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Presidential Priorities
DEFENSE PROCUREMENT BILLS

1. Manpower Reduction

(Senate cut 156, 000; House cut 13, 000)

1. Splitting the difference at about 70, 000 is unacceptable, we must make an all out fight for the House position.
Minimum fallback - 30, 000.

2. Overseas Troop Reduction (Humphrey)

Sec. a. 40, 000 by June '74

1. We should make major effort to compromise at 15, 000 cut.
2. Absolute fallback will be 20, 000 cut - any higher risks veto.

Sec. b. 70, 000 more by December '75

1. Must be deleted - absolutely no compromise - would warrant a veto.

3. Jackson - Nunn

1. Major effort should be made to delete. Rationale should be that Kennedy-Mathias already expresses Senate position.

2. Minimum Fallback options

- A. Add the following language making it operable only

"When the U.S. is in overall deficit in its payments accounts with the rest of the world and only to the extent that it is in deficit with NATO Europe."

...and delete the Fulbright amendment which makes evaluation of the agreement a GAO responsibility and substitute the following language:

"The evaluation of the military B. O. P. deficit should be based on the official Department of Commerce data adjusted by the Department of Defense to reflect the offsetting actions taken by NATO countries."



B. Alternative - See Tab A.

3. Jackson-Nunn in its present form would warrant a veto.

4. MASF Levels

- House limitation \$1,300 m
- Senate limitation \$952 m
- Senate report provides no flexibility for use of prior year programs.

1. Essential to attain House levels as clear signal to Hanoi, but also because the funds are needed to maintain South Vietnam capability to deter another offensive. (The program has already been reduced by the Administration from \$2.1 B.)

5. Cruise Missile

1. \$22 m for cruise missile technology and the \$15.2 m for SLCM are absolutely necessary for SALT and both programs must be restored.

6. Light Area Defense

1. This program is essential for SALT and must be restored.

Calendar No. 363

93^d CONGRESS
1ST SESSION

H. R. 9286

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 1973

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. JACKSON (for himself, Mr. NUNN, Mr. PERCY, and Mr. BROCK) to H.R. 9286, an Act to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each reserve component of the Armed Forces, and the military training student loads, and for other purposes, viz:

1 On page 30, between lines 2 and 3, insert a new sec-
2 tion as follows:

3 "SEC. 703. (a) The Congress finds that in order to
4 achieve a more equitable sharing of the costs and expenses
5 arising from commitments and obligations under the North



1 Atlantic Treaty, the President should seek, ~~through~~ appro-
 2 priate bilateral and multilateral arrangements, ~~payments~~
 3 ~~sufficient in amount~~ to offset fully any balance-of-payment
 4 deficit incurred by the United States ~~during the fiscal year~~
 5 ~~ending June 30, 1974~~ as the result of the deployment of
 6 forces in Europe in fulfillment of the ^{NATO} treaty commitments and

7 obligations of the United States. ~~This balance of payments deficit~~
 8 ~~shall be determined by the GAO.~~

9 “(b) In the event that the North Atlantic Treaty Orga-
 10 nization members (other than the United States) fail to off-
 11 set the net balance-of-payment deficit described in subsec-
 12 tion (a) ~~then the President should consider in the light of~~
 13 ~~the security situation then prevailing proportional reductions~~
 14 ~~date of enactment of this section, no funds may be expended~~
 15 ~~in the number of United States forces assigned to duty in~~
 16 ~~Europe after the expiration of eighteen months following the date~~
 17 ~~of enactment of this section for the purpose of maintaining~~
 18 ~~or supporting United States forces in Europe in any number~~
 19 ~~greater than a number equal to the average monthly num-~~
 20 ~~ber of United States forces assigned to duty in Europe dur-~~
 21 ~~ing the fiscal year ending June 30, 1974, reduced by a~~
 22 ~~percentage figure equal to the percentage figure by which~~
 23 ~~such balance-of-payment deficit during such fiscal year~~
 24 ~~was not offset.~~

25 “(c) The Congress further finds (1) that the other
 26 members of the North Atlantic Treaty Organization should,
 27 in order to achieve a more equitable sharing of the cost burden
 28 under the treaty, substantially increase their contributions



1 to assist the United States in meeting those added budgeting
2 expenses incurred as the result of maintaining and supporting
3 United States' forces in Europe, including, but not limited
4 to, wages paid to local personnel by the United States, re-
5 ccurring expenses incurred in connection with the maintenance
6 and operation of real property, maintenance facilities, supply
7 depots, cold storage facilities, communications systems, and
8 standby operations, and nonrecurring expenses such as the
9 construction and rehabilitation of plants and facilities; (2)
10 that the amount paid by the United States in connection with
11 the North Atlantic Treaty infrastructure program should be
12 reduced to a more equitable amount; and (3) that the Presi-
13 dent should seek, through appropriate bilateral and multi-
14 lateral arrangements, a substantial reduction of the amounts
15 paid by the United States in connection with those matters
16 described in (1) and (2) above.

17 " (d) The President shall submit to the Congress within
18 ninety days after the date of enactment of this Act, and at
19 the end of each ninety-day period thereafter, a written report
20 informing the Congress of the progress that has been made
21 in implementing the provisions of this section."

22 On page 30, line 3, strike out "SEC. 703" and insert
23 "SEC. 704".



24

FACT SHEET ON THE FORMATION OF THE US ARMY
ARMAMENT DEVELOPMENT CENTER (ADC)
AND THE ARMAMENT LOGISTICS COMMAND (ALC)

PURPOSE OF ACTION

This action establishes a US Army Armament Development Center which consolidates its Headquarters, Large Caliber and Small Caliber Weapons Systems Laboratories at Picatinny Arsenal, NJ, and its Ballistics Research and Chemical Systems Laboratories at Aberdeen Proving Ground, MD, and establishes an Armament Logistics Command with its Headquarters at Rock Island Arsenal. The existing Armament Command is disestablished.

ABERDEEN PROVING GROUND/EDGEWOOD ARSENAL
ABERDEEN, MARYLAND

NATURE OF CHANGES

With some exceptions, the missions and functions of Edgewood Arsenal will transfer in place to the Armament Development Center Chemical Systems Laboratory, and the reorganized Ballistics Research Laboratory will remain at Aberdeen Proving Ground.

IMPACT OF THE ACTION

This action will affect 9 military and 679 civilian jobs at Aberdeen Proving Ground/Edgewood Arsenal of which 4 military and 357 civilian jobs will be eliminated; 5 military and 322 civilian jobs will be transferred. One hundred and seventy-seven of the civilian job eliminations are caused by other actions and do not result from this realignment. The reduction will be partially offset by the concurrent transfer into Aberdeen of 1 military and 245 civilian jobs.

PICATINNY ARSENAL
PICATINNY, NEW JERSEY

NATURE OF CHANGES

The Armament Development Center Headquarters, Large Caliber and Small Caliber Weapons Systems Laboratories, will be located here. Most currently assigned missions and functions will be retained at Picatinny Arsenal.

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CLOSE HOLD

IMPACT OF THE ACTION

This action will affect 38 military and 1,154 civilian jobs at Picatinny Arsenal of which 38 military and 873 civilian jobs will be eliminated; no military and 281 civilian jobs will be transferred. Eighty-nine of the civilian job eliminations are caused by other actions and do not result from this realignment. The reduction will be offset by the concurrent transfer into Picatinny of 75 military and 2,218 civilian jobs.

38	1,154	
ROCK ISLAND ARSENAL		2,218
ROCK ISLAND, ILLINOIS	64	1,154
		<hr/>
		1,064

37mm

NATURE OF CHANGES

The current logistical missions and functions of HQ, ARMCOM will transfer in place to HQ, US Army Armament Logistics Command. The research, development, test, and engineering command and control function and the Cannon Artillery Weapons System and Vehicle Rapid Fire Weapons System Project Managers will transfer to Picatinny Arsenal. Rodman Laboratory functions will be transferred to elements of the Armament Development Center and Armament Logistics Command.

IMPACT OF THE ACTION

This action will affect 48 military and 1,084 civilian jobs at Rock Island Arsenal of which no military and 302 civilian jobs will be eliminated; 48 military and 782 civilian jobs will be transferred. Ninety-five of the civilian job eliminations are caused by other actions and do not result from this realignment. This reduction will be partially offset by the concurrent transfer into Rock Island of 3 military and 644 civilian jobs in addition to the 309 civilian jobs being transferred into Rock Island from Frankford Arsenal during FY 76.

WATERVLIET ARSENAL
WATERVLIET, NEW YORK

NATURE OF CHANGES

Selected logistics functions will be transferred to the Armament Logistics Command.

IMPACT OF THE ACTION

This action will affect 2 military and 104 civilian jobs of which no military and 53 civilian jobs will be eliminated; 2 military and 51 civilian jobs will be transferred. Fifty-three civilian job eliminations are caused by other actions and do not result from this realignment.

THE WHITE HOUSE

WASHINGTON

March 5, 1975

MEMORANDUM FOR: MAX FRIEDERSDORF
FROM: VERN LOEN *VL*
SUBJECT: M. C. Lou Frey (R-Fla)

To refresh our memories, it is vital to Lou that he see the President soon in regard to the solar research institute and high unemployment in Brevard County.

You have the schedule proposal. No Congressional Hour next week, according to Rustand's office. Can you help with a follow-up to Rustand?

If DOD is reconsidering recent base closures, the President may have some good news for him re: Patrick AFB transfer of 730 employees.

July 18, 1975

MEMORANDUM FOR:

JACK MARSH

THRU:

MAX FRIEDERSDORF
VERN LOEN

FROM:

CHARLES LEPPERT, JR.

SUBJECT:

Conference on H. R. 6674,
Military Procurement

Talked to Rep. Charles Bennett on the Conference on H. R. 6674, Military Procurement. Bennett indicates that the Conference is going pretty well. The only hang-up at this time is that the Conferences are awaiting a letter from the Secretary of the Navy stating that the Navy wants to build the strike cruiser rather than the 42 DLGN (destroyer class).

If the Secretary of the Navy will write that letter to Senator Stennis the conference will be concluded Bennett says. Prior to the meeting today there apparently was considerable tugging about how to handle the 42DLGN matter without writing into the law that the Navy could not build the 42DLGN. Bennett does not want to sign a Conference Report which tells the Navy it cannot build the 42DLGN. Bennett feels that such action could cause some furor and does not want to have his name associated with that kind of direction to the Navy.



THE WHITE HOUSE

WASHINGTON

July 16, 1975

MEMORANDUM FOR: BRENT SCOWCROFT

THROUGH: MAX FRIEDERSDORF
VERN LOEN *VL*

FROM: TOM LOEFFLER *T.L.*

SUBJECT: Inquiry from Congressman
Gene Taylor (R. -Mo.)

Congressman Taylor is very concerned over the fact that Richards-Gebaur Air Force Base located near Kansas City, Missouri, may be scheduled for closing. Personnel presently employed at this Air Force Base purportedly are to be relocated at Scott Air Force Base, Belleville, Illinois.

As a result of a suit filed by concerned citizens in the Kansas City area, a Federal judge has recently declared that the Air Force cannot close down the Richards-Gebaur Base without providing an environmental impact statement. This statement would evaluate the environmental effects upon Richards as well as Scott Air Force Base which would result from such proposed action. In addition, the Congressman is informed that the General Accounting Office is presently completing an analysis of the projected cost of such a closing and personnel relocations. He anticipates that the General Accounting Office report will show the cost to be four times as much as the Air Force earlier predicted.

In light of the above, Congressman Taylor is most interested in seeing that the Richards-Gebaur Base continue in operation. He stated that a large amount of Federal money has been expended (military construction, impacted aid, etc.) for developing and maintaining this base. The entire area has become economically dependent upon its existence. Therefore, in Mr. Taylor's opinion, actual closing of the Richards-Gebaur Air Force Base would be a serious mistake.

July 17, 1975

Dear Mr. Chairman:

It is my understanding that one of the differences in the conference on the Military Procurement Authorization Bill concerns the language on binary chemical munitions.

The President would recommend approval of the R&D funds for binary chemical munitions and the modification of the building at Pine Bluff, Arkansas, as a part of the Military Construction Program.

With the approval of the foregoing items, the other budgetary request for this program for procurement production could be deferred to a later point in time.

With cordial regards,

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Melvin Price
Chairman
Armed Services Committee
House of Representatives
Washington, D. C. 20515

July 17, 1975

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Assistant to the President

The Honorable Melvin Price
Chairman
Armed Services Committee
House of Representatives
Washington, D. C. 20515

Defense

August 11, 1975

MEMORANDUM FOR:

JACK MARSH

FROM:

CHARLES LEPPERT, JR.

SUBJECT:

Alexander Butterfield

This is to update you on the efforts to get the House Armed Services Committee to move the bill to restore Butterfield's military pension rights.

Initially, I contacted Fred Rooney who agreed to help in this effort but he was also involved in the negotiations on the veto and subsequent passage of the tourism bill. At the same time it was discovered that Mel Price was in the hospital. After Price was released from the hospital I met with Rooney and he agreed to meet with Price and did so with the understanding that Price would try to move the bill. I then met with Chairman Price in support of Rooney's request and Price agreed to get the bill moving and saw no reason that it could not be done despite the Senate action on the Butterfield matter.

A few weeks after my meeting with Mr. Price, I was told by Frank Slatinshek, Chief Counsel to the House Armed Services Committee that the Committee would take no action on the Butterfield legislation unless there was an agreement that the Senate would take up the bill sent by the House and pass it. Can we get the Senate to consider the House bill if it is sent to them?

cc: Friederodorf
Loan
Loeffler

THE WHITE HOUSE

WASHINGTON

Leppert visited with Chairman Mel Price
and Rep. Fred Rooney re Alex Butterfield.

Price - 1:30 p.m. Monday, July 14, 1975

Rooney - 12:00 noon, Monday, July 14, 1975

THE WHITE HOUSE

WASHINGTON

Charlie --

Rep. Mel Price is in Bethesda Naval Hospital this week (but they don't want any mention made of it -- they are playing it very low key).

If you can, Jan Loughry, in his office, says you could talk to him on the phone at Bethesda, if you want. We should let her know what you want to do and she will tell the Congressman.

Otherwise he will be back in the office next week. Can it wait until then?

Neta
6/16/75

Subj: Alex Butterfield

Jan Loughry - 225 - 5661

June 19, 1975

MEMORANDUM FOR: JACK MARSH
FROM: MAX FRIEDERSDORF
SUBJECT: Butterfield Matter

The Butterfield legislation pertaining to reinstatement of retirement benefits have hung up in the House because of the hospitalization of Mel Price. Charlie Leppert talked to Fred Rooney and he indicated he is waiting on the return of Mel Price probably sometime next week. However, Frank Slatinshek is very negative about the possibility of the House taking this legislation up for floor consideration.

There are indications that the House will require a commitment from the Senate to pass the measure before acting.

We will know more when Mel Price returns to the Capitol.

cc: Charlie Leppert



THE WHITE HOUSE
WASHINGTON

June 5, 1975

TO: CHARLIE LEPPERT

FROM: RUSSELL A. ROURKE *R*

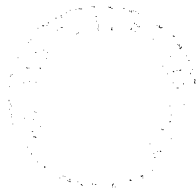
 For Direct Reply

 For Draft Response

 X For Your Information

 Please advise

Per our conversation.



May 30, 1975

MEMORANDUM TO: DON RUMSFELD

FROM: JACK MARSH

Don, I will be happy to work with Jim Lynn and Alex Butterfield on the pension matter.

You should be aware, however, that we have been working on this matter for some time, especially with Fred Rooney on the House side.

S. 182, a bill to reinstate Butterfield as a retired "regular" Air Force officer, introduced by Senator Cannon, was defeated in the Senate by a vote of 42 - 47.

Similar legislation, H. R. 4057, introduced in the House by Jim Wright is presently pending in the House Armed Services Committee. By copy of this memo, I have asked Vern Loen to coordinate very closely with OMB, Alex Butterfield, and the Armed Services Committee with regard to H. R. 4057.

Will keep you advised.

cc: VLoen
BWolthuis
JOM:RAR:cb



June 13, 1975

MEMORANDUM FOR:

JACK MARSH

THRU:

MAX FRIEDERSDORF
VERN LOEN

FROM:

CHARLES LEPPERT, JR.

SUBJECT:

Alexander Butterfield

Contacted Fred Rooney (D-Pa.) as requested to get action on legislation to appoint Colonel Alexander P. Butterfield to the retired list of the Regular Air Force. Rooney said he would speak to Rep. Mel Price, Chairman of the House Armed Services Committee and get back to me. I spoke with Rooney again early this week to see if he had a response from Price. He did not.

On Thursday, June 12, I asked Frank Slatinshek, Chief Counsel on House Armed Services Committee, if he would speak to Chairman Price about moving the Butterfield legislation. Slatinshek said he would talk to Price but felt that advice to the Chairman would be negative because of the Senate action defeating passage of similar legislation (S. 182) on May 20, 1975. I explained to Slatinshek that we felt if the House would move the legislation on Butterfield it would put pressure on the Senate to reconsider its previous action.

Slatinshek then said he would talk to Chairman Price but suggested that we get a commitment from Senator Stennis (D-Miss.) that if the House passed this legislation that the Senate would take a second crack at passing the bill.

In the House, three identical bills have been introduced to restore Butterfield's rights. They are:

- H. R. 2561, introduced by Rep. Bob Michel
- H. R. 4057, introduced by Rep. Jim Wright
- H. R. 6572, introduced by Rep. Fred Rooney

I will continue to press for movement of this legislation in the House with Chairman Price, Rep. Bob Wilson and the sponsors. It would be helpful in getting the House legislation moving if Chairman Price had an understanding from the Senate that the Senate would take up the House bill, if passed and sent over to the Senate.

cc: Tom Loeffler
Bill Kendall
Pat O'Donnell



THE WHITE HOUSE

WASHINGTON

September 12, 1975

MEMORANDUM FOR: JOHN MARSH, JR.

THROUGH: MAX FRIEDERSDORF
VERN LOEN *V.L.*

FROM: TOM LOEFFLER *T.L.*

SUBJECT: Status of the House Armed Services
Committee Hearings on Military
Involvement in Drug Testing

The Subcommittee on Investigations of the House Armed Services Committee, under the direction of Chairman F. Edward Hebert (D. -La.) held an initial hearing on September 8, 1975 in an effort to ascertain the scope of military involvement in drug testing. This hearing is the first in a series of hearings to be held by the Subcommittee on the general topic of drug experimentation by the armed services.

On September 8, Mr. Charles Ablard, General Counsel for the Army, appeared before the Subcommittee as the Administration witness and in behalf of the Army. Future hearings will require the appearance of witnesses representing all the services, the office of the Secretary of Defense, and possibly persons outside the government.

These hearings are viewed by the Committee counsel as being a "long term affair". In view of Chairman Hebert's recently incurred injury and hospitalization, subsequent hearings will be further delayed until the Chairman is able to resume a full schedule.

RED TAG

THE WHITE HOUSE

WASHINGTON

September 23, 1975

MEMORANDUM FOR: MAX FRIEDERSDORF
THROUGH: VERN LOEN VL
FROM: TOM LOEFFLER T.L.
SUBJECT: Status Report on Mark-up of Military
Construction Appropriation Legislation
as a result of the inquiry from Rep.
Jack Brinkley (D. -Ga.)

Background

Martin Hoffman, Secretary of the Army, states that Members of Congress from the Northeastern part of the United States are upset as a result of what they consider to be the relocation of army posts away from the Northeast to other parts of the country. In an effort to curb this purported migration of domestic army installations, the Northeast block has sought to reduce requested funds for such locations as Fort Stewart Hunter Complex, Georgia and Fort Benning, Georgia.

Specifically with respect to Fort Benning Georgia, approximately \$ 25 million was deleted during mark-up of the military construction appropriation legislation in the House Appropriations Subcommittee on Defense. (Robert L. F. Sikes - Chairman)

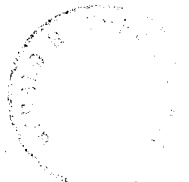
Current Status

Secretary Hoffman spent the better portion of yesterday, September 22, 1975 with this subcommittee in an effort to have the \$25 million reinstated. It is the Secretary's position that this money which would provide for barracks construction is most necessary for the continuance of advanced individual training at Fort Benning. Secretary Hoffman now believes there is a strong chance that this money will be reinstated by the House Appropriations Subcommittee prior to conclusion of its mark-up sessions. However, we will not

know the subcommittee's final determination earlier than Wednesday, September 24.

Secretary Hoffman is aware of Congressman Brinkley's, as well as Senator Sam Nunn's interest in the restoration of these funds. Secretary Hoffman believes that he has done everything within his power at this time to have them reinstated in this legislation prior to House consideration. If, however, House legislation does not contain this \$25 million request, the Secretary feels strongly that with the assistance of Senator Nunn the Senate legislation will incorporate the requested monies.

Therefore, Secretary Hoffman strongly suggests that because this is an issue based upon regional disputes, the White House should not become involved. Rather, he suggests that we should await the Sikes subcommittee determination and make it known that the Secretary of Army is doing everything in his power that the necessary money will be available for Fort Benning.



RED TAG

January 26, 1976

MEMORANDUM FOR:

MAX L. FRIEDERSDORF

THRU:

VERN LOEN

FROM:

CHARLES LEPPERT, JR.

SUBJECT:

Defense Appropriations Bill

Attached for your information is the position of Rep. George Mahan, Chairman of the House Appropriations Committee on the Tunney Amendment to prohibit the use of defense funds for aid to Angola.

Attachment

cc: Tom Loeffler



STATEMENT ON THE ANGOLA AMENDMENT TO

THE DEFENSE BILL

by George Mahon, Chairman
House Committee on
Appropriations

Mr. Speaker, tomorrow the House will consider the final remaining amendment in disagreement to the Defense Appropriation Bill, amendment numbered 75 -- the amendment which the Senate adopted that prohibits the use of any funds in the bill for Angola.

The Senate action came so late in the last session, just hours before adjournment, that it was not possible for the House to take action at that time.

The problem before us tomorrow is what shall we do about the Senate amendment which provides that no funds in the \$90 billion plus Defense Appropriation Bill can be used for activities involving Angola except for an intelligence gathering nature.

Tomorrow, I shall make a motion to go to conference where we could attempt to work out this matter. However, it is apparent that a preferential motion will be made to concur in the Senate amendment. Under the rules of the House, the preferential motion will be voted on first. Thus an up or down vote will occur at that point. Indications are that the motion to concur will be adopted by a wide margin.

I make no special plea for anyone to join me in voting against the Senate amendment. It is perfectly clear that the sentiment in Congress and in the Country is opposed to heavy involvement of the United States in Angola. Certainly I am opposed personally to heavy involvement of the United States in Angola. Of course, we must seek to avoid sending a signal to the Communist nations saying that we are going to withdraw from the world, that we no longer will attempt to exert any influence in

international matters, that we will take no note of Communist forces which undertake to take over governments by force and subversion. We must hope that neither friend nor foe will conclude that we are withdrawing from the real world or that we have forsaken our resolve to take whatever steps are in our own best interest in international matters.

I deplore the actions of the Soviet Union in transporting and supporting in excess of 8,000 Cuban troops to Angola. This is outrageous. It clearly points out the objectives of the Soviet Union to subvert other nations of the world. This may be the wave of the future in the eyes of the Soviets but our Nation must reject it.

Aside from Angola, let me say that the Defense Bill should have been enacted in mid-calendar 1975. We cannot afford to delay it any longer. We need to vote this matter up or down.

The House first passed the Defense bill on October 2, the authorization conference report not having been sent to the White House until September 26.

The House and Senate conferees agreed to the appropriation bill on December 10 and it passed the House on December 12 and went to the Senate where the Senate on December 19 agreed to the Conference Report and all the amendments in disagreement except Amendment No. 75, to which the Senate added the amendment on Angola.



OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

File

February 3, 1976

MEMORANDUM FOR CHARLES LEPPERT

Attached for your use is information concerning the Fiscal Year 1977 Defense Budget.

These represent the major points addressed in the annual Defense Report and the primary focus of Secretary Rumsfeld's testimony before the Senate and House Armed Services and Appropriations Committees.

The central concern is one of arresting the adverse trend toward Soviet preeminence in military power which would ultimately undermine world stability. The FY 1977 Budget represents our initial effort to reverse that trend.

I hope that you will find this material useful when called upon to discuss the Defense Budget.

A handwritten signature in cursive script that reads "Alan Woods".

Alan Woods
The Special Assistant



THE FY 77 DEFENSE BUDGETThe Task

A fundamental responsibility of the U.S. Government is to protect the nation from external danger and contribute to world peace and stability. There should be no doubt among us, or in the world at large, that U.S. military strength is today sufficient, and that the continuity of American policy can be relied upon.

The Balance

Specifically, in the four key areas in which we appraise the balance ...

- Strategic.

U.S. strategic forces retain a substantial, credible, capability to deter all-out nuclear attack. However, there remains a basis for concern:

- The submarine and bomber forces are aging, the Soviets are improving their ASW capabilities and their bomber defense.
- A continuation of current Soviet strategic programs -- even within the constraints of SALT -- could threaten the survivability of the Minuteman force within a decade.

- Naval.

The U.S. Navy is capable of carrying out its missions today. However, where we have enjoyed virtual seapower monopoly for thirty years, we face an increasing threat from the expanding Soviet Navy.

- NATO.

In the crucial Central European region, we and our allies have the basic capabilities necessary to respond to a Warsaw Pact attack. However, there are two vulnerabilities which will grow in seriousness if we fail to take remedial action.

- First, we do not have sufficient long-range airlift capability to deploy our reinforcements to Europe in a timely fashion.



-- Second, we are concerned that, unless counterbalanced, increasing Soviet firepower and mobility will begin to give the Pact an unacceptable advantage in the two contingencies against which we design our forces: an attack coming with little or no warning, and one coming after a large-scale mobilization and deployment of Pact forces.

• NE Asia.

Our deployments and basing in Northeast Asia have successfully kept the peace in Korea, maintaining a strong US/Japanese relationship and a favorable climate for democracy there and, in general, preserving the power balance in the area.

-- The growth of Soviet military capabilities in Asia threatens the existence of the PRC and the maintenance of a great power equilibrium in Asia and indeed the world. Continued Soviet naval development increases the threat to US and Japanese LOCs.

U.S. Defense Trends

The U.S. defense budget has decreased in real terms by more than one-third from the 1968 wartime peak, and is 14% below the levels of the prewar, early 1960's. The FY 1977 budget provides for real increases in Defense from 1976.

- Defense spending today is 24.4% of the Federal total in FY 1976 --- the lowest share since FY 1940, which ended 17 months before Pearl Harbor. In FY 1977, it would be 25.4%, a modest growth from a long-term low.
- U.S. uniformed military strength has dropped from 3.5 million at the 1968 wartime peak to 2.1 million. There are fewer people in uniform now than at any time since the fall of 1950. In prewar 1964, for example, there were 2.7 million personnel in the armed forces. The present figure is almost 600,000 below that.
- The active fleet of Navy ships has dropped from 947 to 482 over the past ten years, having reached a wartime peak of 976 in 1968.

Soviet Defense Trends

While these reductions have been going on in the U.S., the Soviet Union has been moving steadily in the other direction.

- The constant 1977 dollar value of the resources allocated to Soviet national defense has grown from 102 billion in 1965 to 135 billion in 1975, an average annual increase of 3%.
- Since 1962, when they began expanding maritime power in earnest, the Soviets have built more than 1300 ships for their Navy; the U.S. constructed about 300 during the same period.
- Soviet ICBMs have increased from 224 to about 1600 since 1965; their SLBMs have increased from 29 to about 730 over the same period.
- Soviet military manpower has increased from 3.4 to 4.4 million since 1965.

The Problem of Sufficiency

It is clear to those who look at the military balance that, if we are to maintain sufficiency, and therefore stability, the trends must be checked. Like good health, sufficiency can be something that is ignored and taken for granted when we have it, but difficult to regain once lost.

Just as you don't start slowing a car when you are halfway through the intersection, you cannot arrest the momentum the world has been experiencing the past ten years unless action is taken early enough -- well before we reach insufficiency and, thereby, surrender the stability we have and enjoy today.

The world situation can be described in many ways. At best, it is untidy ... it is not static, nor is it particularly friendly. U.S. military strength -- and the world's appreciation of that strength -- is fundamental to stability, maintaining the confidence of our allies,

detering potential adversaries, and to lending weight to our views and values.

While negotiation of equitable arms control measures proceed, we are continuing to demonstrate restraint in the acquisition and deployment of forces. Hopes to achieve arms reduction and limitation agreements are, however, dependent upon an appreciation of our strength -- both deployed and capable of rapid follow-on deployment.

The expansion of Soviet military effort continues steadily -- as measured by technological progress, investment, capacity, output and, finally, military capabilities.

For the United States to remain second to none, logic drives us to the clear conclusion that we must add resources, in real terms, to the Defense budget. Stopping the downward trend is essential if we are to maintain technological leadership, sustain planned force levels, improve readiness, and accomplish needed modernization.

DOD Restraint

While we seek to improve force modernization and readiness, we proposed to tighten the Defense budget in the following ways:

- Restraining personnel costs while working to maintain the quality and professional standards of the All Volunteer Force.
- Instituting further efficiencies including base realignments, headquarters reductions, reduced training costs, and civilian manpower reductions.

- Adjusting the planned rate of modernization, construction, readiness, and Navy surface fleet build-up.

If Congress fails to approve the recommended belt-tightening measures, additional appropriations will be required to avoid unacceptable force level reductions. Moreover, if we fail in the efforts to achieve verifiable agreements which equitably limit strategic arms on both sides, additional appropriations will be required.

The Myth of Defense Budget Flexibility

For years there has been a conviction that the Department of Defense was a near-inexhaustible mother lode from which we could draw, without damage or adverse notice, the resources needed for our other national desires.

The cry "be more efficient" has been heard. DOD is more efficient. And this year, it will become more so -- as it should be.

The cry to "cut the frills" has also been heard. Some cutting has been done. More will be done this year -- as it should be.

The demand "improve the teeth to tail ratio" has been heard. Much has been done to cut support costs to offset increases in combat forces. More is being done this year -- as it should be.

But there is a point where there are no longer billions to be saved by such actions.

- At some point, savings from so-called "efficiencies" are counterproductive and affect combat effectiveness.
- At some point you will have cut the "tail" to the extent that you are up through the headquarters to the shoulders -- and what is left is a set of "teeth" ... with no jaws to move them.

Let's not fool ourselves. It is out of the question to think that the nation's non-defense spending can be further funded out of the Defense Budget. In the extreme:

- A 10% increase in non-defense spending would mean a crippling 30% cut in defense.
- A 33% increase in non-defense spending would wipe out the defense establishment altogether.

The FY 77 Defense budget has been through one of the toughest Federal budget scrubs ever. Further cuts would require unacceptable reductions in our national security. Cutting down on "frills" is being done, "teeth-to-tail" ratios are improving and the savings from the drawdown after the Vietnam war have been spent. Meanwhile, the Soviet expansion proceeds.

Thus, it is clear that the days of finding billions of dollars with the "cut it out of Defense because they'll never miss it" method, are over. Additional savings, yes, some ... but billions, no. Not without cutting forces. Congressional cuts of the magnitude of recent years,

ranging from \$4 billion to \$7 billion, will:

- Cut into U.S. military capabilities.
- Continue trends which would move the U.S. to a point of insufficiency.
- Risk U.S. security by unnecessarily injecting a fundamental instability into a world situation that is already less than tidy.

When, as would be inevitable, the fact was appreciated by the world that the United States had made a decision to slip to an inferior status, we would begin living in a world fundamentally different from the one we have known during our lifetimes.

Decision by Congress

It is perhaps useful to recall the situation which existed just before the Korean War. In a well-publicized appearance before the House Appropriations Committee, General Omar Bradley, Army Chief of Staff, testified in support of the \$13 billion FY 1951 Defense budget approved by the President, acknowledging that the large amount urged by the JCS " ... would be out of all proportion to that which we believe this country could afford at this time." Yet when the Korean War broke out; the Congress quickly increased FY 1951 Defense spending to \$48 billion level and \$60 billion in FY 1952. As history shows, the country can "afford" what is needed for national security. Indeed, we cannot afford not to have what is needed.

The goal is to be prepared to fight the next war so well that war is deterred. The time to reorder priorities is now, not after we are forced to do so in desperation.

In approximately four months the Congress will make its decision in the Concurrent Resolution. It will be one of the most important decisions the Congress will make all year. Its ramification will affect our people and the world for years to come. It merits the most careful thought and consideration.

The proper course is to act now to begin to reverse the trends. This can only be done by providing real increases in the Defense budget. The President has made his decision. It is now up to the Congress.

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

Although I have signed H.R. 9861, the Department of Defense Appropriation Act, 1976, I believe it is necessary for me to comment upon certain provisions. One, added by the conference committee, violates the fundamental doctrine of separation of powers. The other would severely limit our effectiveness in international affairs.

The appropriation, "Procurement of Ammunition, Army," in title IV of the bill restricts the obligation of funds for certain purposes "until approval is received from the Appropriations and Armed Services Committees of the House and Senate."

The exercise of an otherwise valid Executive power cannot be limited by a discretionary act of a Committee of Congress nor can a Committee give the Executive a power which it otherwise would not have. The legislative branch cannot inject itself into the Executive functions, and opposition to attempts of the kind embodied in this bill has been expressed by Presidents for more than 50 years.

In addition, I am deeply disappointed that the Congress has acted in this bill to deprive the people of Angola of the assistance needed to resist Soviet and Cuban military intervention in their country. I believe this provision is an extremely undesirable precedent that could limit severely our ability to play a positive and effective role in international affairs.

Because of the importance of the programs which are funded by appropriations contained in this bill and the problems which would be caused by a further delay of this legislation, I shall not veto the bill. However, I intend to treat the unconstitutional provision in the appropriation "Procurement of Ammunition, Army", to the extent it requires further Congressional committee approval, as a complete nullity. I cannot concur in this legislative encroachment upon the constitutional powers of the Executive Branch.

FEBRUARY 13, 1976

Office of the White House Press Secretary

THE WHITE HOUSETEXT OF A LETTER FROM THE
PRESIDENT TO THE SPEAKER OF THE
HOUSE OF REPRESENTATIVES
AND THE PRESIDENT OF THE SENATE

February 13, 1976

Dear Mr. Speaker: (Dear Mr. President:)

In developing the budget for FY 1977, the Navy and the Secretary of Defense have reviewed the requirements for surface combatants and recommended a program to me. I approve that program. In approving that program, it was clearly understood that, on a ship for ship basis, a nuclear powered ship is superior in some respects to a conventionally powered one with equivalent sensors and weapons. The major issue with nuclear power concerns whether the added military benefits are worth the extra costs involved, particularly when those costs force reductions in numbers of ships or in the funding requirements of other important programs. Other concerns include the limited shipyard capacity available and extended lead time required to build nuclear powered ships. We have arrested the decline in the numerical size of the Navy, and my program (a mix of conventional and nuclear powered ships) will help to increase the number of ships in the Navy.

In view of the urgent need for increased anti-air warfare capability, we want to introduce and rapidly build up the number of ships equipped with the AEGIS area air defense weapon system. Due to the much greater cost and the later delivery date of the nuclear AEGIS ship, I believe it is in the national interest, taking into account fiscal constraints, to pursue a balanced program of nuclear and non-nuclear AEGIS ships. Therefore, I have included funding in my FY 1977 budget for a conventionally powered ship equipped with the AEGIS missile system. Since FY 1978 is the earliest that a nuclear vessel can be efficiently procured, I am also requesting advance procurement funds for the first nuclear powered AEGIS cruiser, with the balance of funding for this ship in FY 1978. Because the non-nuclear ship is less expensive and because it can be at sea almost two years before the nuclear powered AEGIS ship, I believe we should proceed with the conventionally powered ship first.

In compliance with Title VIII of P.L. 93-365, I have attached to this letter an enclosure with the design, cost and schedule of my proposed program and an alternative all nuclear program. As shown in the enclosure, at a cost of \$1.7 billion less through 1981, my program would provide 3 more ships for the fleet.

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If the all nuclear option is selected, either the Congress must provide more money for shipbuilding or the total number of ships in the force will further decline. The fewer number of AEGIS ships resulting from the all nuclear option will also delay achievement of a critical need for improving our force wide fleet air defense capability.

The Secretary of Defense will provide further detail to the appropriate Committee Chairman concerning this surface ship procurement program.

Sincerely,

GERALD R. FORD

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DEPARTMENT OF THE AIR FORCE
WASHINGTON, D.C. 20330



OFFICE OF THE SECRETARY

3 MAR 1976

Dear Mr. Michel:

This is to inform you and other interested Members of Congress of recent decisions affecting our Air Force Reserve Officers' Training Corps (AFROTC) program.

As you may recall, in 1973 the General Accounting Office reported to the Congress on the management of ROTC programs at various colleges and universities across the Nation. After reviewing this report, the House Committee on Appropriations found that the Military Services were retaining ROTC units at many institutions where the number of ROTC graduates fell below required standards. The Committee also referred to the proliferation of schools offering the program and pointed out that many of these institutions were not complying with established enrollment criteria. Subsequently, the Services were directed to study the situation and report corrective actions to the Committee.

In keeping with this commitment, over the past two years the Air Force has reported the identification and disestablishment of approximately 25 units failing to meet production requirements. At present, Department of Defense (DOD) requirements specify that annual officer production from ROTC units should be adequate to justify DOD expenditures; specifically, 17-20 students in the junior year for the four-year program and 12-15 juniors in the two-year program. The Air Force works with school officials in a common effort to attain these standards and evaluates the potential of units which fail to attain proper enrollment. Unfortunately, as the result of low officer production and inability to maintain the aforementioned standards, it has become necessary to initiate disestablishment procedures with eleven of our AFROTC units. These units are identified on the attached fact sheet.

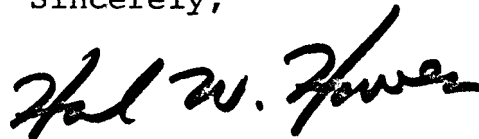


The units will be inactivated as soon as possible, but not later than the spring of 1977. AFROTC advanced course students will be provided an opportunity to complete the program prior to withdrawal of the units, or to obtain commissions through other Air Force programs.

In addition to the disestablishment actions mentioned above, AFROTC enrollments at a number of institutions are close to being below standards and will be carried in a probationary status during the next year. It is our hope that during the coming year aggressive action by school and AFROTC officials will result in attaining sufficient enrollments to reestablish these units as viable and cost effective. Units to be placed on probation are listed on the second fact sheet.

Shortly after this letter is delivered to your office we plan to notify the institutions affected and the news media. If additional information would be helpful, please do not hesitate to let us know.

Sincerely,



HAL W. HOWES, Colonel, USAF
Chief, Plans Group
Office of Legislative Liaison

2 Attachments

Honorable Robert H. Michel

House of Representatives

DEPARTMENT OF THE AIR FORCE
WASHINGTON 20330



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Sincerely,

HAL W. HOWES, Colonel, USAF
Chief, Plans Group
Office of Legislative Liaison

2 Attachments

Honorable Robert H. Michel

House of Representatives

DISESTABLISHMENT FACT SHEET

Air Force Reserve Officers' Training Corps units at the following institutions have been identified for disestablishment not later than the spring of 1977:

IDAHO

University of Idaho at Moscow

ILLINOIS

Bradley University at Peoria

IOWA

Coe College at Cedar Rapids

KANSAS

Washburn University of Topeka at Topeka

Wichita State University at Wichita

LOUISIANA

Nicholls State University at Thibodeaux

MISSOURI

University of Missouri, Rolla at Rolla

PENNSYLVANIA

Allegheny College at Meadville

Gettysburg College at Gettysburg

St. Joseph's College at Philadelphia

TEXAS

Southern Methodist University at Dallas

PROBATION FACT SHEET

Air Force Reserve Officers' Training Corps units at the following institutions have been identified for placement in a probationary status, effective March 10, 1976. Units will be reevaluated during the fall of 1976.

GEORGIA

Valdosta State College at Valdosta

ILLINOIS

Illinois Institute of Technology at Chicago*

University of Illinois at Urbana

LOUISIANA

Tulane University at New Orleans*

MASSACHUSETTS

Massachusetts Institute of Technology at Cambridge*

Holy Cross College at Worcester

MICHIGAN

Michigan Technological University at Houghton*

MISSISSIPPI

University of Mississippi at University

MISSOURI

University of Missouri at Columbia

MONTANA

Montana State University at Bozeman*

NEBRASKA

University of Nebraska at Omaha, Omaha

PROBATION FACT SHEET (CONTINUED)

NEW JERSEY

Stevens Institute of Technology at Hoboken*
Rutgers University at New Brunswick

NORTH DAKOTA

North Dakota State University of A&AS at Fargo
University of North Dakota at Grand Forks

OHIO

Capital University at Columbus

PENNSYLVANIA

Grove City College at Grove City
Wilkes College at Wilkes-Barre*

SOUTH CAROLINA

Baptist College at Charleston

TEXAS

North Texas State University at Denton

UTAH

Utah State University at Logan

*These units previously were placed on probation and will be continued in this status for an additional one year.