

The Nation will suffer as well. I will later report to the Congress on steps I am taking or that I propose the Congress take in these areas. And I will also review and report on the accountability of the defense industry to the Department of Defense, and to the American people. This review will address the ethics of the industry, the Department of Defense's oversight responsibility, and the role of the Department's Inspector General. I urge the Congress not to act in these important areas until it has had an opportunity to review my report.

While the Department of Defense and Executive branch are focusing on implementing the details of these reforms, I urge the Congress to focus its attention on the structural and procedural reforms that are also essential for the stability we seek.

Two-year defense budgets are an essential step toward stability. I urge the Congress to develop internal procedures for the authorization and appropriation of defense budgets on a biennial basis, beginning with the FY 1988 budget. My FY 1988 defense budget will be structured with this in mind.

The Congress should encourage the use of multiyear procurement where appropriate on a significantly broader scale. Multiyear procurement is a strong force for stability and efficiency. We have already saved billions of dollars through multiyear procurement and have never broken a contract or suffered a single loss to date. We want to continue and expand our efforts in this important area.

Milestone funding of research and development programs is also a form of multiyear contracting. I will work with the Congress to select appropriate programs to be base-lined in cost over a multiyear period so that these programs can be funded in an orderly and stable fashion. If we know what we want to accomplish, we can set a proper ceiling on costs and manage our program within those costs. I urge the Congress to support milestone funding and the base-lining concept of placing a ceiling on research and development costs.

Finally, there are some forty different committees or subcommittees that claim jurisdiction over some aspect of the defense program. This fragmented oversight process is a source of confusion, and it impedes the cooperation between the Congress and the Executive branch so necessary to effective defense management. I urge the Congress to return to a more orderly process involving only a few key committees to oversee the defense program. Only with such reform can we achieve the full benefits of those changes now underway within the Department of Defense.

Working together, we have accomplished a great deal over the past five years. Yet there is more to be done. This effort represents a new beginning for our defense establishment. When these reforms have been achieved, we will have:

- developed a rational process for the Congress and the President to reach enduring agreement on national military strategy, the forces to carry it out, and the stable levels of funding that should be provided for defense;
- strengthened the ability of the military establishment to provide timely and integrated military advice to civilian leadership;