows flexibility will not be all encompassing</p> <p>Continuum of service where initial public service to allow SMs to flow in and out of</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
					public sector careers Navy is experimenting w/ sabbaticals
Bureaucrat 8			Two straight presidential budgets have asked to curtail growth of military compensation Administration believes in commission	Have to get costs under control or else have and have not Army will emerge with regard to training Huge impact on collective training	
Bureaucrat 9			Uphill battle for Retirement/Compensation reform	Compensation has become unrecognizable	A model that rewards 20 years of service Melded AC/RC world to create a continuum of Service CIP (Sabbaticals) DOD medical / PCS move / Stipend w/ 6 years ADSO Addressing female retention numbers Compensation / Retirement w/ focus on combat exp. / MOS Compensation package to build the force Challenging economy has given military pick of the litter, best of the best, etc. Most challenging thing next will be to retain that talent
Bureaucrat 10				Resources question of immediate outlays vs. accrual basis Spike will be more expensive in short term Savings would be modest and take a long time (two decades) to get to a new steady state Savings alone won't turn Congress in favor Too far out and too long away for any savings	Retirement's main original function was to separate people from service System built to get people to leave People who leave at 10-15 years are leaving for reasons other than pay People who are leaving these days are leaving because they don't want to be in the military Separating Service Members at 10-16 years is hard to do.

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
				The real problem is the equity issues	Big changes would lead to addressing personnel management system
Bureaucrat 11			Grandfathering is the only way to make it work		<p>If you change retirement system too much it might have an adverse effect</p> <p>Senior leaders reluctant to endorse system that encourages lack of commitment to service</p> <p>Years to put new system in place as not all shaping tools to go in immediately</p>
Bureaucrat 12					<p>Time to re-evaluate the experience AVF. Previous officials pushed review of AVF and Under Secretary P&R refused</p> <p>No movement before 2016 Presidential election</p> <p>Belief among senior leaders is that a portable asset will cause people to leave</p> <p>50-60 year old service chiefs and SMAs not able to relate to young service members and their needs</p>
Journalist 1			<p>No one wants to answer to angry retirees.</p> <p>My guess is the commission will recommend something big and it'll get shelved.</p> <p>Congress can have commission but won't accept the recommendations on an up or down vote</p> <p>Sent to HASC/SASC but w/o major budget crisis, nothing will get done</p> <p>Committee Chairman will do whatever retirees want</p>		
Journalist 2			Going to be tough w/ Congress	Some people say we pay too much for	

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
				defense and others think we don't pay enough	
Journalist 3		Military crowds who are pro-retirement as it stands change their attitudes when we discuss the expenses and merit of the military bands, compared to the people who fought in these recent wars.	"In all my years in Washington, I've never seen a Congress this dysfunctional. But they still write the laws."		They'll have to see how changes would affect recruitment and retention. But studies show 18 year olds don't think much of their retirement when they enlist
Journalist 4	"It'll be easy to ignore the commission because of low profile chairman"		<p>Gates, Zwick, and Packard Commissions... In my experience watching these commissions, Congress can use these commissions to deflect the issues and attention or use them to blame for tough ideas when implementing.</p> <p>Thomas Gates was highly regarded and the commission's report was anticipated by the public</p> <p>Very rare to change the military in such a dramatic way and even a 5 star commission is no guarantee</p> <p>Would have had high expectations but they took the teeth out of it</p> <p>Commission will come up w/ all sorts of ideas about early vesting, old age benefits, money saving features</p> <p>"I don't think the commission will have the juice to make anything happen." "If there is change to the system, it'll be in peace time and it'll be terrible."</p>	<p>When the fighting stops, personnel costs will be much more suspect</p> <p>Cost savings won't resonate until debt crisis or war is over</p> <p>Personnel & O&M costs could be the seeds of a crisis atmosphere</p> <p>Rhetoric on taking veterans money but billions in welfare / foreign aid</p> <p>Have to come up w/ quick savings</p> <p>Grandfathering would cause a lot of potential problems</p> <p>Early bill for future savings</p>	<p>Continuum of service</p> <p>Sabbatical program are not filling quotas</p> <p>Hard to understand how the force should be shaped</p>
Journalist 5			<p>Just another Blue Ribbon Commission</p> <p>No major change because the commission will lack influence</p>	<p>No political will on Capitol Hill to take on Personnel costs</p> <p>Personnel costs vs. training and readiness costs.</p>	
Lobbyist 1			Parochial interests to maintain status quo w/o O&M budgets for services	<p>Is it budget driving policy or policy driving budget?</p> <p>History of where we've been and how we got here today</p>	<p>Have to pay for the AVF. Current system is "unsustainable" in whose view?</p> <p>Current system only requires 17% of Military Personnel to stay for 20 years</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
				<p>Examine why these took place --> Directly related to budget issues</p> <p>More concern about up-front costs</p> <p>Reports claiming that personnel costs consume the DOD budget but based on questionable assumptions --> Inflation specifically</p> <p>Sense in the services to protect personnel plans in fear of DOD cross-leveling personnel across accounts</p>	<p>Up or out system requires people to be separated at 20</p> <p>Negative things take place during draw-downs</p> <p>Officer Volunteer Assignment System failed miserably</p> <p>20 year retirement system forces personnel into jobs necessary for the service</p> <p>Market based system doesn't facilitate promotions and choice systems</p> <p>Not opposed to change if we can find a smarter way.</p> <p>Short turn around for commission to comprehensively examine the future of the AVF</p> <p>Retirement accrual account leaves a huge liability but is a tradeoff for the AVF</p> <p>"In order to incentivize people to stay on, the current promotion system must be examined."</p>
Lobbyist 2					<p>If AC protects its territory, what are the implications for AVF?</p> <p>Continuum of service to and from AC/RC/IRR</p>
Lobbyist 3					<p>If Congress goes through w/ major cuts we could see a hollow force after the wars end, especially if the economy goes through an uptick w/ low unemployment</p> <p>"Recruit the individual but retain the family."</p>
Lobbyist 4			<p>Little more hopeful to retain status quo based on number of military retirees on the commission.</p>		<p>Recruiting is not a problem</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
			<p>But no enlisted force representation on the commission. All officers.</p> <p>No enlisted voice or perspective on the issues</p> <p>Expecting a canned report</p> <p>Limited trust of an Grandfather clause</p> <p>Not like BRAC-like vote</p> <p>Engage HASC/SASC to counter-reform efforts</p>		<p>Retention predicated upon immediate annuity and low expensive health care</p> <p>Lessening any two carrots will affect retention and senior personnel won't be the best qualified but the last people standing</p> <p>Watering down retirement will lead to watered down GI Bill once economy rebounds</p> <p>Longer time on station will help w/ careers for spouses and bring stability and remove disincentives for making a military career</p> <p>What worries me is not winning the next war because all we care about is the budget</p>
MCRMC 1	<p>Muted signal from White House on Chairman</p> <p>Dynamics of Commissioners</p> <p>Commissioners have to be non-partisan</p> <p>Build support through policy entrepreneurs willing to champion reforms</p>	<p>Briefings w/ Members of Congress</p> <p>Needs 4 Champions --> Bipartisan in Both Houses</p> <p>Subcommittee Chairman and Ranking</p> <p>Will require quant/econ analysis to find alternatives</p> <p>Invitations to testify</p> <p>Lot of time to take report public via public hearings</p> <p>Balance in information release</p> <p>Commission to learn as much as possible. In receive mode but requires consensus</p> <p>Dynamics matter</p>	<p>BRAC-like vote was aimed to give Members political cover</p> <p>Will require a lot of education for the Hill so they understand</p> <p>W/o BRAC approach, have to have legislative strategy. Hoping for clear legislative strategy</p> <p>Commissioners w/ opportunities to testify before Subcommittees</p> <p>Service Chiefs have to speak out</p> <p>Service Chiefs need 3-stars to whisper to the Hill</p> <p>Sending private signals to Hill saying personnel accounts is killing us</p>		<p>Crystal clear that current retirees and service Members as grandfathered</p> <p>Won't want to change 20 years of service</p> <p>Millennials don't stay in jobs long and revised systems might incentivize departures. Notion of millennial loyalty is very different</p> <p>How do you convey to millennials long term implications? How do we make service appealing?</p> <p>Should make elite education appealing to keep people 20. Double number of elite fellowships. Keeping people into 20 will require better civilian education</p> <p>Have to make assignment system more flexible</p> <p>Must build diversity and avoid group think through flexible personnel system</p> <p>Include education funding through</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
					<p>compensation reform</p> <p>The Military's HR system is living in the 1950s</p> <p>Best, brightest, most relevant Success despite system, not because of it</p> <p>Zero defect isn't percolating down to force</p> <p>Do we plan careers for cutting edge lifestyles?</p>
MCRMC 2	<p>Chairman believes this is an historic opportunity to make DOD better.</p> <p>Divided commissioners into portfolio working groups.</p>	<p>No staff-to-staff coordination between commission & HASC/SASC.</p> <p>VSOs engaging but not an outside influence.</p> <p>At this point, half of the Commissioners will be very knowledgeable and half will not.</p> <p>Some Commissioners are more available for education than others.</p> <p>Time extension to February 2015 facilitates travel schedule.</p> <p>Surprised by Ash Carter's letter.</p> <p>Didn't know why DOD did that.</p> <p>Everything is on the table due to bland letter / recommendations.</p> <p>Blessing in disguise for the commission.</p> <p>Leverage deal with interest groups to push through Commission's recommendations.</p>	<p>Engagement strategy w/ policy elites.</p> <p>Popular programs are hard to touch at DOD.</p> <p>Must integrate / weave each portfolio to present an entire package.</p>	<p>"Whatever you need" rhetoric no longer realistic after the last decade at war.</p> <p>Criteria for budget and hiring transparency.</p> <p>Commissions should be lean.</p> <p>Commission is not under or over resourced.</p> <p>We have what we need.</p>	<p>Nothing is driving a senior NCO to 20 years of service except a pension.</p> <p>No long term thought afforded to long term policy effects.</p>
MCRMC 3	"Let's be on scope." Scope couldn't be any wider.	Harder for DOD not to like recommendations.			Commissioners will have to look at Up & Out promotion system

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
	<p>Chairman wouldn't be afraid to make unchartered recommendation.</p> <p>Chairman will have to rally troops.</p>	<p>Some of DOD's working group work was shared but not all.</p> <p>Pitching ideas individually to Commissioners.</p>			<p>Post 9/11 GI Bill analysis could impact recommendations.</p>
MCRMC 4		<p>Great information from DOD and great back and forth.</p>		<p>We determine structure. Someone else can recommend specific dollar amounts.</p> <p>Structure of pay vs. levels / cost of pay.</p> <p>Longer term view than the business cycle.</p>	
MCRMC 5	<p>Commissioners will go where they want to go.</p> <p>Management and organization.</p> <p>Most likely outcome is a consensus based on where we are right now.</p>	<p>Honeymoon period w/ all Orgs who have a stake in the game.</p> <p>Taking time to gather information.</p> <p>Input w/o influence at this point. But it is coming.</p> <p>All stakeholders have to have a voice, agree on the facts, and debate policy.</p> <p>Not going to support anything w/o strong evidence.</p> <p>We have great support from DOD right now.</p> <p>Political leadership in DOD willing to engage w/ Commission</p> <p>DOD is being extremely helpful but VA is not.</p>	<p>We don't have anything to say to HASC/SASC yet. But we will.</p> <p>Staff at HASC/SASC willing to help and engage.</p> <p>Must bring everyone along.</p> <p>Leveraging political relationships when socializing recommendations.</p> <p>Clear signal from Congress on COLA is something to consider moving forward.</p> <p>Sky might actually be falling.</p> <p>Could be leveraged w/ The Military Coalition, Members, and constituents to reverse COLA and endorse commission's recommendations.</p>	<p>Structure question vs. cost on how many dollar bills are in the bag.</p> <p>Budget drill to get the money.</p>	
Scholar 1					
Scholar 2		<p>Expected to provide analytic support via testimony to the Commission</p> <p>Objective advice and credibility on the inside</p>	<p>Strong incentive for DOD to do a one-size-fits-all plan to prevent potential Congressional cuts.</p>	<p>Fiscal reality makes the debate and puts fire under commission's feet to do something</p> <p>Fiscal reality to induce them to action</p>	<p>Virtually no difference to retention at four vs. six years</p> <p>Try to keep as much of the status quo as possible</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
		Last 18 months of DOD Working Group has been very effective to develop its ideas and socialize them around the building.			
Scholar 3	<p>Compared to Simpson-Bowles, Simpson was stronger</p> <p>Would be surprised if they did anything dramatic</p> <p>Should have been me leading this thing. Needs bold leadership</p> <p>Looking for staff direction</p> <p>The Commission line up is OK. Not enough gravitas.</p> <p>They need the equivalent of David Packard to lead this</p>		<p>"What do you gain by supporting retirement reform, politically?"</p> <p>Political cover would be included a BRAC up or down vote</p> <p>As the policies get bad, so do the politics.</p>		<p>My concern is that the AVF is failing.</p> <p>People walk away w/ nothing if they have 13-16 years of service</p> <p>Up or out system doesn't make a great deal of sense anymore</p> <p>I think they have to address personnel system as well</p>
Scholar 4	<p>Don't know the Commission Chair</p> <p>"Not many of these people are really known as innovative in this area."</p> <p>Needs a stronger pick to Chair the commission</p> <p>A strong personality would make the case</p>		<p>Commission set up to fail once the Congress stripped the BRAC-like up or down vote</p> <p>Commission can only succeed if they use the report to get the American people around reform</p>		<p>More talent will leave when economy is good and doesn't bode well for the military</p> <p>Right thing to do is use carrots and sticks to shape the force</p> <p>Pay people to stay as you pay people to separate</p> <p>Retaining senior leaders to draw from for future G.O. pool</p> <p>May have to look at continuum of service and lateral hires</p> <p>Hardly any other organization grows from w/in</p> <p>"Worried about career model and wholesale re-examination of personnel management system."</p>
Scholar 5	<p>First issue for any commission is building a consensus and getting</p>		<p>Administration looked for BRAC-like vote to force action</p>	<p>"Congress is not a good steward of financial matters, responsive to</p>	<p>Military leadership has to speak to current system and potential personnel</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
	<p>everyone to sign report</p> <p>Second issue is getting action as many reports are ignored</p> <p>Important for commission to Command respect but public advocacy doesn't mean they'll get traction</p> <p>"This commission is a once in a lifetime opportunity."</p>			<p>constituents."</p>	<p>management system</p> <p>"My instincts are that military is better survived w/ 10-12 years of service rather than 4-6."</p> <p>"If we just changed the system, it is insufficient to get the retention we need."</p> <p>Much of military compensation is deferred</p> <p>Could create too much or not enough retention</p> <p>Gate pays as an option based on career milestones</p> <p>Real question is what type of military force do we need?</p> <p>What do we want and how long do we want people to stay?</p> <p>"I am concerned that we will only address financial issues."</p> <p>Perverse incentives for concurrent receipt</p> <p>Retirement reform ought to be characterized by the force we want</p> <p>Military and society would be better served by more people serving until 10 to 12 years of service w/ fewer staying for longer careers.</p>
Scholar 6					<p>"Personnel management would have to change if retirement policies changed. In fact, things may get worse before they get better."</p> <p>To prevent corruption in the system from cronyism or even discrimination, DOD may have to allocate a certain percentage of assignments - 20 to 50% - for a time to facilitate transition to AVF.</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
					Reforms to the personnel management system through the TVF and labor market can help weed out mediocre performers and morally bankrupt individuals through informal information networks that exist in a labor market.
Scholar 7	David Packard was the manifestation of American business genius and organizational guru.		Even if the commission does great work, it won't have the political "wasta" to effect change	<p>Reluctant to embrace any reforms at the sake of cost savings alone</p> <p>Too soon to tell on Commission, especially given money crunch DOD is in</p> <p>Sequestration is here to stay. Glide path working is the Presidential budget</p> <p>Potential for buy outs, if there's money, or simply releasing people from contracts</p>	<p>The AVF has performed remarkable well over the past dozen years</p> <p>Constant constabulary duties akin to Fort Apache in the 1890s more likely to be the new norm for AVF</p> <p>Have to craft a compensation package that meets above reality</p> <p>Ideas of traditional career path are coming under new scrutiny.</p> <p>More of a SF model in terms of age and experience for the conventional force</p> <p>We understand the pool we're recruiting from but do we understand the mission we're recruiting for?</p> <p>Logic to the current personnel management and up or out promotion system. But the system can favor tactical experience and expertise more than anything.</p>
Scholar 8	Can't change pension policies w/o the commission approach	Commission won't be able to ignore OEMA/SSI report	This topic is ripe for action		<p>Only arsenal to force shape for the future</p> <p>Buyouts to convince people to leave early</p>
Scholar 9	<p>Nobody wanted to come to grips w/ this but Congress put it on the commission</p> <p>"Good people on the commission but based on the appointees, I don't get the sense that change is in the air."</p> <p>Not wildly optimistic that commission will be bold</p>	<p>Department has to articulate its principals for the commission to study</p> <p>"I hope to testify before the commission."</p> <p>"Should do field hearings. Won't help on this subject."</p>	<p>Politicians won't be aggressive</p> <p>This will rise and fall on the DOD</p> <p>Tinker w/in the margins</p>	<p>Should be done w/ large entitlement reform package</p> <p>Spend more, get less</p> <p>Budget hawks crowded out defense hawks</p>	<p>Army would be better off w/ a Chief willing to shape the downsize rather than the obsolete</p> <p>If we don't make changes, the active duty force will be cut</p> <p>No company uses retirement as a retention tool</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
	<p>No critical mass to make effective change</p> <p>Retired Generals tend to be very cautious though open minded and objective</p> <p>Cumulative weight won't matter</p>				<p>We need carrots right now, not 20 year policies</p> <p>To attract and retain 21st century talent, we've got to be more flexible w/ personnel management</p> <p>People don't want the same company for 40 years</p> <p>Incentives for retirement for differing jobs</p> <p>Have to also deal w/ up or out promotion system</p> <p>Lots of values that need to be adjusted for the AVF</p> <p>Echoes Gates Commission requirements and recommendations</p>
Scholar 10			<p>Anyone who leans forward on these issues in an administration is at risk</p> <p>A phenomenal amount of time and energy to change something small</p> <p>Low expectations</p> <p>Compensation is not a study issue; 100% political issue</p> <p>What can a commission do to effect policy?</p> <p>Commissions are usually the way out</p> <p>Can they give people sufficient cover for Members to vote for?</p>		<p>One size fits all centralized personnel policy run by OSD</p> <p>Closed labor market w/ different talent requirement throughout the system</p> <p>How do you deal w/ system optimization at that scale?</p> <p>The system does deal w/ merit but through patronage for the elite</p> <p>Missed a big opportunity to address cyber recruiting and retention</p> <p>Can't keep retirement system and personnel system separate</p> <p>The bogeyman is always "risk." No one can qualify risk</p> <p>Risk is whether the force falls apart, i.e. recruiting and retaining talent becomes difficult</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
					<p>Don't have the capability to change</p> <p>No incentive for DOD personnel community to challenge output metrics on recruiting and retention</p>
Scholar 11	<p>Appointment as Chair is political and signal from the Administration is muted and not meant to rock the boat</p> <p>Controversial reformers couldn't get appointed to Commission</p>	<p>Commission should hear from RAND</p> <p>Going to take some guts on analysis and numbers to make changes</p>	<p>Compare to Gates commission: Two dynamos including Milton Friedman and Marty Anderson</p> <p>In the final analysis, Melvin Laird as Secretary cut the final deals</p> <p>President supported reform from draft to AVF</p> <p>Nunn and Warner bailed out the AVF during the Carter administration</p>		<p>Must address personnel management system because it's all connected</p> <p>Personnel system designed and built in 1946</p> <p>No revolution in the way we manage people</p> <p>Exceedingly wasteful system built on youth and vigor that no longer pertains to the current force</p> <p>Feeding the private sector w/ up or out promotion system</p> <p>Personnel Management System is wrecking the Army</p> <p>Services scared shitless they'll lose people from 8-20 years</p> <p>O-4s locked into the system and protected by enlisted E-5s and E-6s</p>
Scholar 12					<p>Ridiculous to expect someone to sign a 20 year cell phone contract. So why would you expect someone today to sign up for a benefit 20 years from now?</p>
Staffer 1					
Staffer 2		<p>DOD limits information in form of what is politically palatable</p>	<p>Personnel issues as political landmines</p> <p>DOD won't be forthcoming w/ Members because of political palatability issues</p> <p>MSO/VSOs engage Members w/ political pressure</p>	<p>Generous benefits raise questions about affordability</p> <p>Sequestration might dictate proposals w/ structural changes</p>	

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
			<p>Political bipartisanship on HASC w/ best intentions for Service Members</p> <p>Politics raises its ugly head over budgets</p>		
Staffer 3		<p>Field hearings must ask the question... "Could the AVF survive another 5-10 years of war w/o the retirement system?"</p> <p>Address the spectrum... "How many would stay through multiple deployments?"</p> <p>How willing will they be to deviate w/ DOD plan? I don't know.</p>	<p>Government reports that are too objective avoid political realities.</p> <p>Member desire for political cover to help w/ political crisis</p> <p>Are the commissioners going to become the public advocates for change and reform?</p>	<p>Budget calculus</p> <p>Upfront costs for retirement reform</p>	<p>Personnel Management System - "some would say if you address one, you have to address the other."</p> <p>"Must examine what it takes to sustain the AVF."</p> <p>Must sustain recruiting and retention in sufficient quantities and quality</p>
Staffer 4			<p>Congress seems incapable</p> <p>A consensus document provides cover to Members</p>	<p>Hoping for recommendations that get value out of the force</p>	
Staffer 5					
Staffer 6					<p>Retention issue</p> <p>Keep retention rates in certain fields to keep the best and brightest in uniform</p> <p>Who are we attracting if we discourage military service</p>
Staffer 7			<p>Politically untenable on Capitol Hill right now.</p>		<p>Military retirement policy has been around for decades</p> <p>AVF and types of job requirements must be considered</p> <p>Recruiting and retention</p> <p>GI Bill maybe for recruitment but how do you retain people w/ 10 years of service?</p>

	Commission Chair	Information Gathering Process	Coherent Political Strategy	Affordability	Sustaining AVF
Staffer 8			<p>Anything w/ benefits is hard politically</p> <p>Members don't want to take the tough votes</p> <p>Compensation issues more narrowly targeted</p>		<p>Some concern about recruitment and retention.</p> <p>People sign up expecting certain benefits Look at other incentives to build long service tenures</p>
Staffer 9					
Staffer 10			<p>External organizations have to build interest within the Congress, especially among senior Members charged with leading change or the policy effort.</p> <p>Without Congressional interest, external groups will not be able to facilitate the information process.</p>		
Staffer 11	<p>Commissioners will have to keep this at a broader level and strive to be specific enough to generate a credible report</p> <p>Must identify goals and identify whether compensation should be reformed</p>	<p>Lack of secondary analysis</p> <p>Retirement proposals as impact on recruitment and retention w/o current defined benefit plan</p> <p>VSOs helpful for bringing attention to issues. Shape the debate.</p>	<p>Expectation management w/ scope of commission's work and amount of time given</p> <p>Wide ranging and hard hitting is not likely</p> <p>Service Chiefs signal to influence Members</p> <p>Service Chiefs will have to endorse an idea and recommendation - all of the Joint Chiefs</p>	<p>Have to address issues like Housing allowances, out of pocket expenses, and public-private housing</p>	<p>Change the way the military identifies, mentors, and promotes talent</p> <p>Questions about retention under personnel management</p>
Staffer 12	<p>Hopeful that commission takes a hard look at issues</p>	<p>Use think tank report and FFRDCs to build the report</p> <p>GAO, CBO, DOD (experts w/ budgets, HR planning, economists, retirees, recruiting, and retaining personnel)</p> <p>All these ideas should be on the table</p>	<p>Timing of this is going to be important w/ downsizing the force</p> <p>Members would be open to complete package w/ thoughtful analysis</p> <p>Thorough analysis that looks at 2nd and 3rd order effects.</p>	<p>Real criticism is that the system is unaffordable</p> <p>Have to examine budget realities w/ DOD endorsement</p>	<p>Inject more flexibility in the system to address what it takes to raise an Armed Force</p> <p>Benefits have to reflect needs and wants</p> <p>Compensation package may not be as attractive to current force</p>

**Appendix 9: Members of the 2015 Military Compensation and Retirement
Modernization Commission**

Presidentially Appointed Chairman:

The Honorable Alphonso Maldon, Jr., former Assistant Secretary of Defense

Congressionally Appointed Commissioners:

The Honorable Larry L. Pressler, former U.S. Senator of Idaho

The Honorable Stephen E. Buyer, former U.S. Representative of Indiana

The Honorable Dov S. Zakheim, former DOD Comptroller

Lieutenant Colonel Michael R. Higgins, U.S. Air Force, Retired, former HASC staffer

General Peter W. Chiarelli, U.S. Army, Retired

Admiral Edmund P. Giambastiani, Jr., U.S. Navy, Retired

The Honorable J. Robert (Bob) Kerrey, former U.S. Senator of Nebraska

The Honorable Christopher P. Carney, former U.S. Representative of Pennsylvania

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