

Do you think that tends to increase that characteristic of over procurement, or do you think it would be better to move in the other direction and have more centralized policymaking?

Mr. KUHN. I hate to sit here today and support a centralized structure, because my own inclinations are precisely in the opposite direction. I think decentralization is the most important thing.

Chairman ROTH. How do you control this, then?

Mr. KUHN. That is the problem. I will just have to report to you what I have been told by various people at the Pentagon who have observed the process. They will point out that Secretary Weinberger arrived 2 years ago, and his top priority was readiness. He stated that publicly. He still states it publicly. But he was also committed to a management approach which was to decentralize decisionmaking.

He therefore significantly increased the say of services in major weapons programs and such decisions. The result, as I have been told, is that the modernization program is what is taking the lead, not readiness.

If you look at the projected budget increases in the acquisition account on one hand, the procurement account, versus the operations and maintenance account on the other, money is being put toward acquisition, not toward readiness. Yet, the Secretary's own permanent priority was readiness.

So that is the result, in a sense, of that decentralization of power. The services are following their own leads at this point.

Chairman ROTH. One of my concerns is that there seems to be many areas where a common procurement could be made. Because of the fact that the individual services are responsible for their own procurement, however, each ordering what they specifically want, when something more basic would fit the needs of all, there are few joint programs.

I think there is a serious need to get as much of DOD's procurement for all services to be unified because, again, economy of size is one way of getting some efficiency and some savings and some stability.

Mr. KUHN. I cannot disagree with anything that you have said, and yet I must again reflect on the fundamental point that competition is not only the American way, but it is a very effective approach to—

Chairman ROTH. I don't want competition between the services. I mean, I don't think in every instance, they all have to buy a different, for example, a different plane. But there are those who claim that we have got really four services, and each of them is buying everything on its own. They have got their own air force; they have got their own manpower; they have got everything on a separate basis.

I think that is one of the things we are going to have to look at, the basic structure. We are really going to have to make some major reforms. For example, does it make sense for each service to have its own hospital care? I mean, can medical service somehow be unified? The same thing with respect to communications. Should the Navy be able to communicate with the Army? Doesn't it make some sense maybe to have some common ground?