



5723



UNITED STATES GENERAL ACCOUNTING OFFICE

Account: WASHINGTON, D.C. 20548
by the Office of Comptroller General
March 8, 1978

FEDERAL PERSONNEL AND
COMPENSATION DIVISION
B-146890

RELEASED
3/10/78

The Honorable Charles E. Bennett
House of Representatives

Dear Mr. Bennett:

This is in response to your February 3, 1978 letter in which you quoted a constituent's concern regarding the ratio of enlisted-to-officers, the belief that there is waste in sustaining the officer corps (at its higher rank level) and the possible link between military officers and industry which could lead to intolerable wastage. You also expressed your belief that a study should be made to reinstate a practice of demoting high ranking officers in peacetime.

In the last few years there has been a gradual upturn in the total enlisted-to-officer ratio as follows:

Enlisted-to-Officer Ratios
(End Fiscal Years)

Average	FY 1964	FY 1968	FY 1972	FY 1974	FY 1976	FY 1977	
FY 1954-1964	7.1	7.0	7.5	5.9	6.2	6.4	6.5

The enlisted-to-officer ratio is the product of many constantly changing factors, such as force levels, weapon systems, laws and management policies affecting the service of officer and enlisted personnel. The gradual change in ratios since 1972 has been accomplished while more than 30,000 military positions (mostly enlisted) were converted to civilian positions and many functions previously performed by enlisted personnel are now being performed by contractors. More importantly, however, since fiscal year 1973 the Department of Defense has taken several initiatives to improve the balance between combat and support manpower. 21,000 military positions will be transferred to combat forces during the fiscal year 1973 to 1979 time frame by reducing support activities and management headquarters. The Army formed three new divisions without an increase in the authorized strength of the Army or in the Reserve Components. Each of the new divisions consists of 2 active Army brigades and one Army National Guard "roundout" brigade. In fiscal years 1978 and 1979 Army will also increase manning of units in Europe and in CONUS units that will deploy first in a

FPCD-78-32
(990516)

contingency. Air Force worldwide management headquarters strength has been cut in half since fiscal year 1968, and since fiscal year 1973 Air Force Departmental headquarters levels are down 23 percent. Similar reductions have also taken place in the Navy. Fleet manning has been raised to 100 percent by sending over 5000 petty officers and an increased percent of new junior enlisted personnel to sea. The Marine Corps is raising the manning levels of the Fleet Marine Forces. During the same time frame Defense-wide support elements have been reduced about 224,000 positions, a reduction of 19 percent, while the overall active military strength was reduced 203,000 or 9 percent. Overall combat forces will increase by 10,000 personnel between FY 1978 and 1979.

Concurrently the size of the officer force has been reduced as shown below:

	<u>Actual</u> <u>End FY73</u>	<u>Planned</u> <u>End FY78</u>	<u>% Reduction</u> <u>FY 73 - 78</u>
General/Admiral	1,291	1,119	13%
Colonel/Navy Captain	16,200	13,900	14%
Total Officers	321,000	274,000	15%

We share your constituent's concern about links between senior military officers and industry. We have reviewed these activities fairly often and enclose a copy of such a study for your information. This particular study involved retired officers. The enclosure to this study contains a Comptroller General Decision holding that retired military officers will face forfeiture of their pensions if they entertain or provide favors to government officials on behalf of Defense contractors. This decision recognizes that the purpose of providing entertainment and gratuities is to sell products by fostering good will. Since the concept of "selling" is barred under 37 U.S.C. 901(c), the Comptroller General expects to enforce this provision in any proven cases.

In response to your question concerning the peacetime rank of officers, a study of "temporary grades" and reduction to permanent grade, such as was the case after World War II, does not appear necessary. Similar conditions, which might merit such a practice, do not exist today. We concluded in a study conducted for the Chairman, House Armed Services Committee (copy enclosed) that the large number of senior officer positions is a product of the large number of management echelons rather than the individual grade determination process. A sizable reduction, through elimination and consolidation, in the number of management headquarters and staffs and associated duplicative functions may offer the best means of reducing senior officer positions.

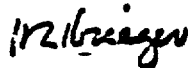
We will be reporting in the near future on the validity of youth and vigor as the criterion for determining career military personnel needs and will recommend that Defense develop a more effective retirement system. Recognizing that adjusting career length for military personnel will impact on personnel management policies and objective force grade and years-of-service profiles, we expect to further recommend that the Secretary study and report to the Congress on the entire spectrum of youth and vigor, longer careers, mix of personnel, and cost of alternatives. Such a study should include the subject of officer grade structure. The recommendations of the President's Commission on Military Compensation, which is considering the active duty military compensation system, including benefits and retirement will also impact on the career pattern of military officers. New officer promotion systems and grade structures may be needed to accommodate different career patterns. Until these issues are resolved, the question of the "right" officer grade structure cannot be adequately addressed.

In a related issue, our report "Urgent Need For Continued Improvements In Enlisted Career Force Management," FPCD-77-42 (copy enclosed) questioned the way enlisted career force objectives are developed and recommended establishing a system capable of estimating how different pay grades and years-of-service will contribute to force effectiveness.

We are also examining the capability of each service to do total force manpower planning. We plan to issue a report on this subject late in the year. We will be glad to provide you copies of the two future reports when available.

I trust this information is satisfactory to your needs.

Sincerely yours,



H.L. Krieger
Director

Enclosures