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FY 77 U. S. DEFENSE BUDGET  
PERSPECTIVES

DONALD RUMSFELD  
SECRETARY OF DEFENSE

8 MARCH 1976

## INTRODUCTION

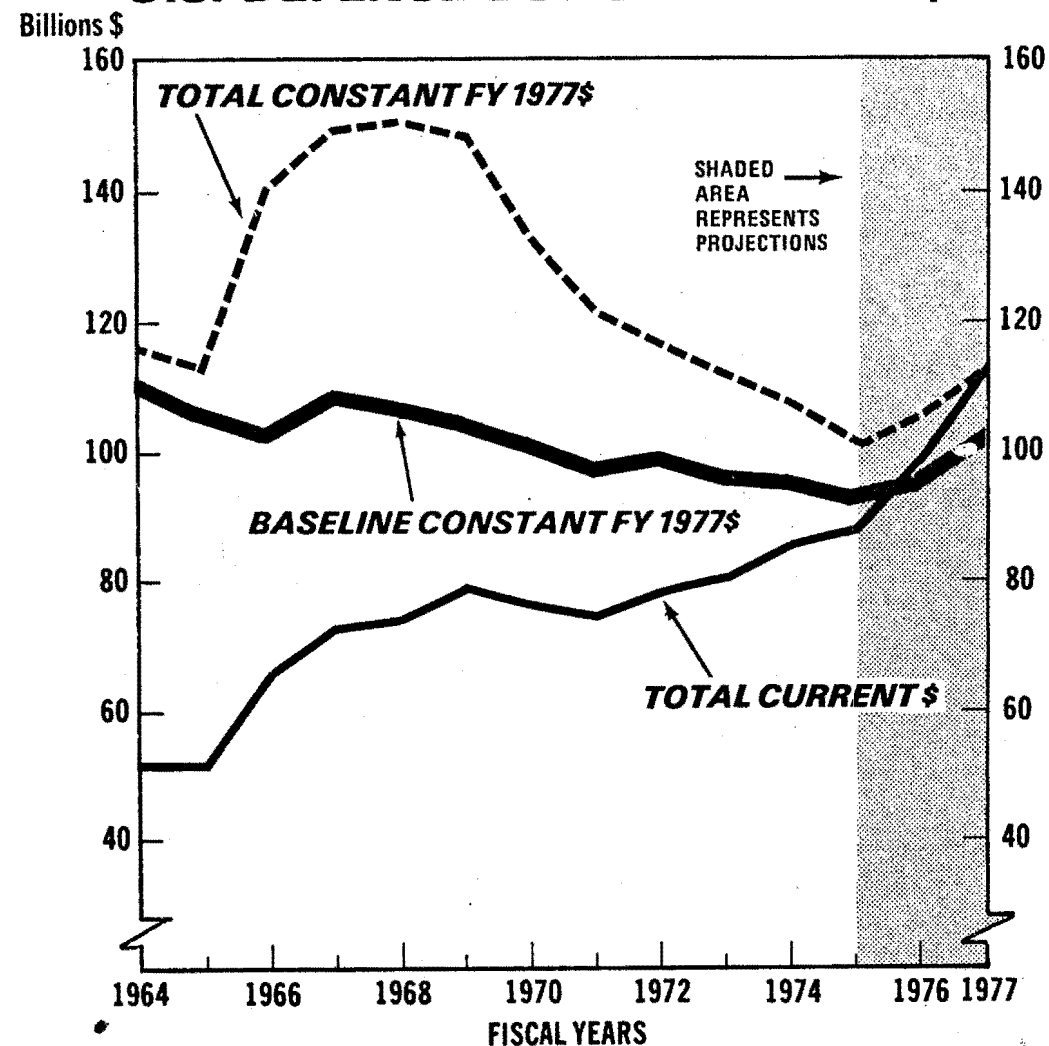
BY MAY 15, 1976, THE CONGRESS WILL HAVE MADE TWO OF THE MOST IMPORTANT DECISIONS IT WILL MAKE THIS YEAR ... THE LEVEL OF TOTAL FEDERAL SPENDING, AND THE PORTION OF THAT TOTAL WHICH WILL BE PROVIDED FOR OUR NATIONAL SECURITY.

THERE IS CONSENSUS THAT U.S. MILITARY CAPABILITY AND STRENGTH CAN TODAY BE DESCRIBED AS "SUFFICIENT" ... THAT IS, WE HAVE "ROUGH EQUIVALENCE" TO THE SOVIET UNION, WHICH IS WHAT U.S. POLICY DEMANDS.

HOWEVER, THE TRENDS OF THE PAST 5-10 YEARS ARE ADVERSE WITH RESPECT TO THE MILITARY BALANCES. NO ONE CHART OR STATISTIC CAN PROVIDE THE COMPLETE PICTURE -- BUT A SWEEPING LOOK AT RESOURCES, PROCUREMENT AND R&D EFFORTS, EQUIPMENT CONSTRUCTION RATES, FORCE LEVEL CHANGES, AND SHIFTS IN RELATIVE CAPABILITY CAN MAKE CLEAR WHAT HAS TAKEN PLACE. A COLLECTION OF SUCH GRAPHICS IS PRESENTED HERE, WITH APPROPRIATE EXPLANATIONS AND CAVEATS.

THE FACTS DRIVE ONE TO THE CLEAR CONCLUSION THAT THE U.S. MUST ACT NOW TO ARREST THESE ADVERSE TRENDS, BY PROVIDING REAL INCREASES FOR NATIONAL SECURITY, UNLESS THE U.S. IS WILLING TO ALTER OUR POLICY OF MAINTAINING "ROUGH EQUIVALENCE." IT IS MY CONVICTION THAT THE AMERICAN PEOPLE ARE NOT WILLING TO ACCEPT A POLICY OF INFERIORITY.

## U.S. DEFENSE BUDGET TRENDS (TOA)

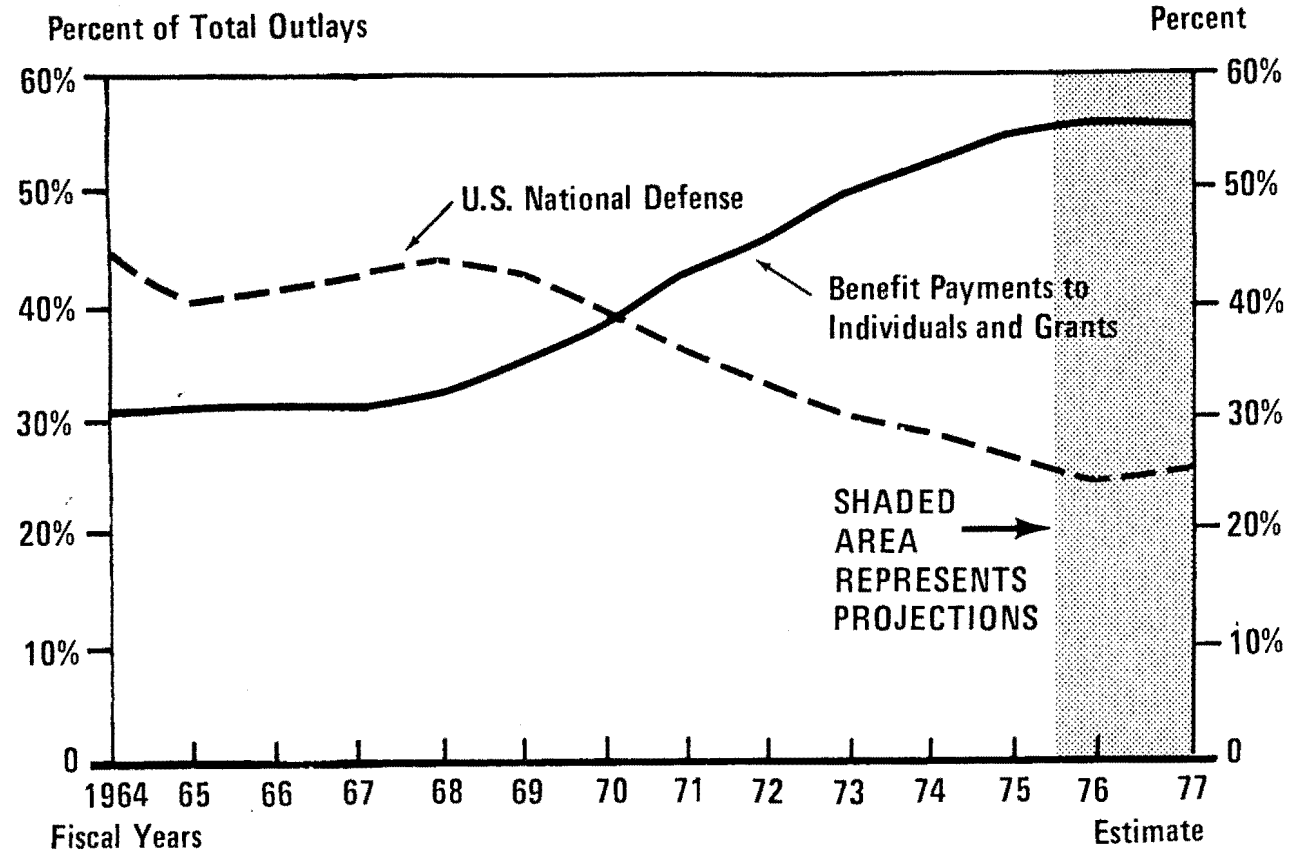


U.S. DEFENSE BUDGET TRENDS

THE U.S. DEFENSE BUDGET HAS DECREASED IN REAL TERMS BY MORE THAN ONE-THIRD FROM THE 1968 WARTIME PEAK. TODAY, IN REAL TERMS (CORRECTED FOR INFLATION), IT IS 14% BELOW THE LEVELS OF THE PREWAR, EARLY 1960'S.

TRENDS ARE SHOWN HERE IN TERMS OF TOTAL OBLIGATIONAL AUTHORITY (TOA). THE BROKEN LINE SHOWS TOTAL TOA (IN CONSTANT FY 77 DOLLARS); THE THICK LINE LABELED "BASELINE" SHOWS THE TREND OF RESOURCES DEVOTED TO MILITARY CAPABILITY (SEASIA WAR COSTS, RETIRED PAY, AND FOREIGN MILITARY SALES HAVE BEEN EXCLUDED); AND THE LOWER CURVE SHOWS THE PROGRESSION OF DEFENSE BUDGETS AS THEY APPEARED IN CURRENT DOLLARS.

## Shares of the U.S. Budget

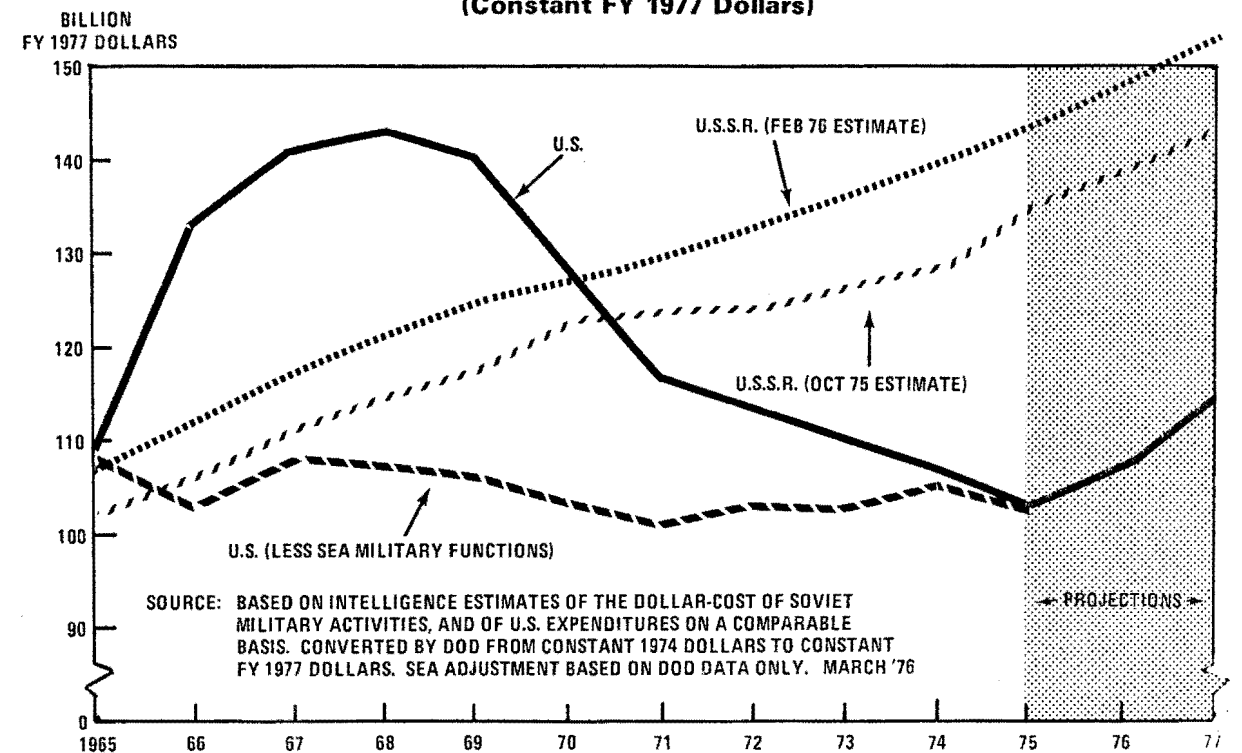


### SHARES OF THE U.S. BUDGET

U.S. DEFENSE SPENDING TODAY IS ABOUT 25% OF THE TOTAL FEDERAL BUDGET -- THE LOWEST SHARE SINCE FY 1940, SHORTLY BEFORE PEARL HARBOR -- HAVING DROPPED FROM 43% IN PREWAR 1964.

AS SHOWN, BENEFIT PAYMENTS TO INDIVIDUALS AND GRANTS HAVE INCREASED FROM A 30% SHARE OF THE FEDERAL BUDGET TO MORE THAN 55% DURING THE SAME PERIOD.

## U.S. AND SOVIET DEFENSE PROGRAM TRENDS (U.S. Expenditures and Estimated Dollar Costs of Soviet Programs)



### SOVIET PROGRAM DEFENSE TRENDS

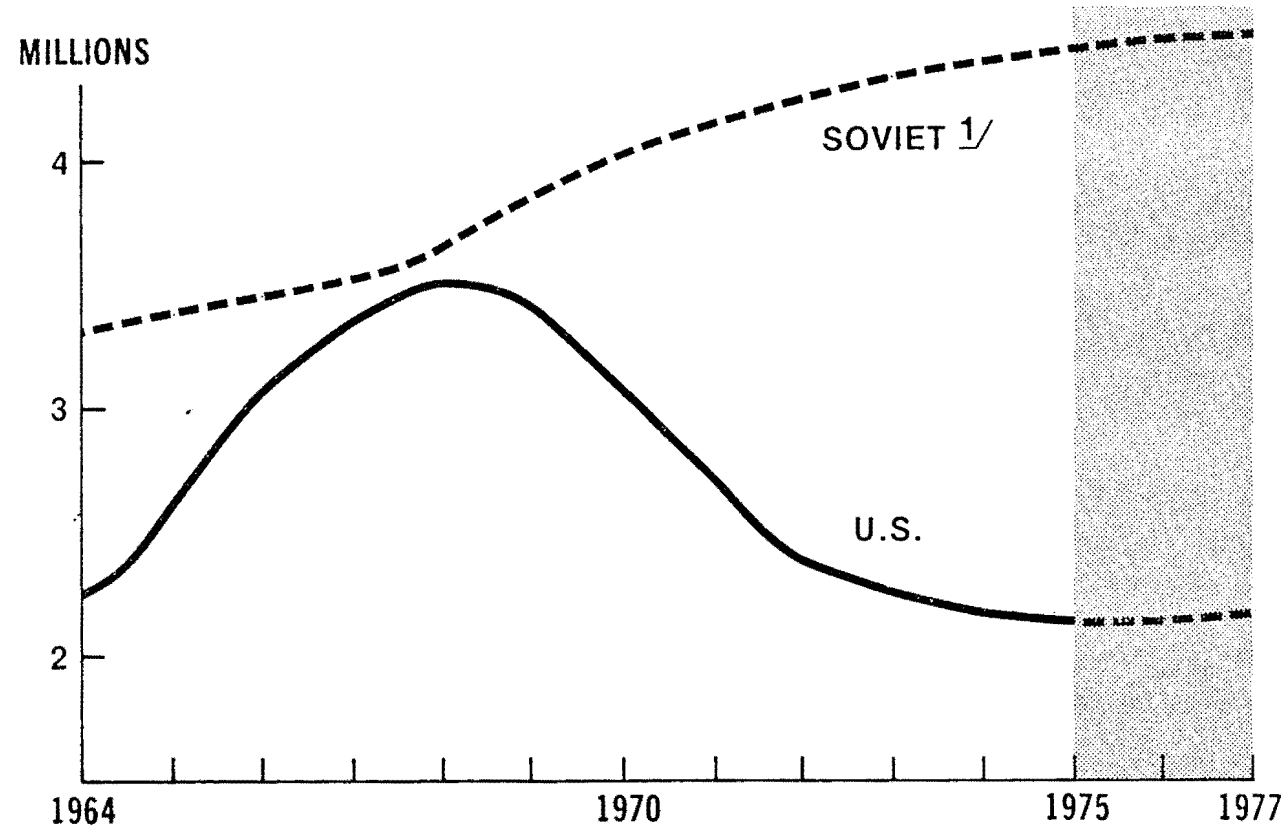
WHILE THESE REDUCTIONS HAVE BEEN GOING ON IN THE U.S., THE SOVIET UNION HAS BEEN MOVING STEADILY IN THE OTHER DIRECTION.

THE INTELLIGENCE COMMUNITY HAS WORKED AT THE COMPLEX TASK OF ESTIMATING THE MAGNITUDE OF SOVIET EFFORT; TWO OF THE MOST RECENT ESTIMATES ARE SHOWN ON THE CHART ABOVE. THERE REMAINS SOME DISAGREEMENT AMONG ANALYSTS AS TO THE ABSOLUTE VALUE OF MILITARY EFFORTS IN THEIR CONTROLLED ECONOMY. HOWEVER, THE FEBRUARY 1976 ESTIMATE SHOWS THAT THE CONSTANT 1977 DOLLAR VALUE OF THE RESOURCES ALLOCATED TO SOVIET NATIONAL DEFENSE APPEARS TO HAVE GROWN FROM 107 BILLION IN 1965 TO 144 BILLION IN 1975, AN AVERAGE ANNUAL INCREASE OF AT LEAST 3%.

THE CHART COMPARES AN ESTIMATE OF SOVIET PROGRAM COSTS WITH COMPARABLE COSTS OF U.S. DEFENSE PROGRAMS.

THE EVIDENCE WE HAVE OF THE WEIGHT OF EFFORT AND THE MOMENTUM IN SOVIET MILITARY PROGRAMS IS FULLY CONSISTENT WITH THESE ESTIMATES.

# U.S./U.S.S.R. MILITARY MANPOWER

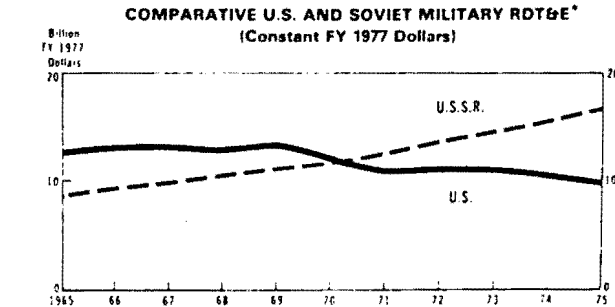
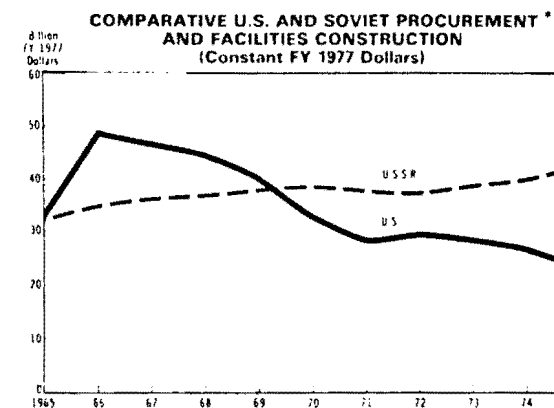
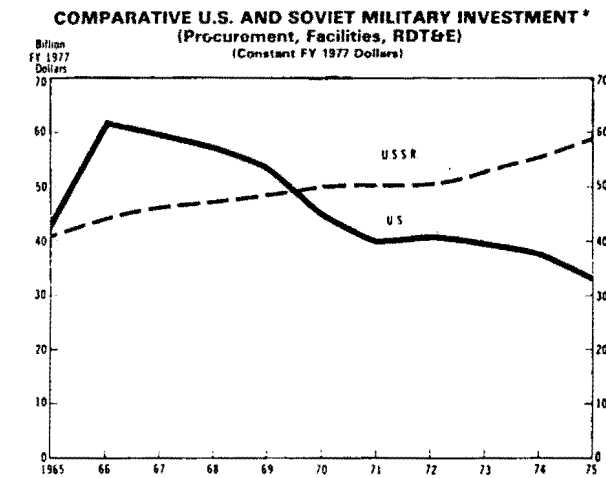


<sup>1</sup> EXCLUDES MILITARY SECURITY FORCES.

## COMPARATIVE MILITARY MANPOWER - U.S./USSR

THE SOVIETS HAVE INCREASED THE NUMBER OF MEN UNDER ARMS (NOT INCLUDING SOME 400,000 MILITARY SECURITY FORCE MEMBERS) FROM 3.4 TO 4.4 MILLION SINCE 1964.

DURING THE SAME PERIOD, U.S. UNIFORMED MILITARY STRENGTH INCREASED FROM A PREWAR 1964 LEVEL OF 2.7 MILLION TO A PEAK OF 3.5 MILLION DURING THE WAR IN SOUTHEAST ASIA, THEN DECLINED TO 2.1 MILLION TODAY. THERE ARE FEWER AMERICANS IN UNIFORM TODAY THAN AT ANY TIME SINCE THE FALL OF 1950.



\*BASED ON INTELLIGENCE ESTIMATES IN 1974 DOLLARS, CONVERTED TO FY 1977 DOLLARS BY DOD

## U.S./USSR COMPARATIVE INVESTMENT IN PROCUREMENT, FACILITIES, RDT&E

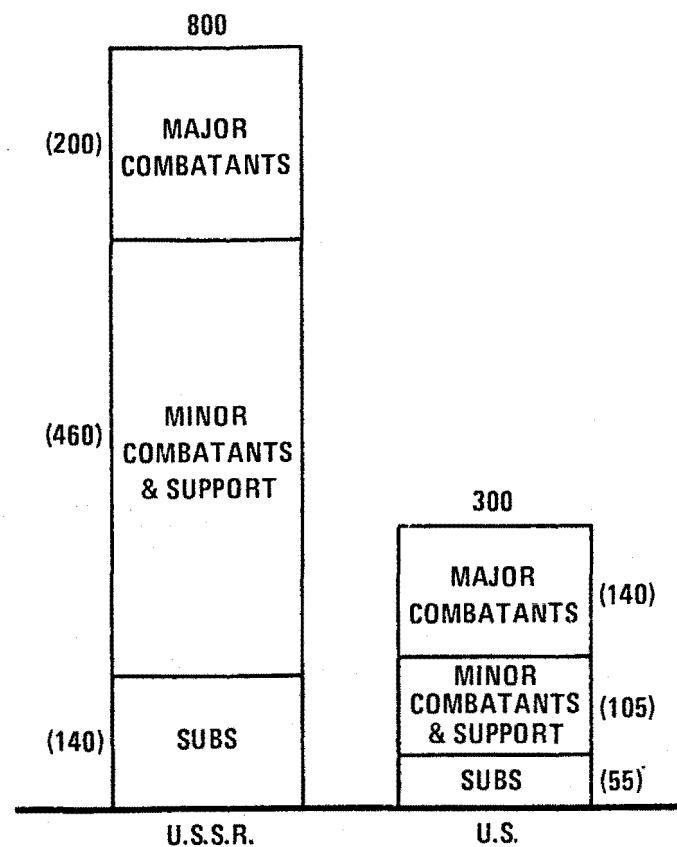
OVER THE PAST 10-12 YEARS, SOVIET INVESTMENT, IN REAL TERMS, IN DEVELOPMENT AND PROCUREMENT OF NEW SYSTEMS AND FACILITIES FOR PRODUCTION HAS CLEARLY EXCEEDED THAT OF THE U.S.

THE TOP CHART DISPLAYS AGGREGATED DATA; THE CHART IN THE LOWER LEFT-HAND CORNER SEPARATES PROCUREMENT AND CONSTRUCTION TRENDS FROM RDT&E. MILITARY RESEARCH AND DEVELOPMENT IS SHOWN IN THE LOWER RIGHT-HAND CORNER.

THE SOVIETS HAVE DEVELOPED AN INDUSTRIAL BASE WHICH HAS QUANTITATIVELY OUTPRODUCED THE U.S. IN MOST CATEGORIES OF MILITARY HARDWARE. THE WEIGHT OF THE SOVIET EFFORT AND THE MOMENTUM DEVELOPED ARE OF SERIOUS CONCERN.

# U.S.S.R./U.S. NAVAL SHIP CONSTRUCTION

1965-1975

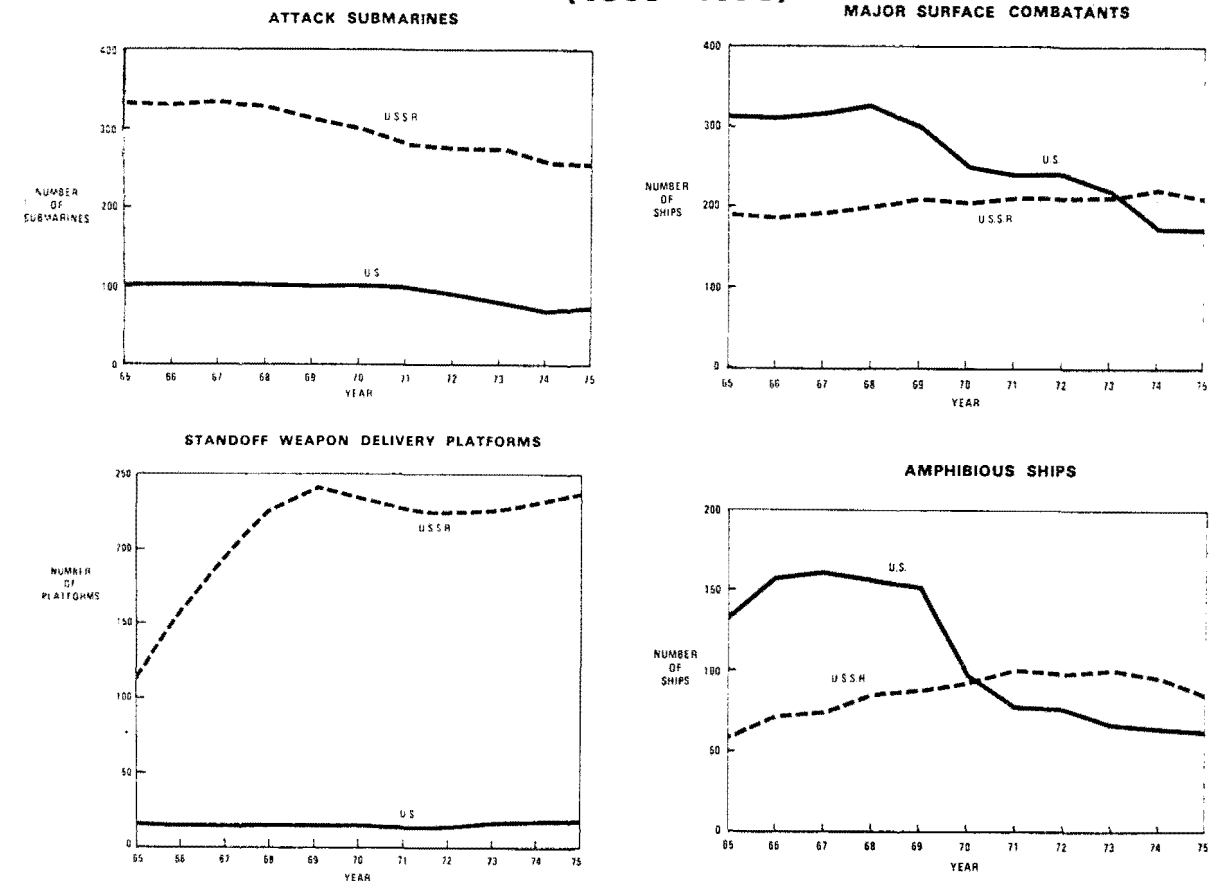


## COMPARATIVE NAVAL SHIP CONSTRUCTION - U.S./USSR

SINCE 1962, WHEN THE SOVIETS BEGAN EXPANDING THEIR MARITIME POWER IN EARNEST, THEY HAVE BUILT MORE THAN FOUR TIMES AS MANY SHIPS FOR THEIR NAVY AS HAS THE U.S.

THE TWO COLUMNS ON THIS CHART COMPARE QUANTITATIVELY USSR AND U.S. SHIPBUILDING PROGRAMS -- MAJOR COMBATANTS, MINOR COMBATANTS (1,000 TONS OR LESS) AND UNDERWAY REPLENISHMENT SHIPS, AND SUBMARINES -- FOR THE 1965-1975 PERIOD.

# CHANGES IN NAVAL FORCE LEVELS -- U.S./U.S.S.R. (1965 - 1975)



## CHANGES IN NAVAL FORCE LEVELS - U.S./USSR

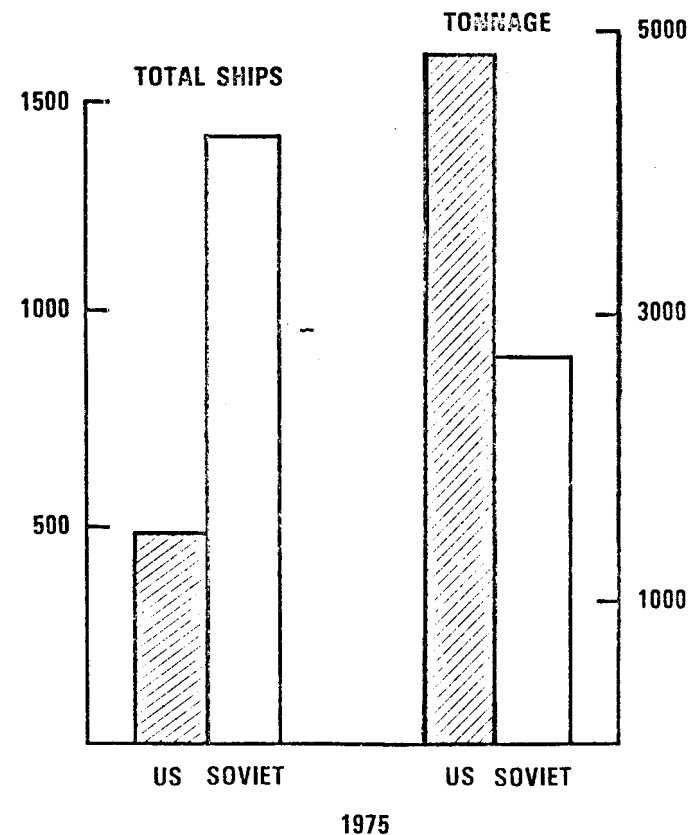
THE SOVIET FORCE HAS BECOME SMALLER WITH THE RETIREMENT OF LARGE NUMBERS OF DIESEL SUBMARINES. HOWEVER, THE SOVIETS RETAIN A 2.5-TO-1 ADVANTAGE IN ATTACK SUBMARINES.

THE SOVIETS HAVE 20% GREATER NUMBERS OF MAJOR SURFACE COMBATANTS -- AIRCRAFT CARRIERS, CRUISERS, DESTROYERS, AND FRIGATES -- ALTHOUGH THE U.S. HAS AN UNQUESTIONED LEAD IN SEA-BASED AVIATION.

THERE IS A MARKED ASYMMETRY IN THE WAY THE TWO NAVIES HAVE DISPERSED OFFENSIVE, STANDOFF WEAPONS CAPABILITY ... THE U.S. STANDOFF, OFFENSIVE STRENGTH LIES ALMOST ENTIRELY IN 13 AIRCRAFT CARRIERS, WHERE THE SOVIETS HAVE SOME 240 SHIPS WITH STANDOFF WEAPONS CAPABILITY.

THE SOVIETS HAVE BUILT A FORCE OF AMPHIBIOUS LIFT SHIPS WHICH NUMERICALLY EXCEEDS OURS, HOWEVER, U.S. ASSAULT CAPABILITY AND FLEXIBILITY VASTLY EXCEEDS THEIRS.

# NUMBER AND TONNAGE OF MAJOR U.S. AND USSR SHIPS



COMPARATIVE NUMBERS AND TONNAGE  
OF U.S./USSR NAVAL SHIPS

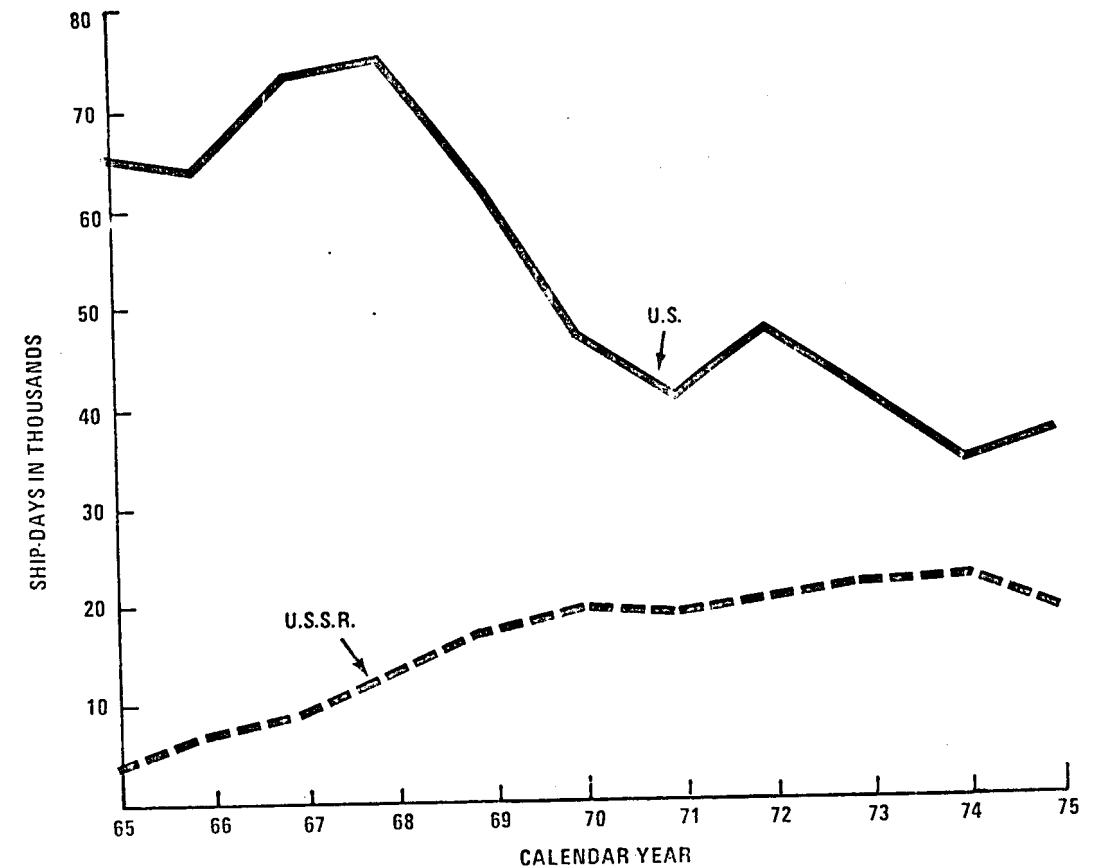
A 1975 COMPARISON OF THE NUMBERS OF SHIPS AND TOTAL TONNAGE OF THE TWO NAVIES SHOWS TWO ASYMMETRIES. FIRST, THE SOVIETS HAVE MORE SHIPS (MANY OF WHICH ARE SMALLER THAN 1,000 TONS), CONSISTENT WITH THE TRADITIONAL VIEW THAT THEIR NAVY IS THE SEAWARD EXTENSION OF THE RED ARMY, LARGELY COASTAL IN ORIENTATION.

SECOND, THE U.S. LEADS IN DISPLACEMENT BECAUSE WE HAVE BUILT SHIPS FOR ROUTINE OPERATION ON DISTANT DEPLOYMENT. (ABOUT 60% OF THE U.S. ADVANTAGE IN TONNAGE RELATES TO OUR 13 AIRCRAFT CARRIERS.)

THE MIX OF SHIPS IN THE SOVIET NAVY IS CHANGING STEADILY AS THEY BUILD BIGGER, MORE CAPABLE SHIPS AND ADD HELICOPTER AND VSTOL AIRCRAFT CARRIERS.

WHEN THE CONTRIBUTIONS OF PRINCIPAL ALLIES ON BOTH SIDES ARE INCLUDED, THE NUMBERS TEND TO EQUATE.

## U.S./U.S.S.R. COMBATANT SHIP-DAYS ON DISTANT DEPLOYMENT



• INCLUDES AIRCRAFT CARRIERS, MAJOR SURFACE COMBATANTS, GENERAL PURPOSE SUBMARINES, MINOR SURFACE COMBATANTS, AMPHIBIOUS SHIPS, AND MINE WARFARE SHIPS.

## U.S./USSR COMBATANT SHIP-DAYS ON DISTANT DEPLOYMENT

AS INTERESTING AS THE GROWTH OF THE SOVIET NAVY IS THE WORLDWIDE DEPLOYMENT OF THEIR SHIPS ON A ROUTINE BASIS, BEGINNING IN THE EARLY 1960'S.

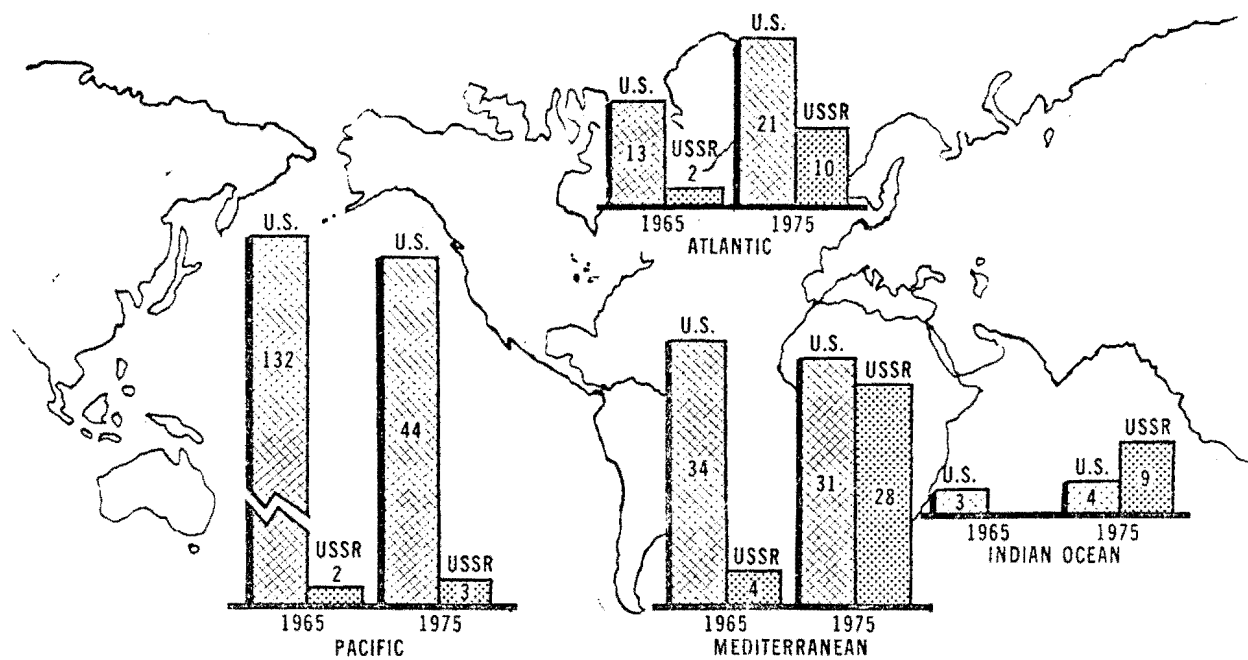
RECENTLY, THE SOVIETS HAVE MAINTAINED A STEADY-STATE NAVAL PRESENCE AT A LEVEL ABOUT TWO-THIRDS THAT OF THE U.S.



# ESTIMATED U.S./USSR RELATIVE PRODUCTION RATES

(1971 - 1975)

## US/USSR COMBATANT DEPLOYMENTS\* (AVERAGE CY 65 AND 75)



\* INCLUDES AIRCRAFT CARRIERS, GENERAL PURPOSE SUBMARINES, MAJOR SURFACE COMBATANTS, MINOR SURFACE COMBATANTS, AMPHIBIOUS SHIPS, AND MINE WARFARE SHIPS.

FEBRUARY 1976

### GEOGRAPHICAL DISTRIBUTION OF U.S./USSR COMBATANT DEPLOYMENTS

THE SOVIET UNION HAS ADOPTED A NAVAL DEPLOYMENT PATTERN QUITE DISSIMILAR TO THAT OF THE U.S.

THIS CHART SHOWS 1965 COMPARISONS TO THE LEFT AND 1975 COMPARISONS TO THE RIGHT, BY MAJOR OCEAN AREA. THE NAVAL CONTRIBUTIONS OF THE NATIONS ALLIED WITH THE U.S. AND THE USSR ARE NOT INCLUDED IN THESE COMPARISONS.



	USSR 1971-75 AVG	U.S. 1971-75 AVG
Tank	3,030	413
Armored Personnel Carrier	4,000	1,577
Artillery Piece	1,350	271
Tactical Aircraft	928	609

USSR/U.S. RATIO 1971-75
7.3:1
2.5:1
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### U.S./USSR RELATIVE PRODUCTION RATES

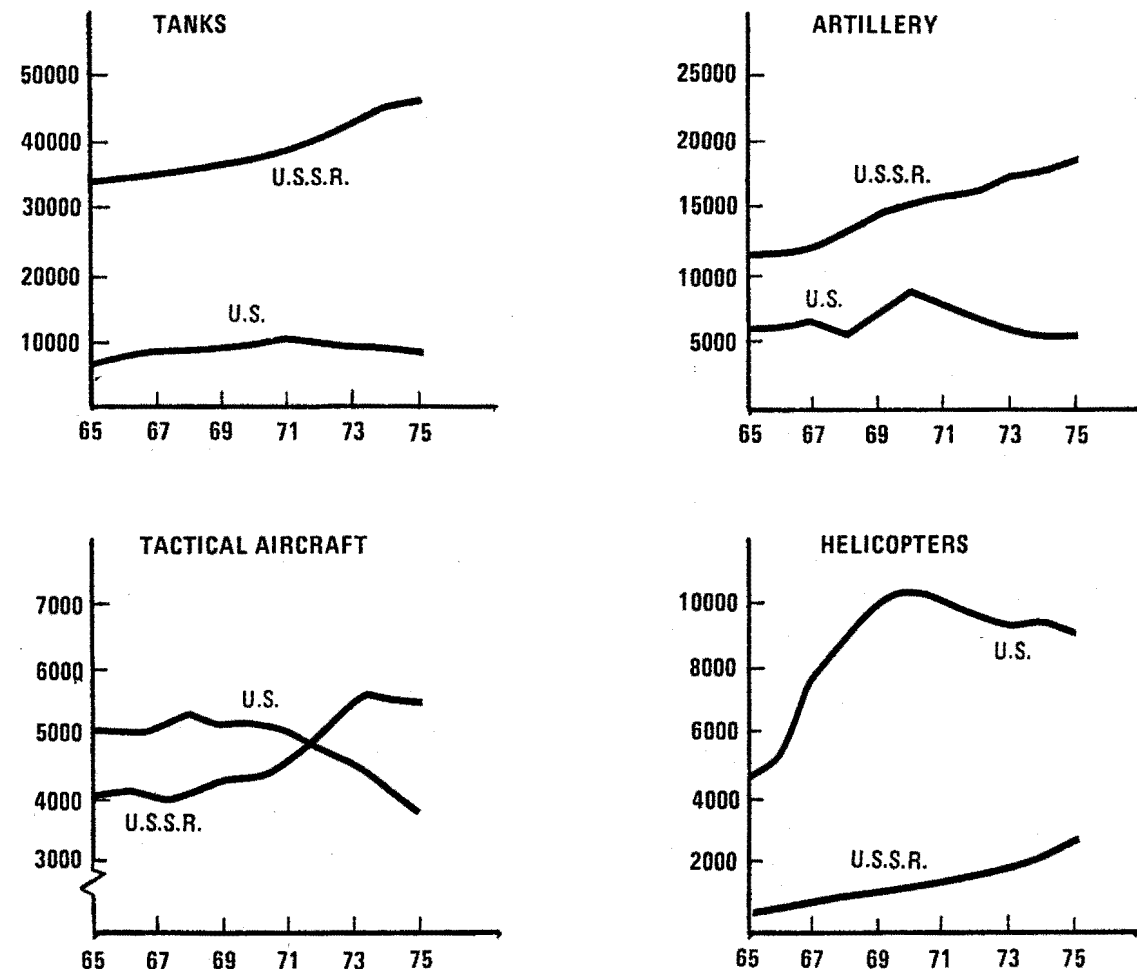
FOR

### GROUND AND TACAIR FORCE EQUIPMENT

AVERAGE SOVIET PRODUCTION OF MAJOR ITEMS OF GROUND WARFARE EQUIPMENT -- TANKS, ARMORED PERSONNEL CARRIERS, ARTILLERY PIECES, AND TACTICAL AIRCRAFT -- OVER THE PAST FIVE YEARS IS ESTIMATED TO HAVE EXCEEDED QUANTITATIVELY THAT OF THE U.S. BY THE MARGINS INDICATED.

## CHANGES IN QUANTITIES OF MILITARY EQUIPMENTS -- U.S./U.S.S.R.

(1965-1975)



### GROUND AND TACAIR FORCE MILITARY EQUIPMENT - U.S./USSR

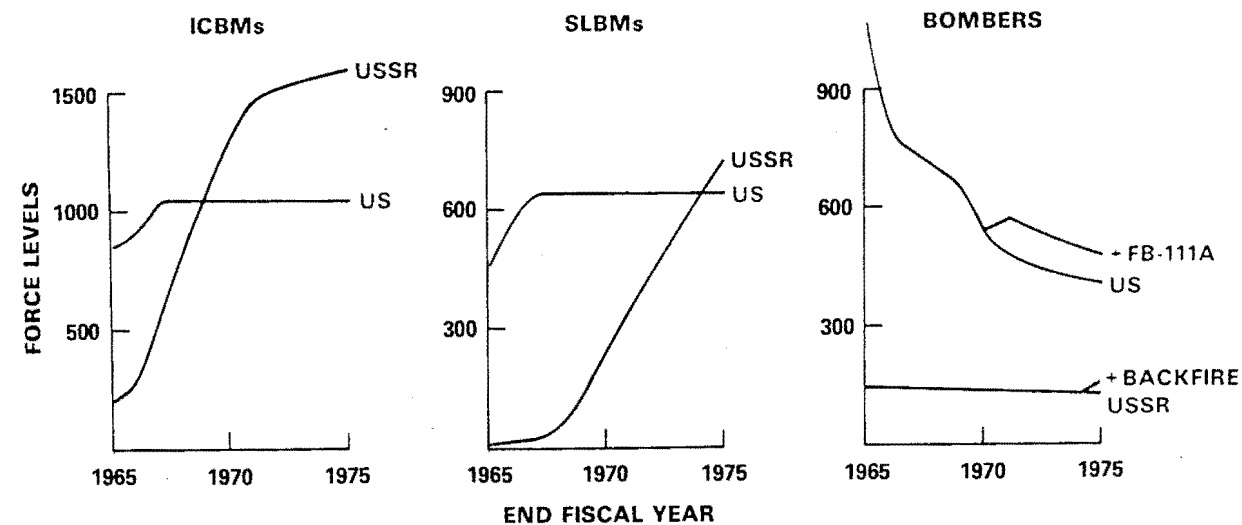
SOVIET TANK INVENTORIES EXCEED THOSE OF THE U.S. BY ROUGHLY 4-TO-1, AND ARE INCREASING.

THE SOVIETS HAVE 2.5 TIMES AS MUCH ARTILLERY.

THEY HAVE BUILT A MODERN, CAPABLE TACTICAL AIRCRAFT FORCE WHICH IN NUMBERS, BUT NOT QUALITY, EXCEEDS OURS BY 30%.

IN HELICOPTERS THE U.S. MAINTAINS SUPERIORITY, BUT THE SOVIETS ARE NOW BUILDING HELICOPTERS IN QUANTITY.

## CHANGES IN U.S./U.S.S.R. STRATEGIC FORCE LEVELS



### CHANGES IN STRATEGIC NUCLEAR FORCES - U.S./USSR

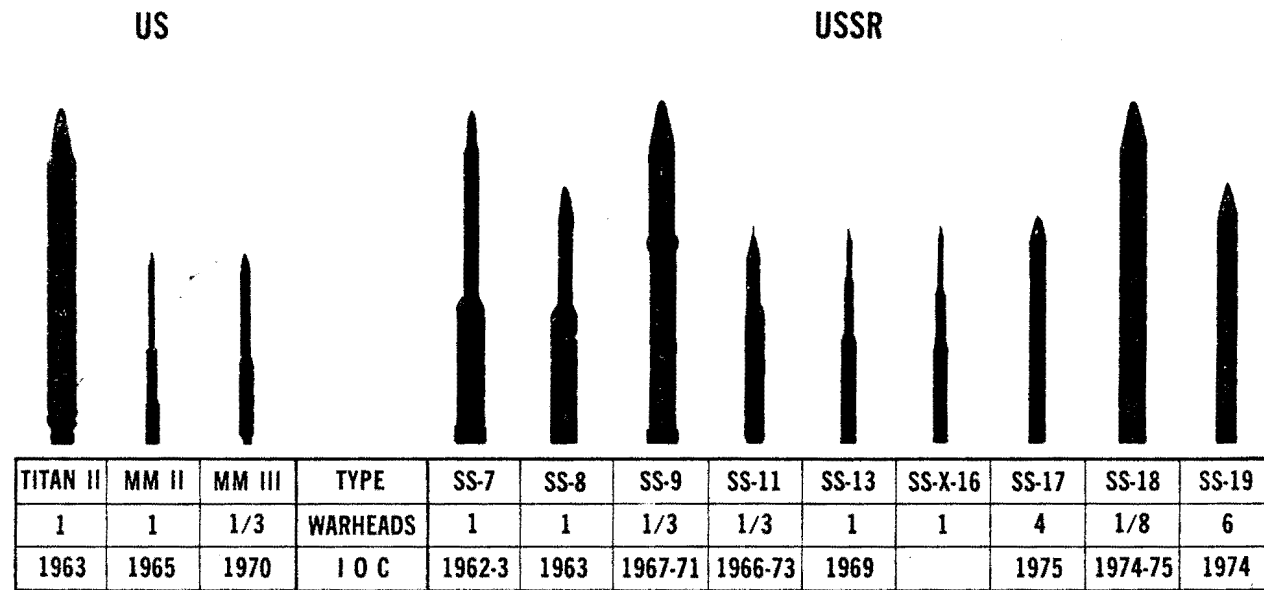
THE SOVIETS HAVE INCREASED FROM ABOUT 225 ICBMs IN 1965 TO SOME 1,600 TODAY, HAVING OVERTAKEN THE U.S. IN THE LATE 1960's.

THE SOVIET SUBMARINE-LAUNCHED BALLISTIC MISSILES HAVE GROWN FROM 29 TO MORE THAN 700, WHILE THE U.S. HAS BEEN LEVEL AT 656.

IN THE BOMBER FORCE, THE U.S. MAINTAINS A LEAD.

THESE COMPARISONS DO NOT ADDRESS QUALITATIVE DIFFERENCES IN THE TWO FORCES.

## COMPARISON OF US AND USSR ICBMs

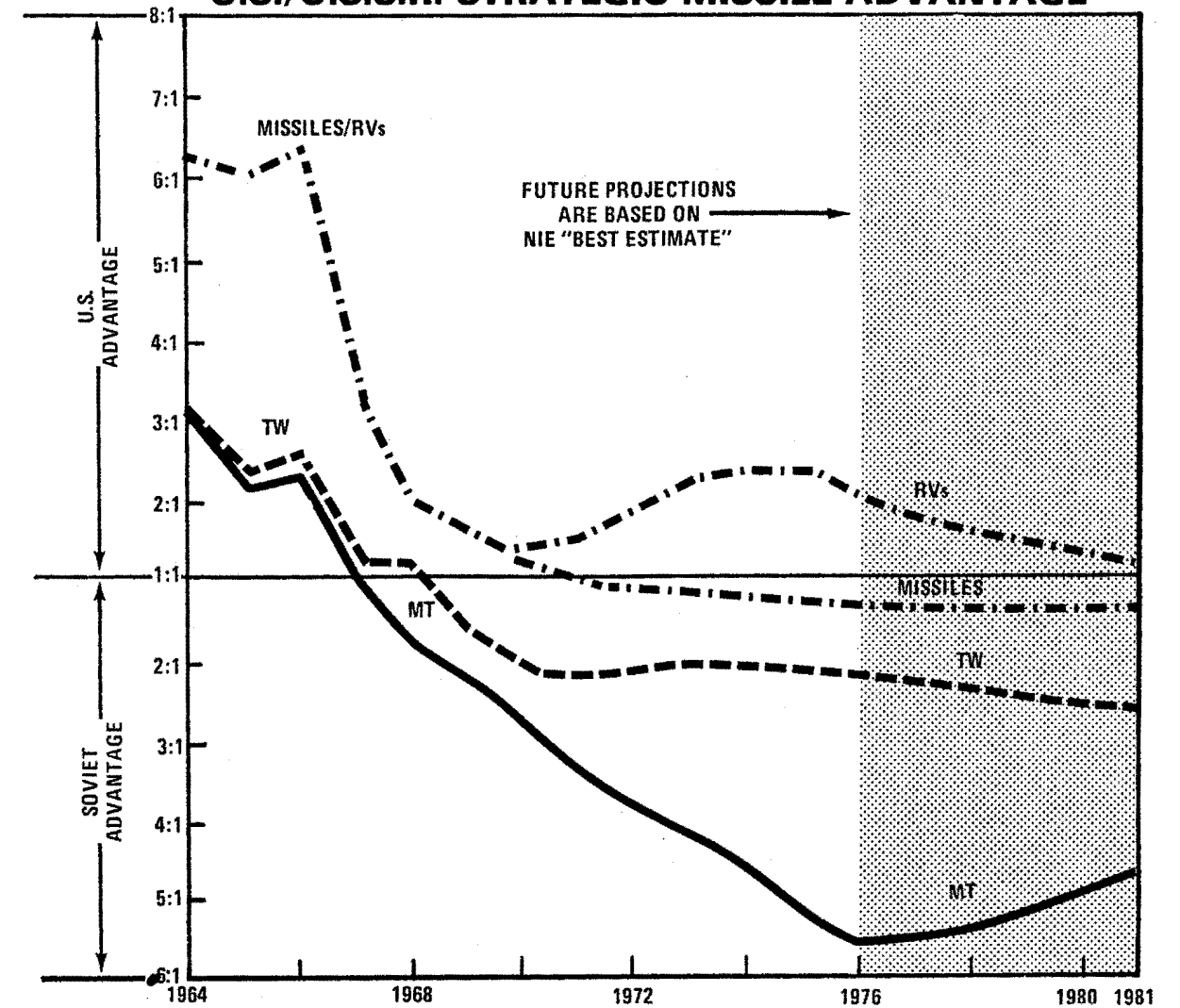


COMPARISON OF U.S./USSR ICBMs

THE SOVIETS HAVE DEVELOPED FOUR NEW ICBMs IN THE PAST FEW YEARS, TWO OF WHICH ARE CURRENTLY BEING DEPLOYED WITH MULTIPLE INDEPENDENTLY TARGETABLE REENTRY VEHICLES (MIRVs). FOLLOW-ON MISSILES ARE IN R&D.

THIS CHART SHOWS ON THE LEFT THE THREE ICBMs WHICH MAKE UP THE U.S. INVENTORY -- BY NAME, NUMBER OF WARHEADS, AND YEAR OF INITIAL OPERATIONAL CAPABILITY -- AND THE NINE SOVIET COUNTERPARTS. WHERE THE NUMBER OF WARHEADS IS DEPICTED WITH A DIAGONAL, IT INDICATES THAT THE LATER VERSIONS OF A GIVEN MISSILE HAVE MULTIPLE WARHEAD CAPABILITY.

## U.S./U.S.S.R. STRATEGIC MISSILE ADVANTAGE

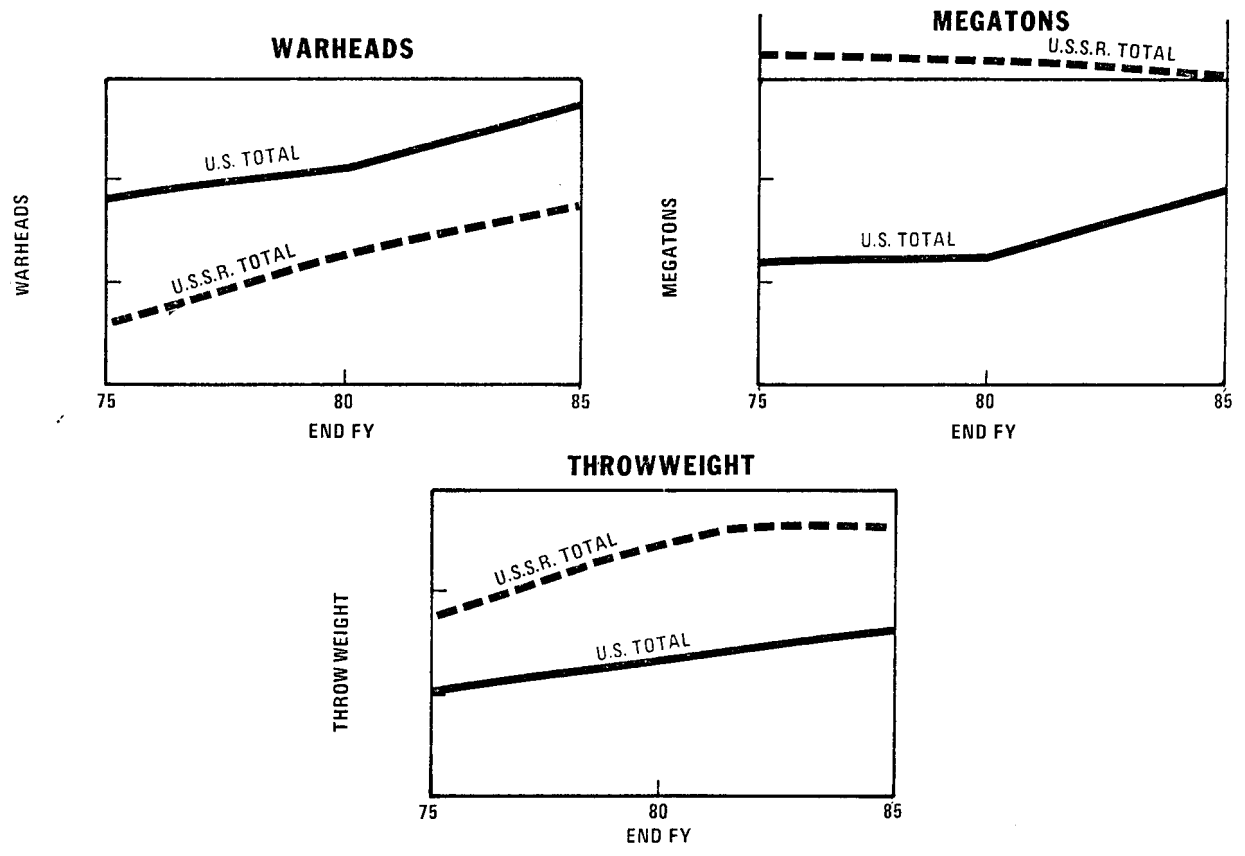


U.S./USSR STRATEGIC MISSILE ADVANTAGE

THIS CHART -- WHICH EXCLUDES STRATEGIC BOMBER FORCES, AN AREA IN WHICH THE U.S. HAS AN ADVANTAGE -- SHOWS HOW THE STRATEGIC MISSILE ADVANTAGE HAS SHIFTED AWAY FROM THE U.S. OVER TIME.

TAKING SOVIET IMPROVEMENTS AND U.S. DEVELOPMENTS INTO CONSIDERATION, WE CAN EXPECT A CONTINUED SOVIET ADVANTAGE IN THROWWEIGHT AND MEGATONS, ALTHOUGH THE U.S. SHOULD RETAIN A LEAD IN NUMBERS OF WARHEADS. ABOVE THE HORIZONTAL LINE WHICH DIVIDES THE CHART, THE ADVANTAGE RESIDES WITH THE U.S.; BELOW THE LINE, IT FALLS TO THE USSR.

**PROJECTED INVENTORY U.S./U.S.S.R.  
(2400 SNDV/1320 MIRV LEVEL)**



PROJECTED NUCLEAR INVENTORIES - U.S./USSR

FROM THE STANDPOINT OF THE TOTAL STRATEGIC NUCLEAR INVENTORY -- WHICH INCLUDES MISSILES AND BOMBERS -- PROJECTED TRENDS INDICATE A U.S. LEAD IN NUMBERS OF WARHEADS, WITH THE USSR MAINTAINING THE ADVANTAGE IN MEGATONS AND THROWWEIGHT.

THESE PROJECTIONS ASSUME THAT THE VLADIVOSTOK AGREEMENT LIMITS OF 2,400 STRATEGIC NUCLEAR DELIVERY VEHICLES (SNDV) AND 1,320 MULTIPLE INDEPENDENTLY TARGETED REENTRY VEHICLES (MIRV) WILL BE EVENTUALLY AGREED UPON BY BOTH SIDES IN A TREATY.

**CENTRAL EUROPEAN BALANCE  
(Non-Mobilized 1975)**

<u>NATO LEADS</u>		<u>PACT LEADS</u>
	MANPOWER	-TROOPS
-ARMORED PERSONNEL CARRIERS -ANTI-TANK GUIDED MISSILES -MORTARS	GROUND WEAPONS	-ARTILLERY -TANKS -MULTIPLE ROCKET LAUNCHERS
-GROUND ATTACK -RECONNAISSANCE -HELICOPTERS	AIRCRAFT	-AIR DEFENSE

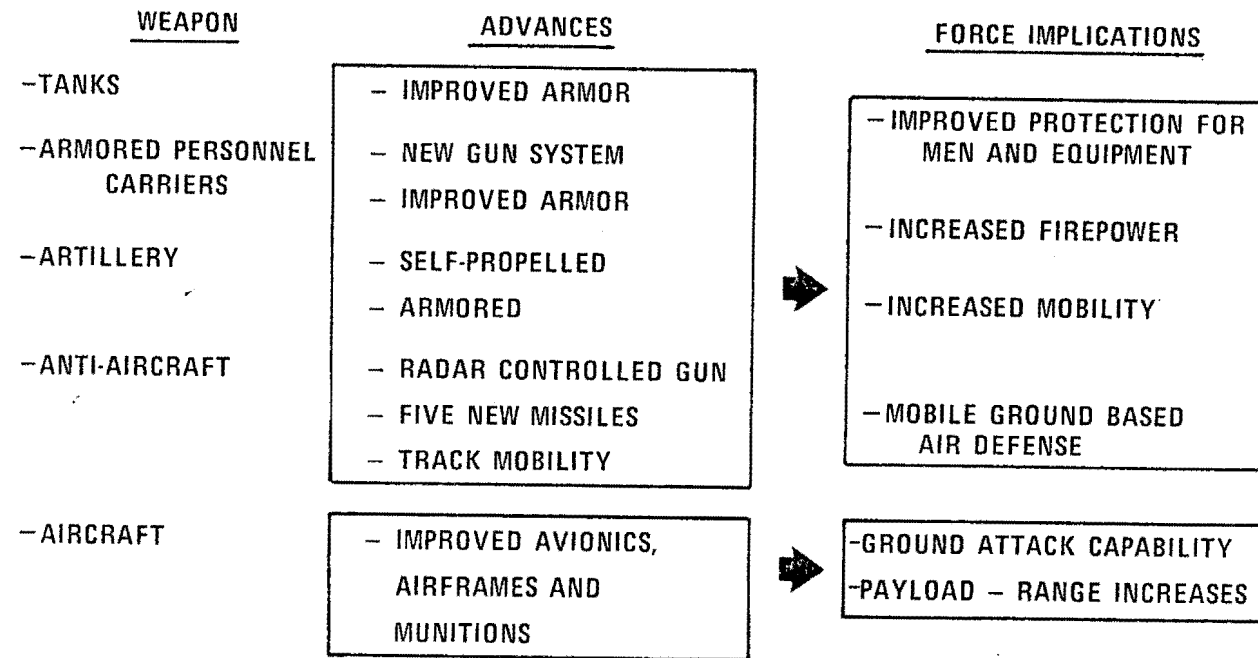
CENTRAL EUROPEAN BALANCE - NATO/WARSAW PACT

CENTRAL EUROPEAN FORCE POSTURES AND DEVELOPMENTS SUGGEST THAT, UNLESS COUNTERBALANCED, INCREASING SOVIET FIREPOWER AND MOBILITY COULD BEGIN TO GIVE THE WARSAW PACT FORCES AN UNACCEPTABLE ADVANTAGE.

ASYMMETRIES THAT INFLUENCE THE ASSESSMENT INCLUDE THE FOLLOWING:

- NATO HAS SEVERAL ADVANTAGES:
  - A DEFENSIVE MISSION WITH ADVANTAGES OF INTERIOR LINES AND FAMILIAR TERRAIN.
  - SUPERIOR TACTICAL AIRPOWER.
  - MORE ANTI-TANK WEAPONS, HELICOPTERS, AND ARMORED PERSONNEL CARRIERS.
- THE WARSAW PACT HAS:
  - THE INITIATIVE IN CHOOSING THE TIME AND NATURE OF ATTACK.
  - MORE TANKS AND ARTILLERY PIECES, AND MODERN SOPHISTICATED BATTLEFIELD AIR DEFENSE SYSTEMS.

## SOVIET WEAPON ADVANCES 1965-1975



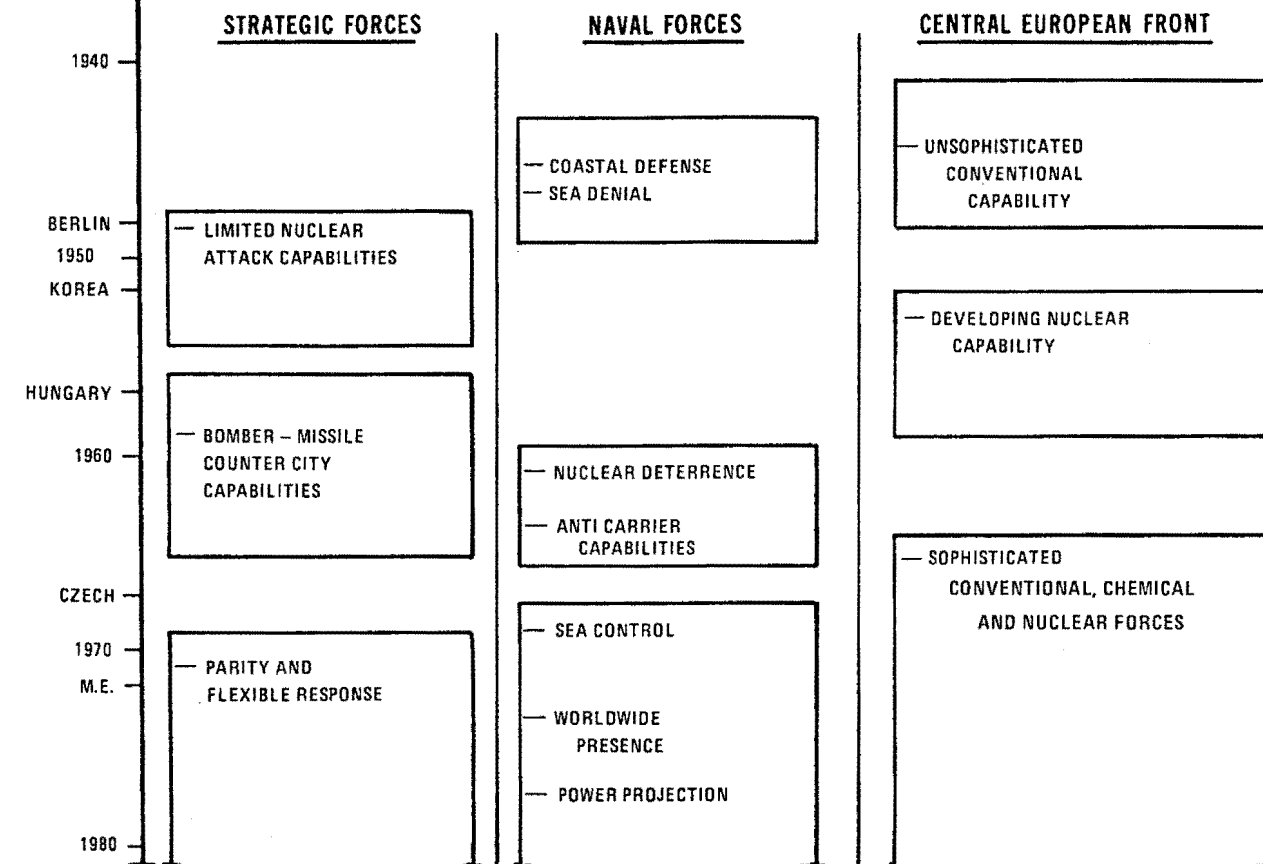
SOVIET WEAPON ADVANCES

THE SOVIETS FOR SOME TIME HAVE STRESSED AN OFFENSIVE DOCTRINE FOR A BLITZKRIEG-TYPE WAR. IN THE PAST DECADE THEY HAVE MADE PROGRESS TOWARD BUILDING A FORCE WHICH COULD IMPLEMENT THAT DOCTRINE. SINCE THE MID-1960'S, THEY HAVE INTRODUCED FIVE NEW TYPES OF AIRCRAFT AND PROVIDED THEIR GROUND FORCES WITH A NEW GENERATION OF WEAPONS IN MOST MAJOR CATEGORIES.

THESE WEAPONS HAVE BEEN, IN MOST CASES, NEW DESIGNS -- AND ARE SOPHISTICATED. FOR EXAMPLE, SOVIET DIVISIONS HAVE BEEN EQUIPPED WITH AS MANY AS FIVE DIFFERENT SURFACE-TO-AIR GUN AND MISSILE SYSTEMS, EACH WITH OVERLAPPING AIR DEFENSE CAPABILITIES AND USING DIFFERENT METHODS TO ACQUIRE, TRACK AND ENGAGE AIRCRAFT. THEIR ARMORED PERSONNEL CARRIER CARRIES TROOPS, ENABLES THEM TO FIGHT FROM WITHIN THE VEHICLE, AND MOUNTS ANTI-TANK WEAPONS.

MAJOR IMPROVEMENT IN GROUND BASED AIR DEFENSE HAS FREED THE SOVIET AIR FORCE FOR AN AIR SUPPORT ROLE.

## EVOLUTION OF SOVIET POWER



EVOLUTION OF SOVIET POWER

WHEN ONE CONSIDERS THE STRATEGIC NUCLEAR, NAVAL, AND CENTRAL EUROPEAN FRONT BALANCES TOGETHER, IT IS APPARENT THAT SIGNIFICANT CHANGES IN SOVIET CAPABILITIES HAVE OCCURRED IN THE PAST 15 YEARS. THE SOVIETS HAVE COME FROM THE UNSOPHISTICATED, CONTINENTALLY CONFINED, ARMED FORCES OF THE POST WORLD WAR II DAYS TO CLEAR MILITARY SUPERPOWER STATUS IN THE 1970'S.

THERE IS POWERFUL MOMENTUM IN SOVIET MILITARY PROGRAMS AND IN THE EMERGING PATTERN OF EXTERNAL PROJECTION OF SOVIET POWER.

# ECONOMIES AND RESTRAINTS IN FY 1977 U.S. DEFENSE BUDGET

(\$ in Billions)

— CUTBACKS IN EMPLOYMENT AND PERSONNEL COSTS, FY 1976-77	\$ .9
— PAY RAISE ASSUMPTIONS GS/MILITARY PAY RAISE CAP, NEW/EXISTING GS GUIDELINES	.8/2.6
— COMMISSARIES AND RETIRED PAY "KICKER"	.2
— MILITARY CONSTRUCTION AND FAMILY HOUSING CONSTRUCTION	.9
<b>SUBTOTAL</b>	<b>2.8/4.6</b>
— STOCKPILE ITEMS	.7/.8
<b>TOTAL</b>	<b>\$ 3.5/5.4</b>

## U.S. DEPARTMENT OF DEFENSE BUDGET

### DEFENSE BUDGET TOTALS

(\$ IN BILLIONS)

<u>CURRENT DOLLARS</u>	<u>FY 1964 ACTUAL</u>	<u>FY 1974 ACTUAL</u>	<u>FY 1975 ACTUAL</u>	<u>FY 1976 ESTIMATE</u>	<u>FY 1977 ESTIMATE</u>	<u>INCREASE FY 1976-77</u>
Total Obligational Authority (TOA)	50.7	85.1	87.9	98.3	112.7	14.4
Budget Authority (BA)	50.7	88.9	91.5	100.7	113.8	13.1
Outlays	50.8	78.4	86.0	91.2	100.1	8.9
 <u>CONSTANT FY 1977 DOLLARS</u>						
Total Obligational Authority (TOA)	115.4	107.3	100.7	105.3	112.7	7.4
Budget Authority (BA)	115.5	112.6	104.8	108.0	113.8	5.8
Outlays	113.8	101.7	99.1	98.2	100.1	1.9

### U.S. DEFENSE BUDGET TOTALS

IT IS CLEAR TO THOSE WHO LOOK AT THE MILITARY BALANCE WHICH RESULTS FROM THE TRENDS DESCRIBED THAT, IF THE U.S. IS TO MAINTAIN "SUFFICIENCY" AND WORLD STABILITY, THESE TRENDS MUST BE ARRESTED NOW.

THIS CHART SHOWS WHERE THE FY 77 BUDGET -- WITH WHICH WE ARE ATTEMPTING TO CHECK THESE RELATIVE TRENDS BY STOPPING THE DOWNTREND (IN REAL TERMS) IN U.S. DEFENSE SPENDING -- STANDS WITH RESPECT TO BUDGETS OVER PAST YEARS. THE TOP THREE LINES DISPLAY DATA, WITH PREWAR FY 64 FOR REFERENCE, IN TERMS OF CURRENT OR "THEN YEAR" DOLLARS. THE BOTTOM PORTION OF THE CHART PRESENTS THE SAME DATA IN REAL TERMS ... CONSTANT FY 77 DOLLARS.

### ECONOMIES AND RESTRAINTS

WHILE THE PRESIDENT'S BUDGET PROPOSES IMPROVEMENTS IN FORCE MODERNIZATION AND READINESS, IT ALSO PROPOSES TO TIGHTEN THE 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, STOCKPILE LEVEL ADJUSTMENTS, AND CIVILIAN MANPOWER REDUCTIONS.
- THESE RESTRAINTS ADD UP TO \$3.5 TO \$5.4 BILLION, DEPENDING ON THE MAGNITUDE OF THE PAY CAP ACHIEVED.

IF CONGRESS FAILS TO APPROVE THE RECOMMENDED BELT-TIGHTENING MEASURES, ADDITIONAL APPROPRIATIONS WILL BE REQUIRED TO AVOID UNACCEPTABLE FORCE REDUCTIONS.

**U.S. DEPARTMENT OF DEFENSE BUDGET  
FINANCIAL SUMMARY**

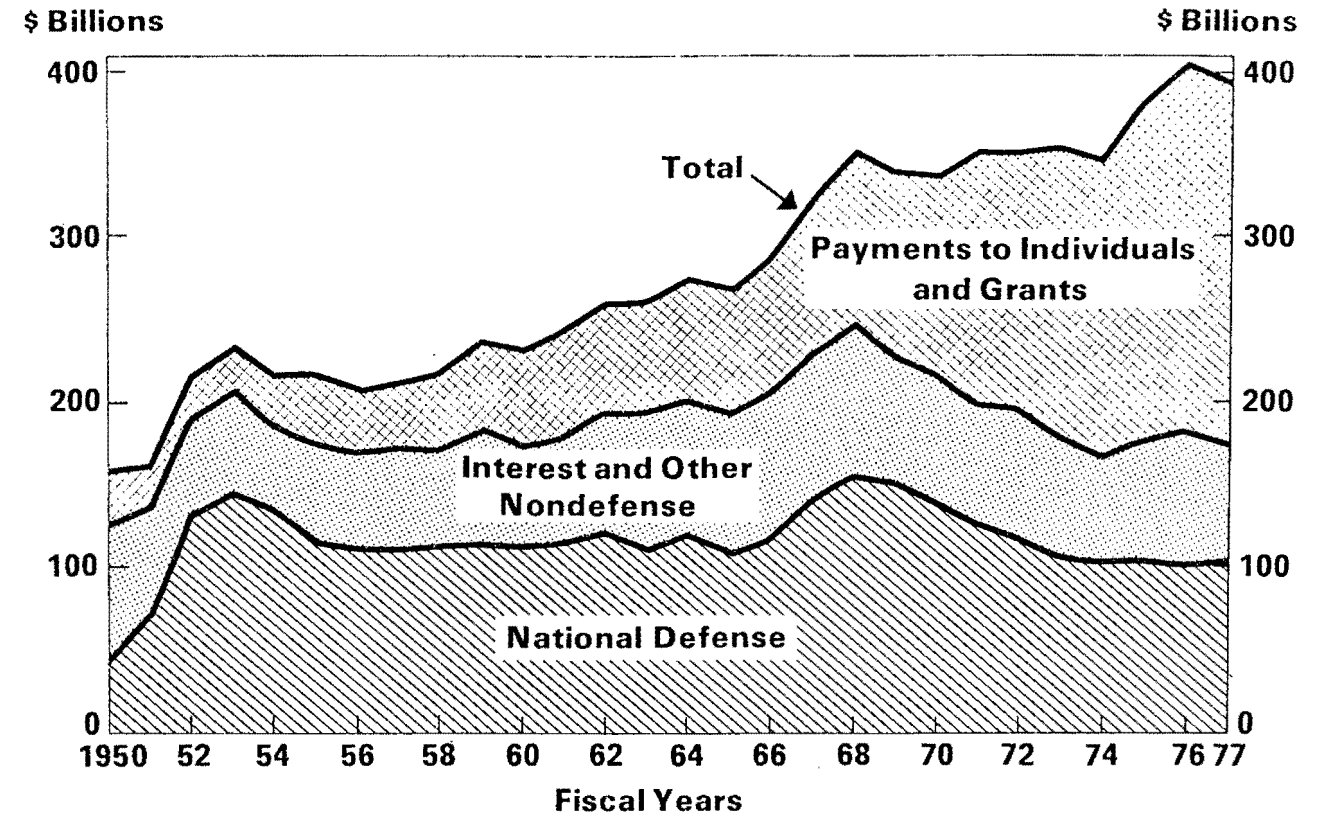
	<u>FY 1964</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
<b>DOD/MAP as Percentage:</b>					
<b>Federal Budget (Outlays)</b>	42.8%	29.2%	26.5%	24.4%	25.4%
<b>Gross National Product</b>	8.3%	5.8%	6.0%	5.7%	5.4%
<b>Labor Force</b>	7.9%	5.2%	5.0%	4.8%	4.8%
<b>Net Public Spending</b>	28.1%	17.4%	17.3%	16.4%	16.5%

U.S. DEPARTMENT OF DEFENSE BUDGET  
FINANCIAL SUMMARY

ALTHOUGH DoD OUTLAYS INCREASE \$8.9 BILLION FROM FY 1976 TO FY 1977 -- UP FROM \$98.2 BILLION TO \$100.1 BILLION -- THE PORTION OF THE NATION'S ECONOMIC RESOURCES ALLOCATED TO DEFENSE REMAINS VERY LOW, IN SOME CASES THE LOWEST LEVEL IN OVER A QUARTER OF A CENTURY.

- DEFENSE REPRESENTS 25.4% OF THE FEDERAL BUDGET, UP SLIGHTLY FROM FY 1976. IT REPRESENTS THE LOWEST LEVEL SINCE PRIOR TO PEARL HARBOR.
- DEFENSE AS A PERCENT OF GNP WILL BE 5.4% IN FY 1977, THE LOWEST SHARE SINCE PRIOR TO THE KOREAN WAR.
- DEFENSE EMPLOYMENT (INCLUDING MILITARY, CIVILIAN AND DEFENSE INDUSTRY) REPRESENTS 4.8% OF THE LABOR FORCE, THE LOWEST LEVEL SINCE PRIOR TO PEARL HARBOR.
- IN TERMS OF NET PUBLIC SPENDING (FEDERAL AND STATE AND LOCAL) DEFENSE WILL REPRESENT 16.5% OF THE TOTAL, EXCEPT FOR FY 1976, ALSO THE LOWEST RELATIVE SHARE SINCE PRIOR TO PEARL HARBOR.

**U.S. FEDERAL OUTLAYS - CONSTANT 1977 DOLLARS**



TOTAL U.S. FEDERAL OUTLAY PATTERN

OUR NATION'S NON-DEFENSE SPENDING CAN NO LONGER BE FUNDED OUT OF THE DEFENSE BUDGET. TODAY, NON-DEFENSE EXPENDITURES ARE NEARLY THREE TIMES THOSE OF DEFENSE.

IN THE EXTREME:

- A 10% INCREASE IN NON-DEFENSE SPENDING, TAKEN FROM THE DoD BUDGET, WOULD MEAN A CRIPPLING 30% CUT.
- A 33% INCREASE IN NON-DEFENSE SPENDING, FUNDED FROM DEFENSE SPENDING, WOULD WIPE OUT THE DEFENSE ESTABLISHMENT ALTOGETHER.

CONCLUSION

CONTINUING THE TRENDS OF THE PAST YEARS WOULD HAVE TO BE CONSIDERED A CONSCIOUS DECISION TO ABANDON THE POLICY OF MAINTAINING "ROUGH EQUIVALENCE" WITH THE SOVIET UNION.

WHEN, AS WOULD BE INEVITABLE, THE FACT THAT THE UNITED STATES HAD MADE A DECISION TO SLIP TO AN INFERIOR STATUS WAS APPRECIATED BY THE WORLD, WE WOULD BEGIN LIVING IN AN UNSTABLE WORLD, FUNDAMENTALLY DIFFERENT FROM THE ONE WE HAVE KNOWN DURING OUR LIFETIMES.

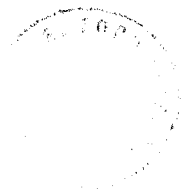


*Five*

FY 77 U. S. DEFENSE BUDGET  
PERSPECTIVES

DONALD RUMSFELD  
SECRETARY OF DEFENSE

8 MARCH 1976



## INTRODUCTION

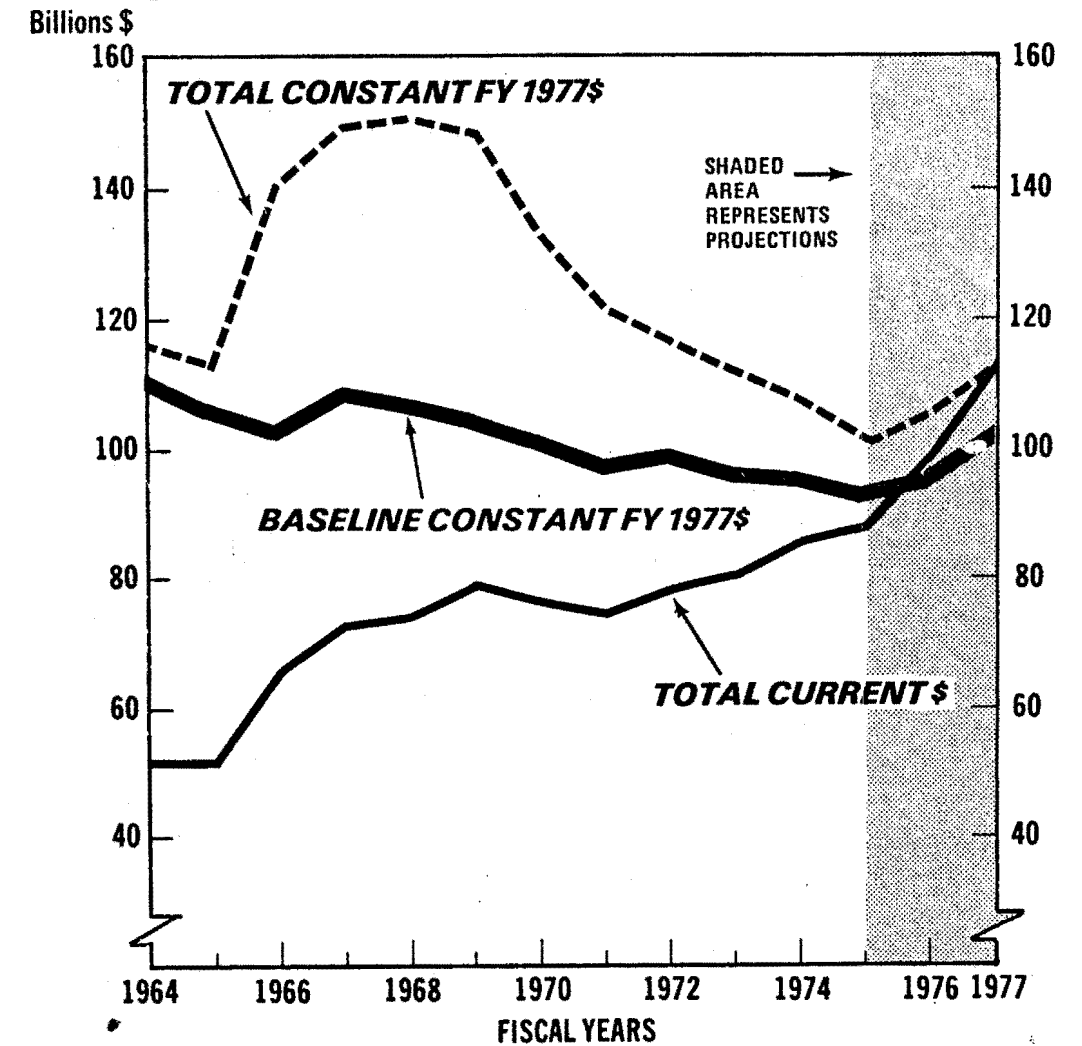
By May 15, 1976, the Congress will have made two of the most important decisions it will make this year ... the level of total federal spending, and the portion of that total which will be provided for our national security.

There is consensus that U.S. military capability and strength can today be described as "sufficient" ... that is, we have "rough equivalence" to the Soviet Union, which is what U.S. policy demands.

However, the trends of the past 5-10 years are adverse with respect to the military balances. No one chart or statistic can provide the complete picture -- but a sweeping look at resources, procurement and R&D efforts, equipment construction rates, force level changes, and shifts in relative capability can make clear what has taken place. A collection of such graphics is presented here, with appropriate explanations and caveats.

The facts drive one to the clear conclusion that the U.S. must act now to arrest these adverse trends, by providing real increases for national security, unless the U.S. is willing to alter our policy of maintaining "rough equivalence." It is my conviction that the American people are not willing to accept a policy of inferiority.

## U.S. DEFENSE BUDGET TRENDS (TOA)

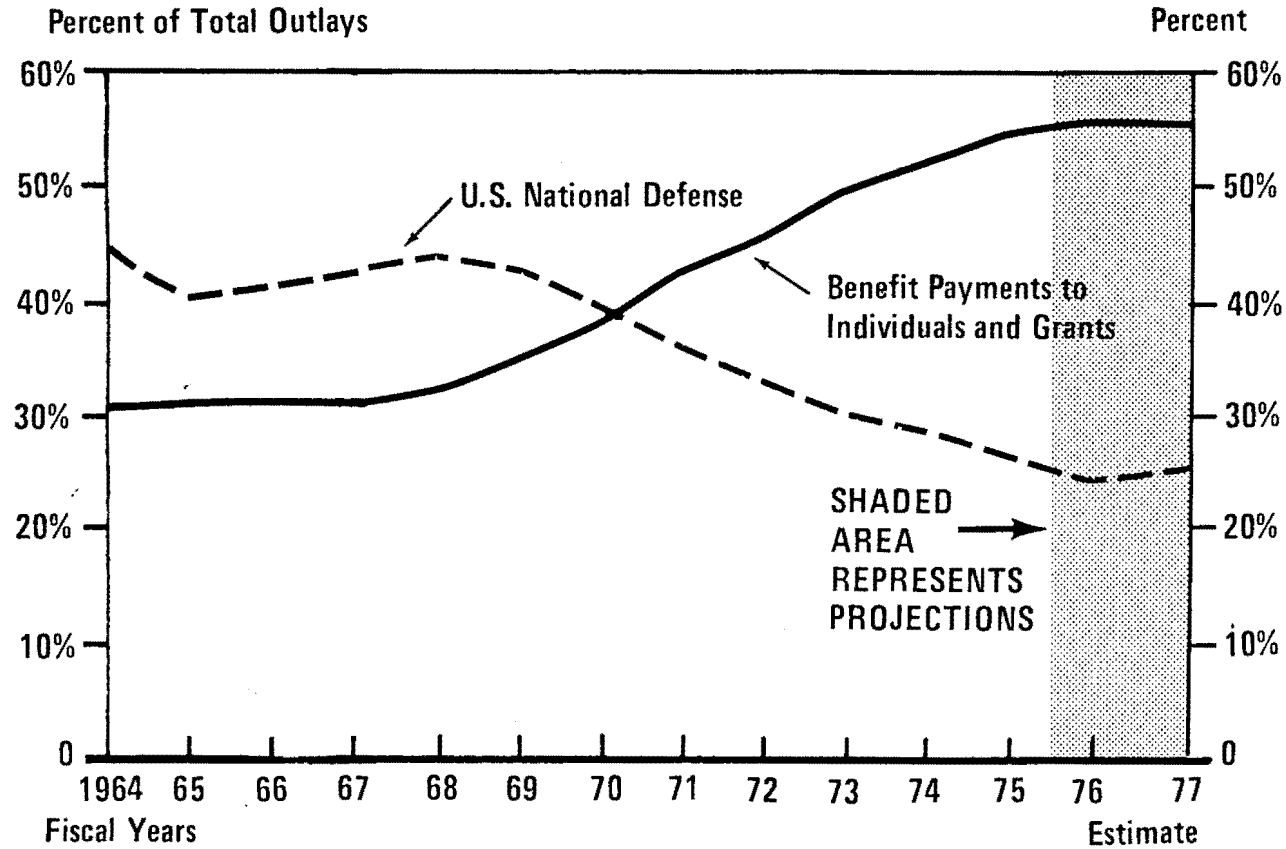


### U.S. DEFENSE BUDGET TRENDS

THE U.S. DEFENSE BUDGET HAS DECREASED IN REAL TERMS BY MORE THAN ONE-THIRD FROM THE 1968 WARTIME PEAK. TODAY, IN REAL TERMS (CORRECTED FOR INFLATION), IT IS 14% BELOW THE LEVELS OF THE PREWAR, EARLY 1960'S.

TRENDS ARE SHOWN HERE IN TERMS OF TOTAL OBLIGATIONAL AUTHORITY (TOA). THE BROKEN LINE SHOWS TOTAL TOA (IN CONSTANT FY 77 DOLLARS); THE THICK LINE LABELED "BASELINE" SHOWS THE TREND OF RESOURCES DEVOTED TO MILITARY CAPABILITY (SEASIA WAR COSTS, RETIRED PAY, AND FOREIGN MILITARY SALES HAVE BEEN EXCLUDED); AND THE LOWER CURVE SHOWS THE PROGRESSION OF DEFENSE BUDGETS AS THEY APPEARED IN CURRENT DOLLARS.

## Shares of the U.S. Budget

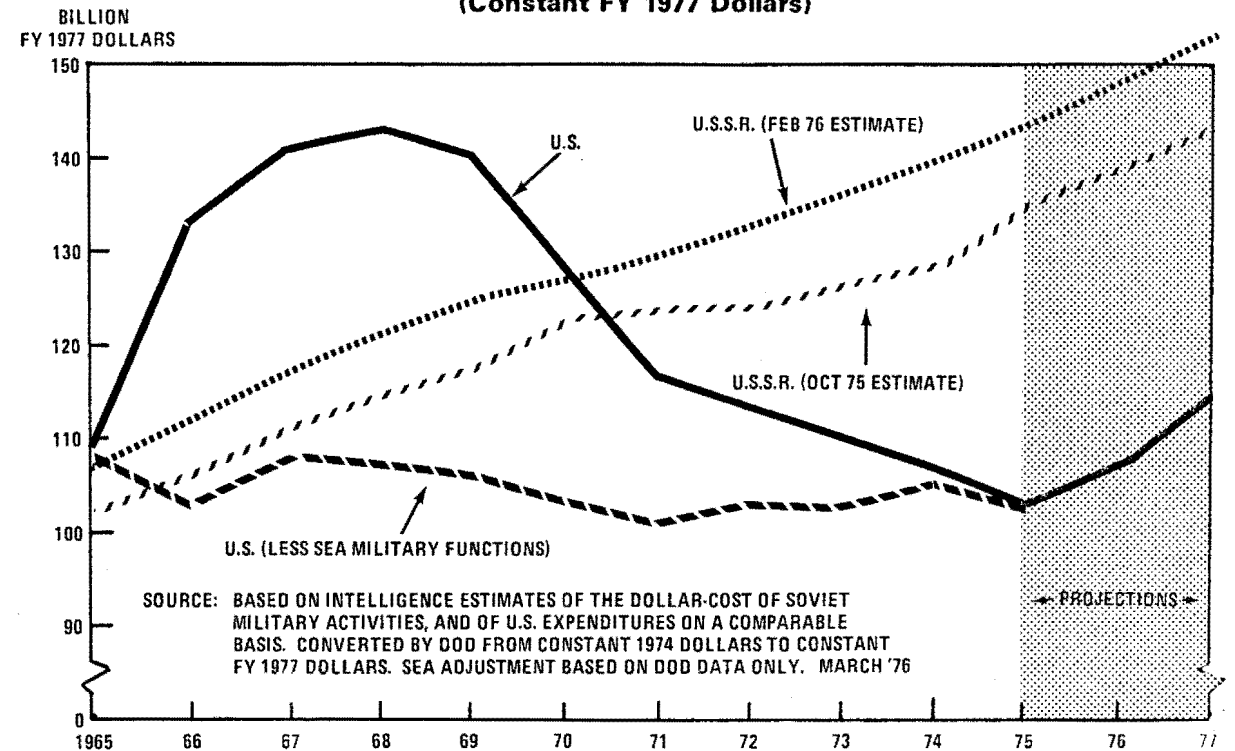


### SHARES OF THE U.S. BUDGET

U.S. DEFENSE SPENDING TODAY IS ABOUT 25% OF THE TOTAL FEDERAL BUDGET -- THE LOWEST SHARE SINCE FY 1940, SHORTLY BEFORE PEARL HARBOR -- HAVING DROPPED FROM 43% IN PREWAR 1964.

AS SHOWN, BENEFIT PAYMENTS TO INDIVIDUALS AND GRANTS HAVE INCREASED FROM A 30% SHARE OF THE FEDERAL BUDGET TO MORE THAN 55% DURING THE SAME PERIOD.

## U.S. AND SOVIET DEFENSE PROGRAM TRENDS (U.S. Expenditures and Estimated Dollar Costs of Soviet Programs)



### SOVIET PROGRAM DEFENSE TRENDS

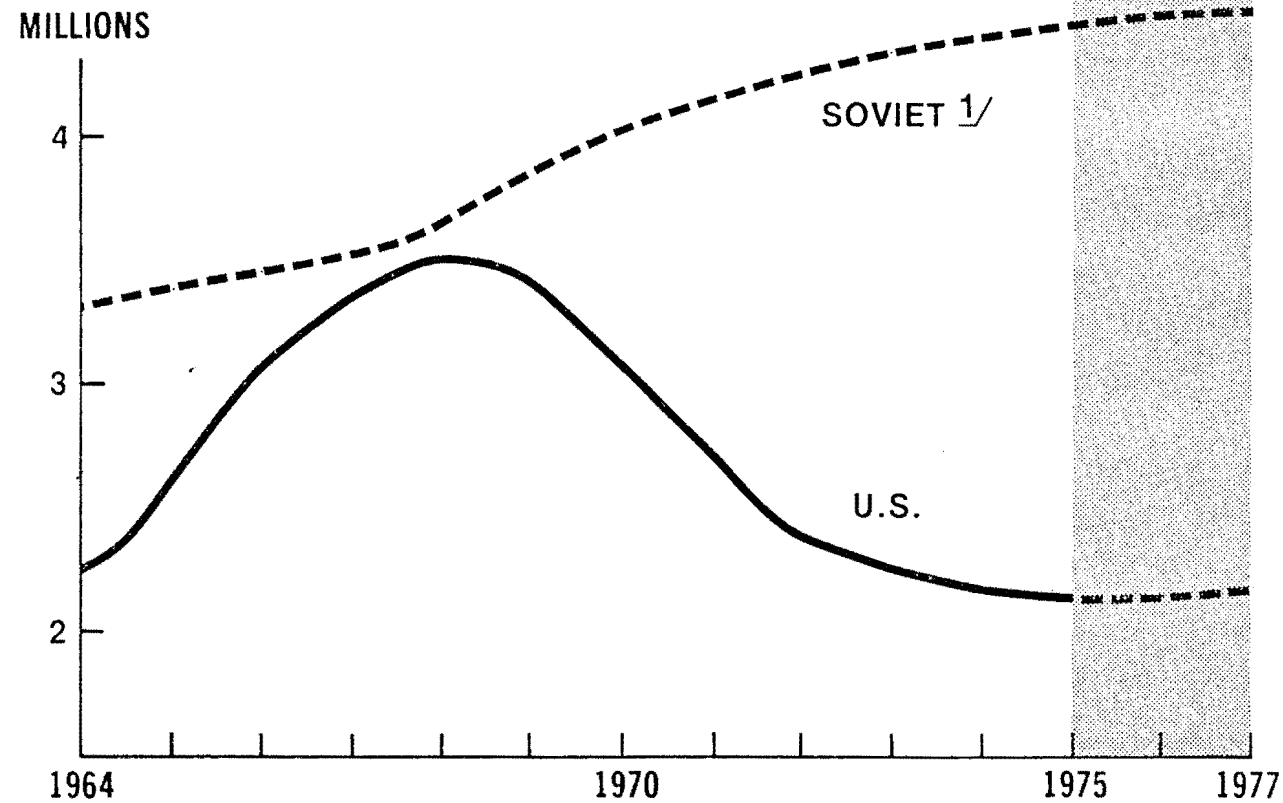
WHILE THESE REDUCTIONS HAVE BEEN GOING ON IN THE U.S., THE SOVIET UNION HAS BEEN MOVING STEADILY IN THE OTHER DIRECTION.

THE INTELLIGENCE COMMUNITY HAS WORKED AT THE COMPLEX TASK OF ESTIMATING THE MAGNITUDE OF SOVIET EFFORT; TWO OF THE MOST RECENT ESTIMATES ARE SHOWN ON THE CHART ABOVE. THERE REMAINS SOME DISAGREEMENT AMONG ANALYSTS AS TO THE ABSOLUTE VALUE OF MILITARY EFFORTS IN THEIR CONTROLLED ECONOMY. HOWEVER, THE FEBRUARY 1976 ESTIMATE SHOWS THAT THE CONSTANT 1977 DOLLAR VALUE OF THE RESOURCES ALLOCATED TO SOVIET NATIONAL DEFENSE APPEARS TO HAVE GROWN FROM 107 BILLION IN 1965 TO 144 BILLION IN 1975, AN AVERAGE ANNUAL INCREASE OF AT LEAST 3%.

THE CHART COMPARES AN ESTIMATE OF SOVIET PROGRAM COSTS WITH COMPARABLE COSTS OF U.S. DEFENSE PROGRAMS.

THE EVIDENCE WE HAVE OF THE WEIGHT OF EFFORT AND THE MOMENTUM IN SOVIET MILITARY PROGRAMS IS FULLY CONSISTENT WITH THESE ESTIMATES.

# U.S./U.S.S.R. MILITARY MANPOWER

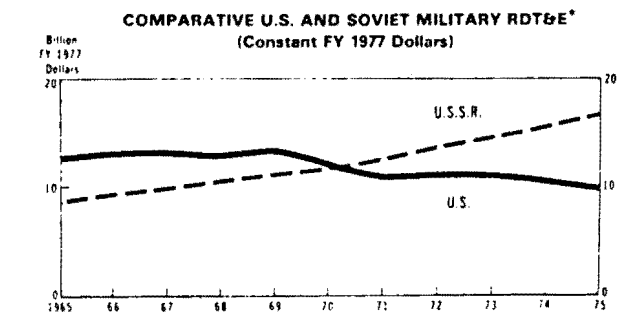
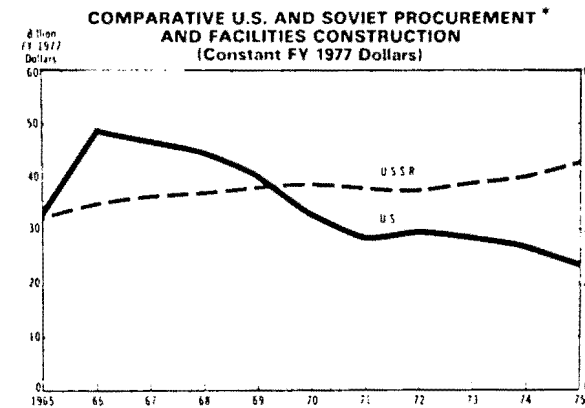
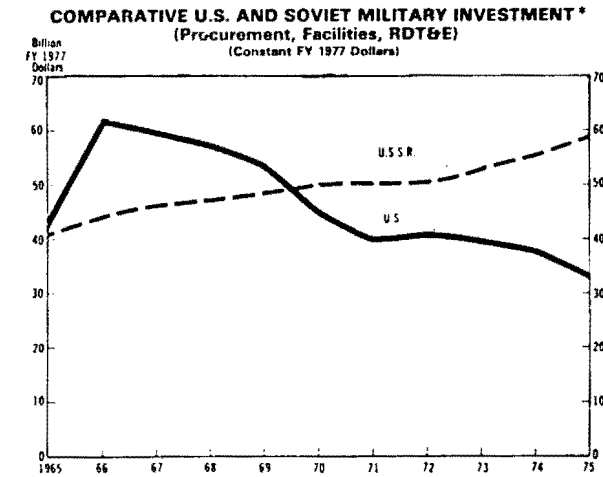


<sup>1</sup> EXCLUDES MILITARY SECURITY FORCES.

## COMPARATIVE MILITARY MANPOWER - U.S./USSR

THE SOVIETS HAVE INCREASED THE NUMBER OF MEN UNDER ARMS (NOT INCLUDING SOME 400,000 MILITARY SECURITY FORCE MEMBERS) FROM 3.4 TO 4.4 MILLION SINCE 1964.

DURING THE SAME PERIOD, U.S. UNIFORMED MILITARY STRENGTH INCREASED FROM A PREWAR 1964 LEVEL OF 2.7 MILLION TO A PEAK OF 3.5 MILLION DURING THE WAR IN SOUTHEAST ASIA, THEN DECLINED TO 2.1 MILLION TODAY. THERE ARE FEWER AMERICANS IN UNIFORM TODAY THAN AT ANY TIME SINCE THE FALL OF 1950.



\*BASED ON INTELLIGENCE ESTIMATES IN 1974 DOLLARS. CONVERTED TO FY 1977 DOLLARS BY 000

## U.S./USSR COMPARATIVE INVESTMENT IN PROCUREMENT, FACILITIES, RDT&E

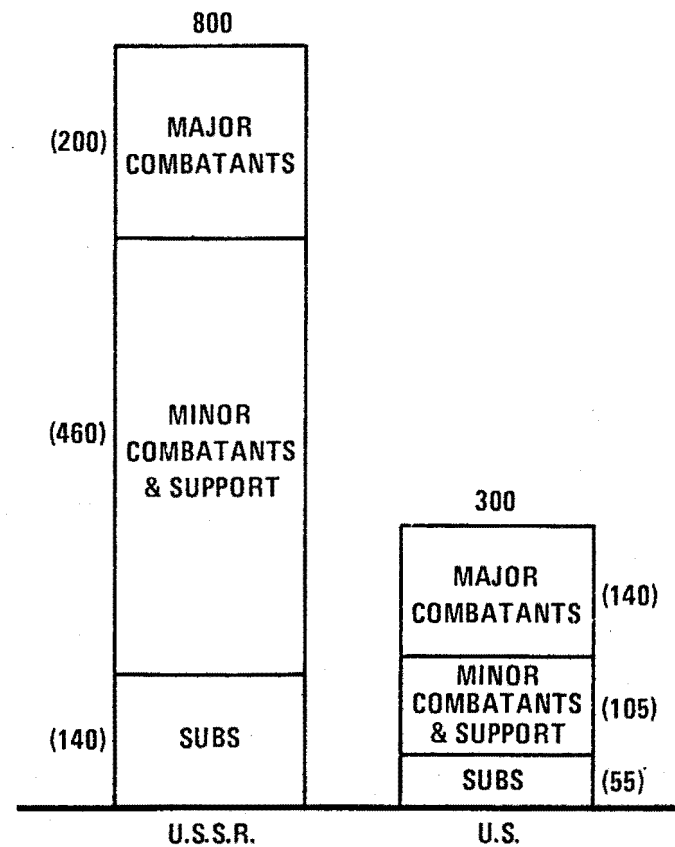
OVER THE PAST 10-12 YEARS, SOVIET INVESTMENT, IN REAL TERMS, IN DEVELOPMENT AND PROCUREMENT OF NEW SYSTEMS AND FACILITIES FOR PRODUCTION HAS CLEARLY EXCEEDED THAT OF THE U.S.

THE TOP CHART DISPLAYS AGGREGATED DATA; THE CHART IN THE LOWER LEFT-HAND CORNER SEPARATES PROCUREMENT AND CONSTRUCTION TRENDS FROM RDT&E. MILITARY RESEARCH AND DEVELOPMENT IS SHOWN IN THE LOWER RIGHT-HAND CORNER.

THE SOVIETS HAVE DEVELOPED AN INDUSTRIAL BASE WHICH HAS QUANTITATIVELY OUTPRODUCED THE U.S. IN MOST CATEGORIES OF MILITARY HARDWARE. THE WEIGHT OF THE SOVIET EFFORT AND THE MOMENTUM DEVELOPED ARE OF SERIOUS CONCERN.

# U.S.S.R./U.S. NAVAL SHIP CONSTRUCTION

1965-1975

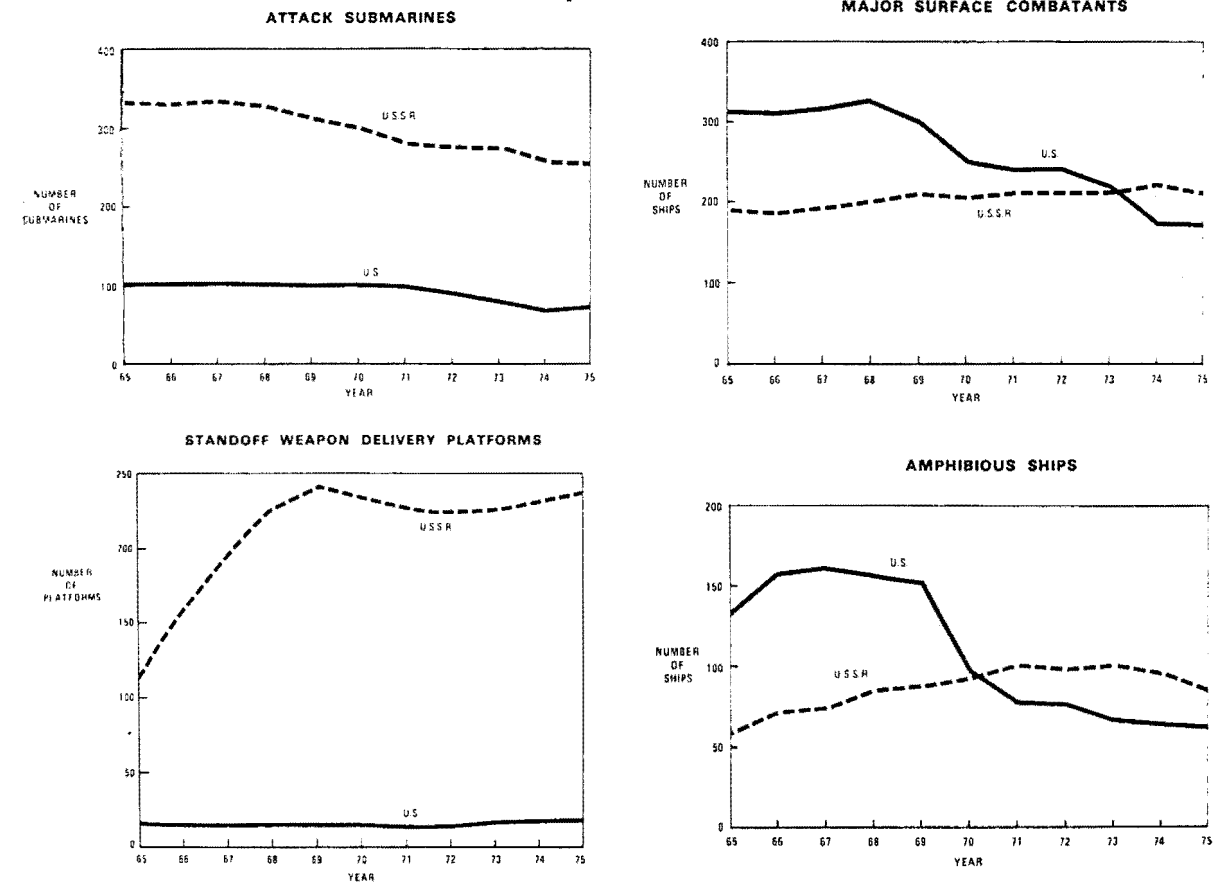


## COMPARATIVE NAVAL SHIP CONSTRUCTION - U.S./USSR

SINCE 1962, WHEN THE SOVIETS BEGAN EXPANDING THEIR MARITIME POWER IN EARNEST, THEY HAVE BUILT MORE THAN FOUR TIMES AS MANY SHIPS FOR THEIR NAVY AS HAS THE U.S.

THE TWO COLUMNS ON THIS CHART COMPARE QUANTITATIVELY USSR AND U.S. SHIPBUILDING PROGRAMS -- MAJOR COMBATANTS, MINOR COMBATANTS (1,000 TONS OR LESS) AND UNDERWAY REPLENISHMENT SHIPS, AND SUBMARINES -- FOR THE 1965-1975 PERIOD.

# CHANGES IN NAVAL FORCE LEVELS -- U.S./U.S.S.R. (1965 - 1975)



## CHANGES IN NAVAL FORCE LEVELS - U.S./USSR

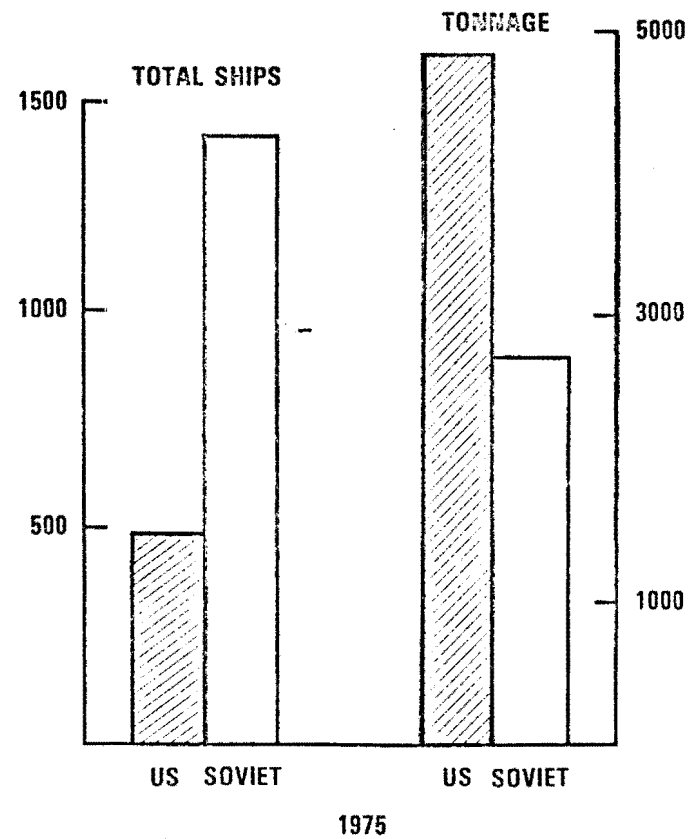
THE SOVIET FORCE HAS BECOME SMALLER WITH THE RETIREMENT OF LARGE NUMBERS OF DIESEL SUBMARINES. HOWEVER, THE SOVIETS RETAIN A 2.5-TO-1 ADVANTAGE IN ATTACK SUBMARINES.

THE SOVIETS HAVE 20% GREATER NUMBERS OF MAJOR SURFACE COMBATANTS -- AIRCRAFT CARRIERS, CRUISERS, DESTROYERS, AND FRIGATES -- ALTHOUGH THE U.S. HAS AN UNQUESTIONED LEAD IN SEA-BASED AVIATION.

THERE IS A MARKED ASYMMETRY IN THE WAY THE TWO NAVIES HAVE DISPERSED OFFENSIVE, STANDOFF WEAPONS CAPABILITY ... THE U.S. STANDOFF, OFFENSIVE STRENGTH LIES ALMOST ENTIRELY IN 13 AIRCRAFT CARRIERS, WHERE THE SOVIETS HAVE SOME 240 SHIPS WITH STANDOFF WEAPONS CAPABILITY.

THE SOVIETS HAVE BUILT A FORCE OF AMPHIBIOUS LIFT SHIPS WHICH NUMERICALLY EXCEEDS OURS, HOWEVER, U.S. ASSAULT CAPABILITY AND FLEXIBILITY VASTLY EXCEEDS THEIRS.

# NUMBER AND TONNAGE OF MAJOR U.S. AND USSR SHIPS



COMPARATIVE NUMBERS AND TONNAGE  
OF U.S./USSR NAVAL SHIPS

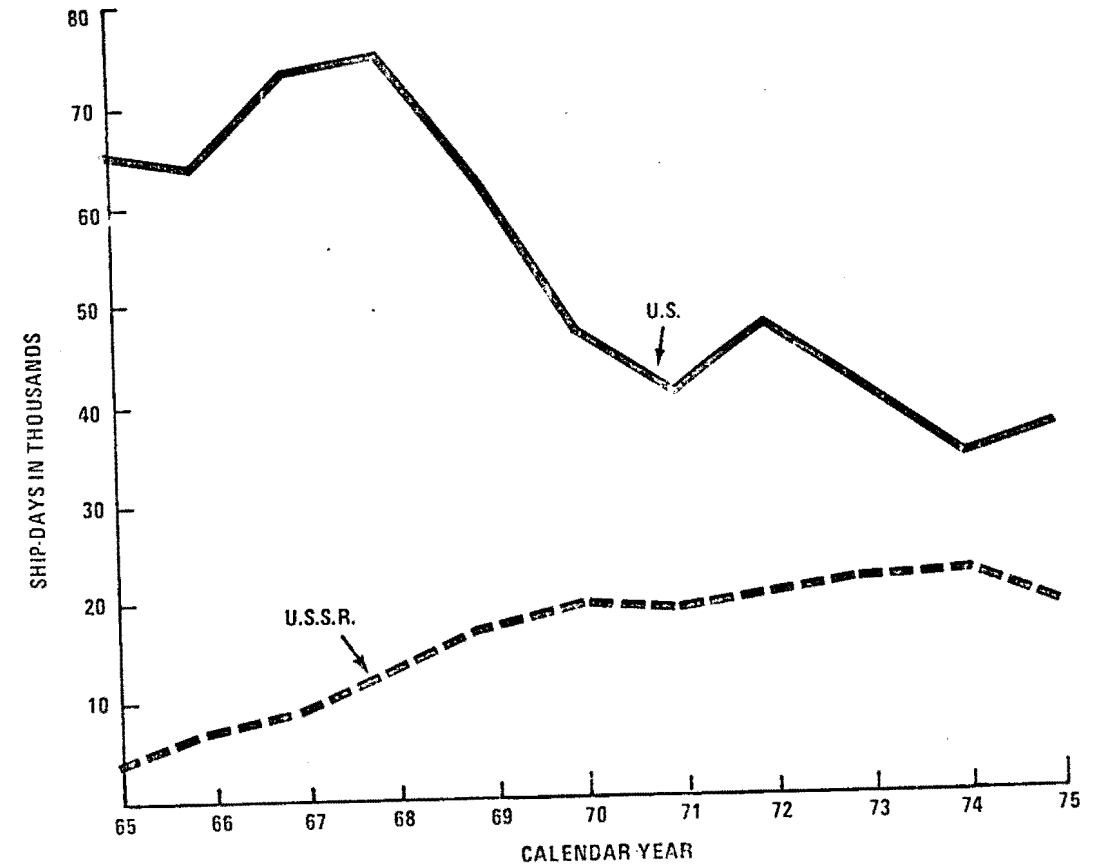
A 1975 COMPARISON OF THE NUMBERS OF SHIPS AND TOTAL TONNAGE OF THE TWO NAVIES SHOWS TWO ASYMMETRIES. FIRST, THE SOVIETS HAVE MORE SHIPS (MANY OF WHICH ARE SMALLER THAN 1,000 TONS), CONSISTENT WITH THE TRADITIONAL VIEW THAT THEIR NAVY IS THE SEAWARD EXTENSION OF THE RED ARMY, LARGELY COASTAL IN ORIENTATION.

SECOND, THE U.S. LEADS IN DISPLACEMENT BECAUSE WE HAVE BUILT SHIPS FOR ROUTINE OPERATION ON DISTANT DEPLOYMENT. (ABOUT 60% OF THE U.S. ADVANTAGE IN TONNAGE RELATES TO OUR 13 AIRCRAFT CARRIERS.)

THE MIX OF SHIPS IN THE SOVIET NAVY IS CHANGING STEADILY AS THEY BUILD BIGGER, MORE CAPABLE SHIPS AND ADD HELICOPTER AND VSTOL AIRCRAFT CARRIERS.

WHEN THE CONTRIBUTIONS OF PRINCIPAL ALLIES ON BOTH SIDES ARE INCLUDED, THE NUMBERS TEND TO EQUATE.

## U.S./U.S.S.R. COMBATANT SHIP-DAYS ON DISTANT DEPLOYMENT



INCLUDES AIRCRAFT CARRIERS, MAJOR SURFACE COMBATANTS, GENERAL PURPOSE SUBMARINES, MINOR SURFACE COMBATANTS, AMPHIBIOUS SHIPS, AND MINE WARFARE SHIPS.

## U.S./USSR COMBATANT SHIP-DAYS ON DISTANT DEPLOYMENT

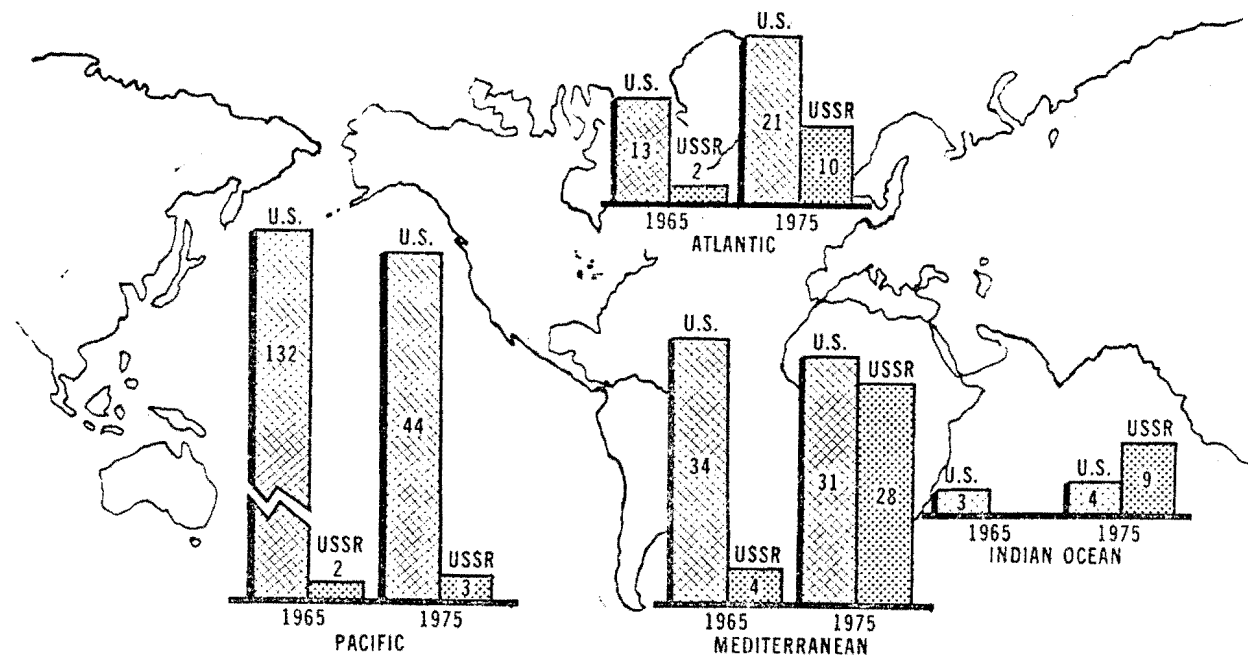
AS INTERESTING AS THE GROWTH OF THE SOVIET NAVY IS THE WORLDWIDE DEPLOYMENT OF THEIR SHIPS ON A ROUTINE BASIS, BEGINNING IN THE EARLY 1960'S.

RECENTLY, THE SOVIETS HAVE MAINTAINED A STEADY-STATE NAVAL PRESENCE AT A LEVEL ABOUT TWO-THIRDS THAT OF THE U.S.

# ESTIMATED U.S./USSR RELATIVE PRODUCTION RATES

(1971 - 1975)

## US/USSR COMBATANT DEPLOYMENTS\* (AVERAGE CY 65 AND 75)



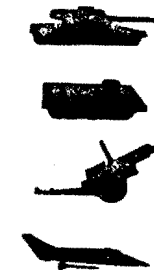
\* INCLUDES AIRCRAFT CARRIERS, GENERAL PURPOSE SUBMARINES, MAJOR SURFACE COMBATANTS, MINOR SURFACE COMBATANTS, AMPHIBIOUS SHIPS, AND MINE WARFARE SHIPS.

FEBRUARY 1976

### GEOGRAPHICAL DISTRIBUTION OF U.S./USSR COMBATANT DEPLOYMENTS

THE SOVIET UNION HAS ADOPTED A NAVAL DEPLOYMENT PATTERN QUITE DISSIMILAR TO THAT OF THE U.S.

THIS CHART SHOWS 1965 COMPARISONS TO THE LEFT AND 1975 COMPARISONS TO THE RIGHT, BY MAJOR OCEAN AREA. THE NAVAL CONTRIBUTIONS OF THE NATIONS ALLIED WITH THE U.S. AND THE USSR ARE NOT INCLUDED IN THESE COMPARISONS.



	USSR 1971-75 AVG	U.S. 1971-75 AVG
Tank	3,030	413
Armored Personnel Carrier	4,000	1,577
Artillery Piece	1,350	271
Tactical Aircraft	928	609

### USSR/U.S. RATIO 1971-75

7.3:1  
2.5:1  
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1.5:1

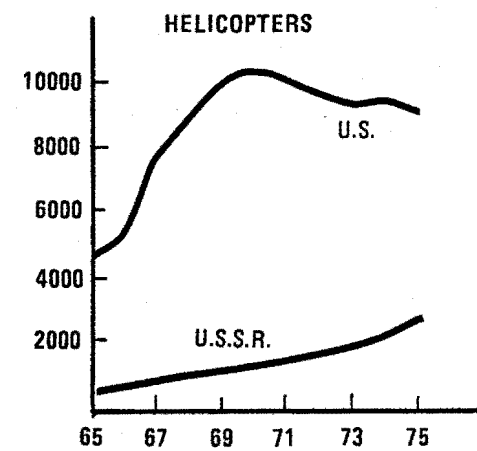
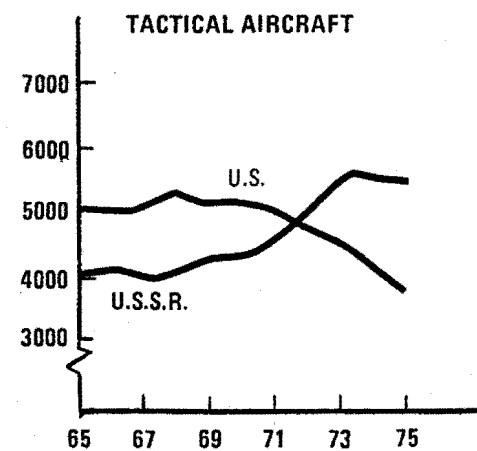
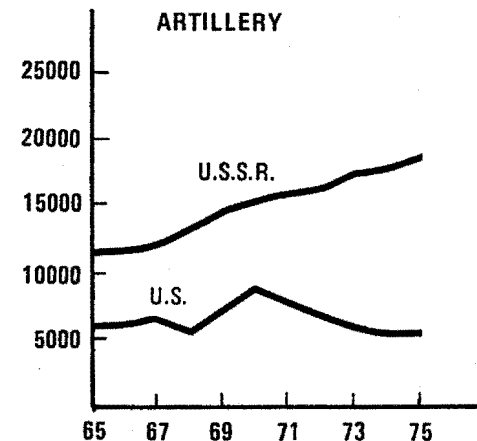
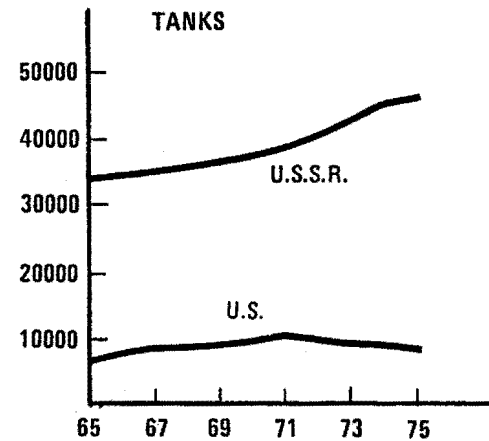
### U.S./USSR RELATIVE PRODUCTION RATES FOR GROUND AND TACAIR FORCE EQUIPMENT

AVERAGE SOVIET PRODUCTION OF MAJOR ITEMS OF GROUND WARFARE EQUIPMENT -- TANKS, ARMORED PERSONNEL CARRIERS, ARTILLERY PIECES, AND TACTICAL AIRCRAFT -- OVER THE PAST FIVE YEARS IS ESTIMATED TO HAVE EXCEEDED QUANTITATIVELY THAT OF THE U.S. BY THE MARGINS INDICATED.



## CHANGES IN QUANTITIES OF MILITARY EQUIPMENTS -- U.S./U.S.S.R.

(1965-1975)



### GROUND AND TACAIR FORCE MILITARY EQUIPMENT - U.S./USSR

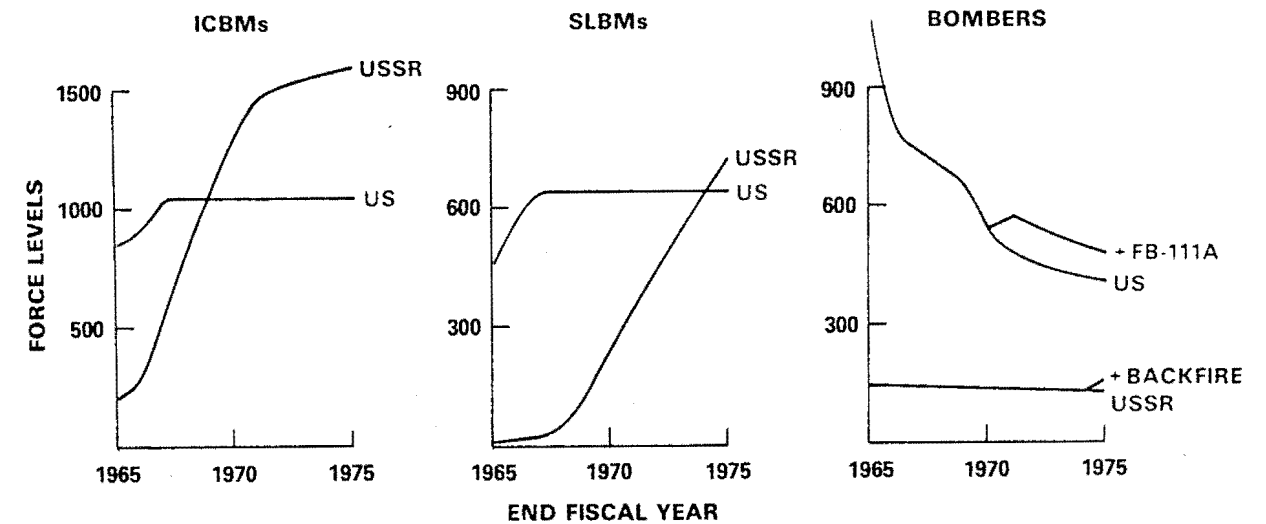
SOVIET TANK INVENTORIES EXCEED THOSE OF THE U.S. BY ROUGHLY 4-TO-1, AND ARE INCREASING.

THE SOVIETS HAVE 2.5 TIMES AS MUCH ARTILLERY.

THEY HAVE BUILT A MODERN, CAPABLE TACTICAL AIRCRAFT FORCE WHICH IN NUMBERS, BUT NOT QUALITY, EXCEEDS OURS BY 30%.

IN HELICOPTERS THE U.S. MAINTAINS SUPERIORITY, BUT THE SOVIETS ARE NOW BUILDING HELICOPTERS IN QUANTITY.

## CHANGES IN U.S./U.S.S.R. STRATEGIC FORCE LEVELS



### CHANGES IN STRATEGIC NUCLEAR FORCES - U.S./USSR

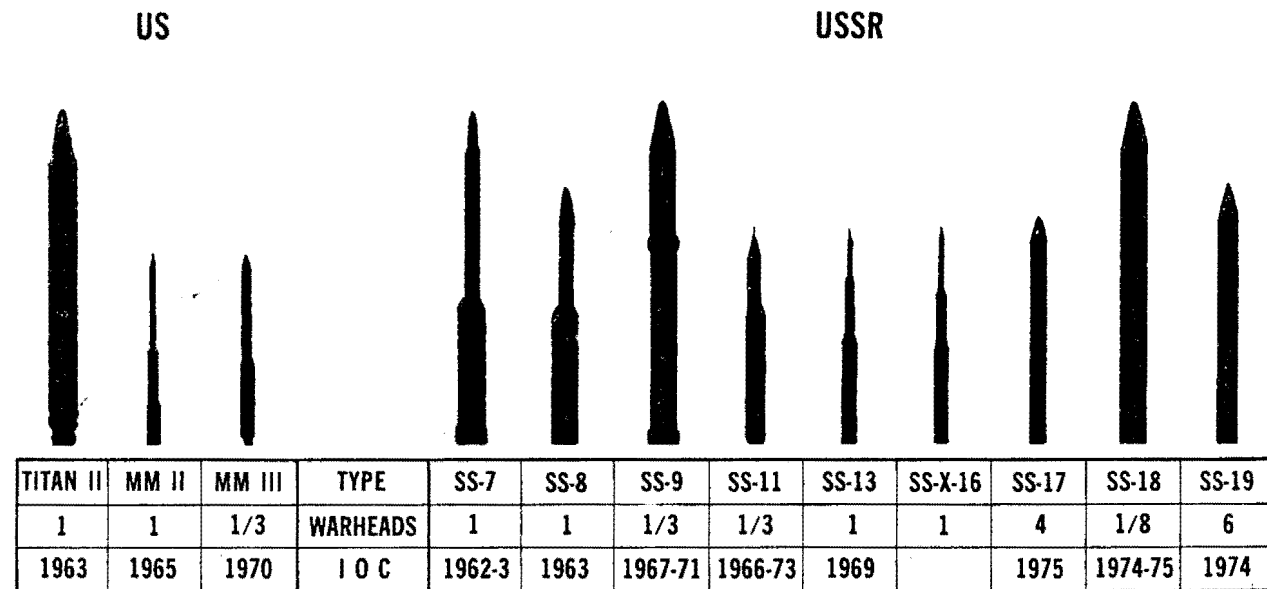
THE SOVIETS HAVE INCREASED FROM ABOUT 225 ICBMs IN 1965 TO SOME 1,600 TODAY, HAVING OVERTAKEN THE U.S. IN THE LATE 1960's.

THE SOVIET SUBMARINE-LAUNCHED BALLISTIC MISSILES HAVE GROWN FROM 29 TO MORE THAN 700, WHILE THE U.S. HAS BEEN LEVEL AT 656.

IN THE BOMBER FORCE, THE U.S. MAINTAINS A LEAD.

THESE COMPARISONS DO NOT ADDRESS QUALITATIVE DIFFERENCES IN THE TWO FORCES.

## COMPARISON OF US AND USSR ICBMs

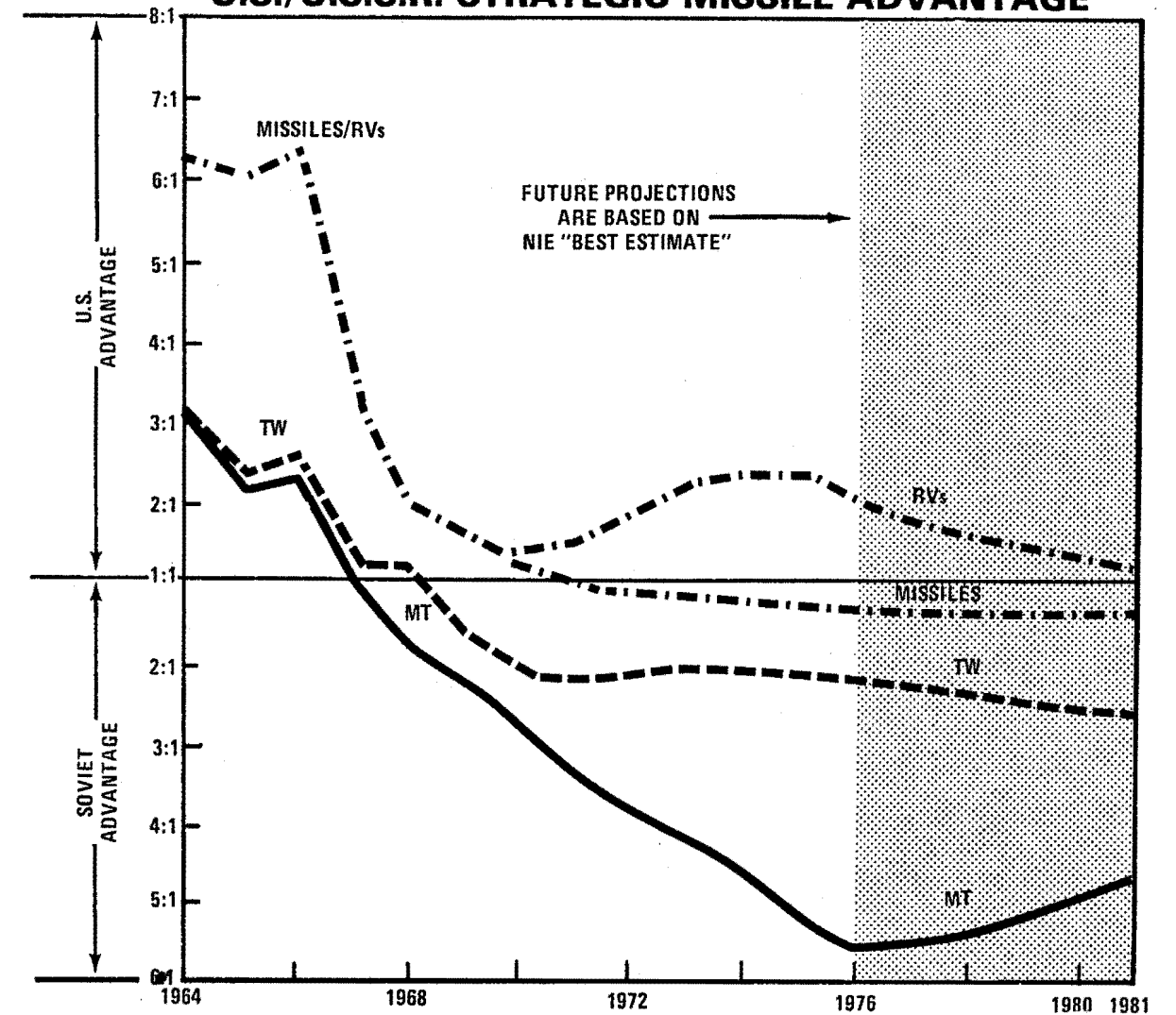


COMPARISON OF U.S./USSR ICBMs

THE SOVIETS HAVE DEVELOPED FOUR NEW ICBMs IN THE PAST FEW YEARS, TWO OF WHICH ARE CURRENTLY BEING DEPLOYED WITH MULTIPLE INDEPENDENTLY TARGETABLE REENTRY VEHICLES (MIRVs). FOLLOW-ON MISSILES ARE IN R&D.

THIS CHART SHOWS ON THE LEFT THE THREE ICBMs WHICH MAKE UP THE U.S. INVENTORY -- BY NAME, NUMBER OF WARHEADS, AND YEAR OF INITIAL OPERATIONAL CAPABILITY -- AND THE NINE SOVIET COUNTERPARTS. WHERE THE NUMBER OF WARHEADS IS DEPICTED WITH A DIAGONAL, IT INDICATES THAT THE LATER VERSIONS OF A GIVEN MISSILE HAVE MULTIPLE WARHEAD CAPABILITY.

## U.S./U.S.S.R. STRATEGIC MISSILE ADVANTAGE

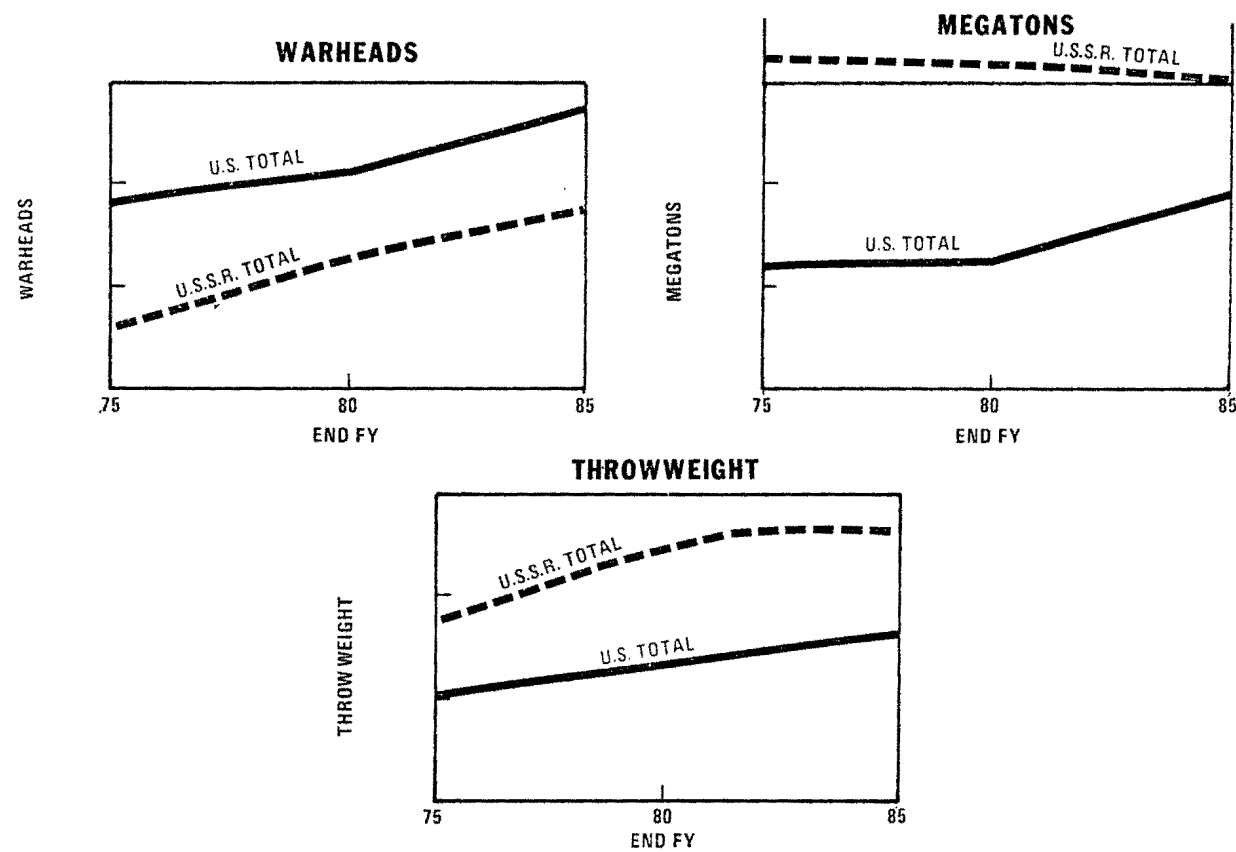


U.S./USSR STRATEGIC MISSILE ADVANTAGE

THIS CHART -- WHICH EXCLUDES STRATEGIC BOMBER FORCES, AN AREA IN WHICH THE U.S. HAS AN ADVANTAGE -- SHOWS HOW THE STRATEGIC MISSILE ADVANTAGE HAS SHIFTED AWAY FROM THE U.S. OVER TIME.

TAKING SOVIET IMPROVEMENTS AND U.S. DEVELOPMENTS INTO CONSIDERATION, WE CAN EXPECT A CONTINUED SOVIET ADVANTAGE IN THROWWEIGHT AND MEGATONS, ALTHOUGH THE U.S. SHOULD RETAIN A LEAD IN NUMBERS OF WARHEADS. ABOVE THE HORIZONTAL LINE WHICH DIVIDES THE CHART, THE ADVANTAGE RESIDES WITH THE U.S.; BELOW THE LINE, IT FALLS TO THE USSR.

## PROJECTED INVENTORY U.S./U.S.S.R. (2400 SNDV/1320 MIRV LEVEL)



### PROJECTED NUCLEAR INVENTORIES - U.S./USSR

FROM THE STANDPOINT OF THE TOTAL STRATEGIC NUCLEAR INVENTORY -- WHICH INCLUDES MISSILES AND BOMBERS -- PROJECTED TRENDS INDICATE A U.S. LEAD IN NUMBERS OF WARHEADS, WITH THE USSR MAINTAINING THE ADVANTAGE IN MEGATONS AND THROWWEIGHT.

THESE PROJECTIONS ASSUME THAT THE VLADIVOSTOK AGREEMENT LIMITS OF 2,400 STRATEGIC NUCLEAR DELIVERY VEHICLES (SNDV) AND 1,320 MULTIPLE INDEPENDENTLY TARGETED REENTRY VEHICLES (MIRV) WILL BE EVENTUALLY AGREED UPON BY BOTH SIDES IN A TREATY.

## CENTRAL EUROPEAN BALANCE (Non-Mobilized 1975)

<u>NATO LEADS</u>		<u>PACT LEADS</u>
	MANPOWER	-TROOPS
-ARMORED PERSONNEL CARRIERS -ANTI-TANK GUIDED MISSILES -MORTARS	GROUND WEAPONS	-ARTILLERY -TANKS -MULTIPLE ROCKET LAUNCHERS
-GROUND ATTACK -RECONNAISSANCE -HELICOPTERS	AIRCRAFT	-AIR DEFENSE

### CENTRAL EUROPEAN BALANCE - NATO/WARSAW PACT

CENTRAL EUROPEAN FORCE POSTURES AND DEVELOPMENTS SUGGEST THAT, UNLESS COUNTERBALANCED, INCREASING SOVIET FIREPOWER AND MOBILITY COULD BEGIN TO GIVE THE WARSAW PACT FORCES AN UNACCEPTABLE ADVANTAGE.

ASYMMETRIES THAT INFLUENCE THE ASSESSMENT INCLUDE THE FOLLOWING:

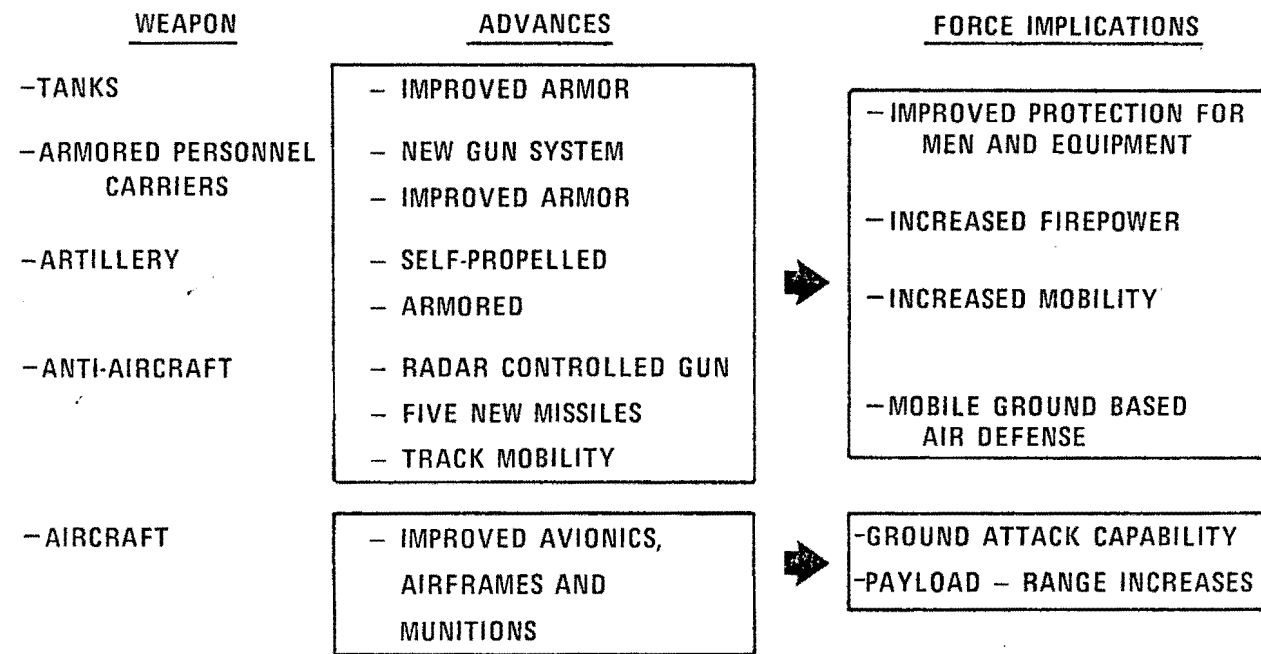
-- NATO HAS SEVERAL ADVANTAGES:

- A DEFENSIVE MISSION WITH ADVANTAGES OF INTERIOR LINES AND FAMILIAR TERRAIN.
- SUPERIOR TACTICAL AIRPOWER.
- MORE ANTI-TANK WEAPONS, HELICOPTERS, AND ARMORED PERSONNEL CARRIERS.

-- THE WARSAW PACT HAS:

- THE INITIATIVE IN CHOOSING THE TIME AND NATURE OF ATTACK.
- MORE TANKS AND ARTILLERY PIECES, AND MODERN SOPHISTICATED BATTLEFIELD AIR DEFENSE SYSTEMS.

## SOVIET WEAPON ADVANCES 1965-1975



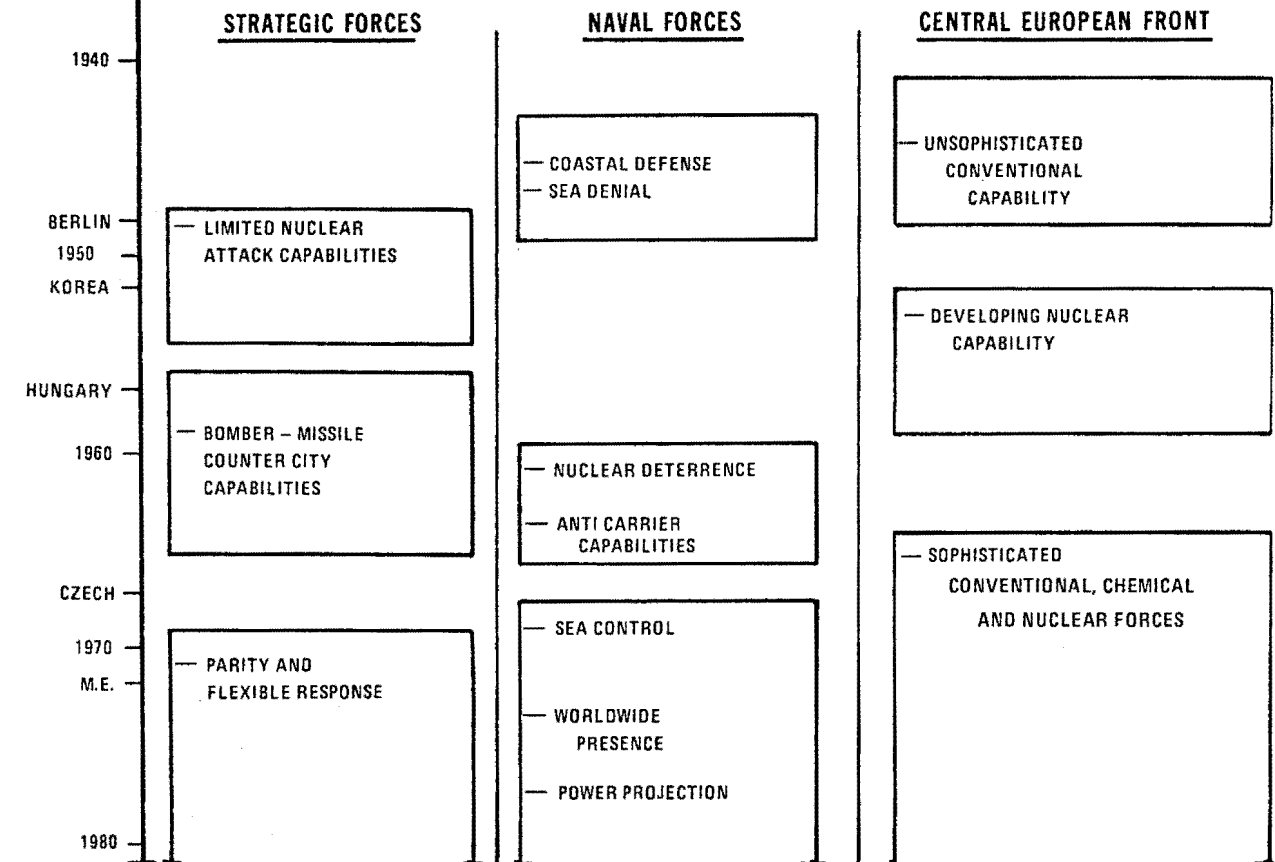
SOVIET WEAPON ADVANCES

THE SOVIETS FOR SOME TIME HAVE STRESSED AN OFFENSIVE DOCTRINE FOR A BLITZKRIEG-TYPE WAR. IN THE PAST DECADE THEY HAVE MADE PROGRESS TOWARD BUILDING A FORCE WHICH COULD IMPLEMENT THAT DOCTRINE. SINCE THE MID-1960'S, THEY HAVE INTRODUCED FIVE NEW TYPES OF AIRCRAFT AND PROVIDED THEIR GROUND FORCES WITH A NEW GENERATION OF WEAPONS IN MOST MAJOR CATEGORIES.

THESE WEAPONS HAVE BEEN, IN MOST CASES, NEW DESIGNS -- AND ARE SOPHISTICATED. FOR EXAMPLE, SOVIET DIVISIONS HAVE BEEN EQUIPPED WITH AS MANY AS FIVE DIFFERENT SURFACE-TO-AIR GUN AND MISSILE SYSTEMS, EACH WITH OVERLAPPING AIR DEFENSE CAPABILITIES AND USING DIFFERENT METHODS TO ACQUIRE, TRACK AND ENGAGE AIRCRAFT. THEIR ARMORED PERSONNEL CARRIER CARRIES TROOPS, ENABLES THEM TO FIGHT FROM WITHIN THE VEHICLE, AND MOUNTS ANTI-TANK WEAPONS.

MAJOR IMPROVEMENT IN GROUND BASED AIR DEFENSE HAS FREED THE SOVIET AIR FORCE FOR AN AIR SUPPORT ROLE.

## EVOLUTION OF SOVIET POWER



EVOLUTION OF SOVIET POWER

WHEN ONE CONSIDERS THE STRATEGIC NUCLEAR, NAVAL, AND CENTRAL EUROPEAN FRONT BALANCES TOGETHER, IT IS APPARENT THAT SIGNIFICANT CHANGES IN SOVIET CAPABILITIES HAVE OCCURRED IN THE PAST 15 YEARS. THE SOVIETS HAVE COME FROM THE UNSOPHISTICATED, CONTINENTALLY CONFINED, ARMED FORCES OF THE POST WORLD WAR II DAYS TO CLEAR MILITARY SUPERPOWER STATUS IN THE 1970'S.

THERE IS POWERFUL MOMENTUM IN SOVIET MILITARY PROGRAMS AND IN THE EMERGING PATTERN OF EXTERNAL PROJECTION OF SOVIET POWER.

U.S. DEPARTMENT OF DEFENSE BUDGET

**DEFENSE BUDGET TOTALS**

(\$ IN BILLIONS)

<u>CURRENT DOLLARS</u>	<u>FY 1964 ACTUAL</u>	<u>FY 1974 ACTUAL</u>	<u>FY 1975 ACTUAL</u>	<u>FY 1976 ESTIMATE</u>	<u>FY 1977 ESTIMATE</u>	<u>INCREASE FY 1976-77</u>
Total Obligational Authority (TOA)	50.7	85.1	87.9	98.3	112.7	14.4
Budget Authority (BA)	50.7	88.9	91.5	100.7	113.8	13.1
Outlays	50.8	78.4	86.0	91.2	100.1	8.9
<u>CONSTANT FY 1977 DOLLARS</u>						
Total Obligational Authority (TOA)	115.4	107.3	100.7	105.3	112.7	7.4
Budget Authority (BA)	115.5	112.6	104.8	108.0	113.8	5.8
Outlays	113.8	101.7	99.1	98.2	100.1	1.9

U.S. DEFENSE BUDGET TOTALS

IT IS CLEAR TO THOSE WHO LOOK AT THE MILITARY BALANCE WHICH RESULTS FROM THE TRENDS DESCRIBED THAT, IF THE U.S. IS TO MAINTAIN "SUFFICIENCY" AND WORLD STABILITY, THESE TRENDS MUST BE ARRESTED NOW.

THIS CHART SHOWS WHERE THE FY 77 BUDGET -- WITH WHICH WE ARE ATTEMPTING TO CHECK THESE RELATIVE TRENDS BY STOPPING THE DOWNTREND (IN REAL TERMS) IN U.S. DEFENSE SPENDING -- STANDS WITH RESPECT TO BUDGETS OVER PAST YEARS. THE TOP THREE LINES DISPLAY DATA, WITH PREWAR FY 64 FOR REFERENCE, IN TERMS OF CURRENT OR "THEN YEAR" DOLLARS. THE BOTTOM PORTION OF THE CHART PRESENTS THE SAME DATA IN REAL TERMS ... CONSTANT FY 77 DOLLARS.

**ECONOMIES AND RESTRAINTS  
IN FY 1977 U.S. DEFENSE BUDGET**

(\$ in Billions)

— CUTBACKS IN EMPLOYMENT AND PERSONNEL COSTS, FY 1976-77	\$ .9
— PAY RAISE ASSUMPTIONS GS/MILITARY PAY RAISE CAP, NEW/EXISTING GS GUIDELINES	.8/2.6
— COMMISSARIES AND RETIRED PAY "KICKER"	.2
— MILITARY CONSTRUCTION AND FAMILY HOUSING CONSTRUCTION	.9
	SUBTOTAL
	2.8/4.6
— STOCKPILE ITEMS	.7/.8
	TOTAL
	\$ 3.5/5.4

ECONOMIES AND RESTRAINTS

WHILE THE PRESIDENT'S BUDGET PROPOSES IMPROVEMENTS IN FORCE MODERNIZATION AND READINESS, IT ALSO PROPOSES TO TIGHTEN THE 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, STOCKPILE LEVEL ADJUSTMENTS, AND CIVILIAN MANPOWER REDUCTIONS.
- THESE RESTRAINTS ADD UP TO \$3.5 TO \$5.4 BILLION, DEPENDING ON THE MAGNITUDE OF THE PAY CAP ACHIEVED.

IF CONGRESS FAILS TO APPROVE THE RECOMMENDED BELT-TIGHTENING MEASURES, ADDITIONAL APPROPRIATIONS WILL BE REQUIRED TO AVOID UNACCEPTABLE FORCE REDUCTIONS.

**U.S. DEPARTMENT OF DEFENSE BUDGET**

**FINANCIAL SUMMARY**

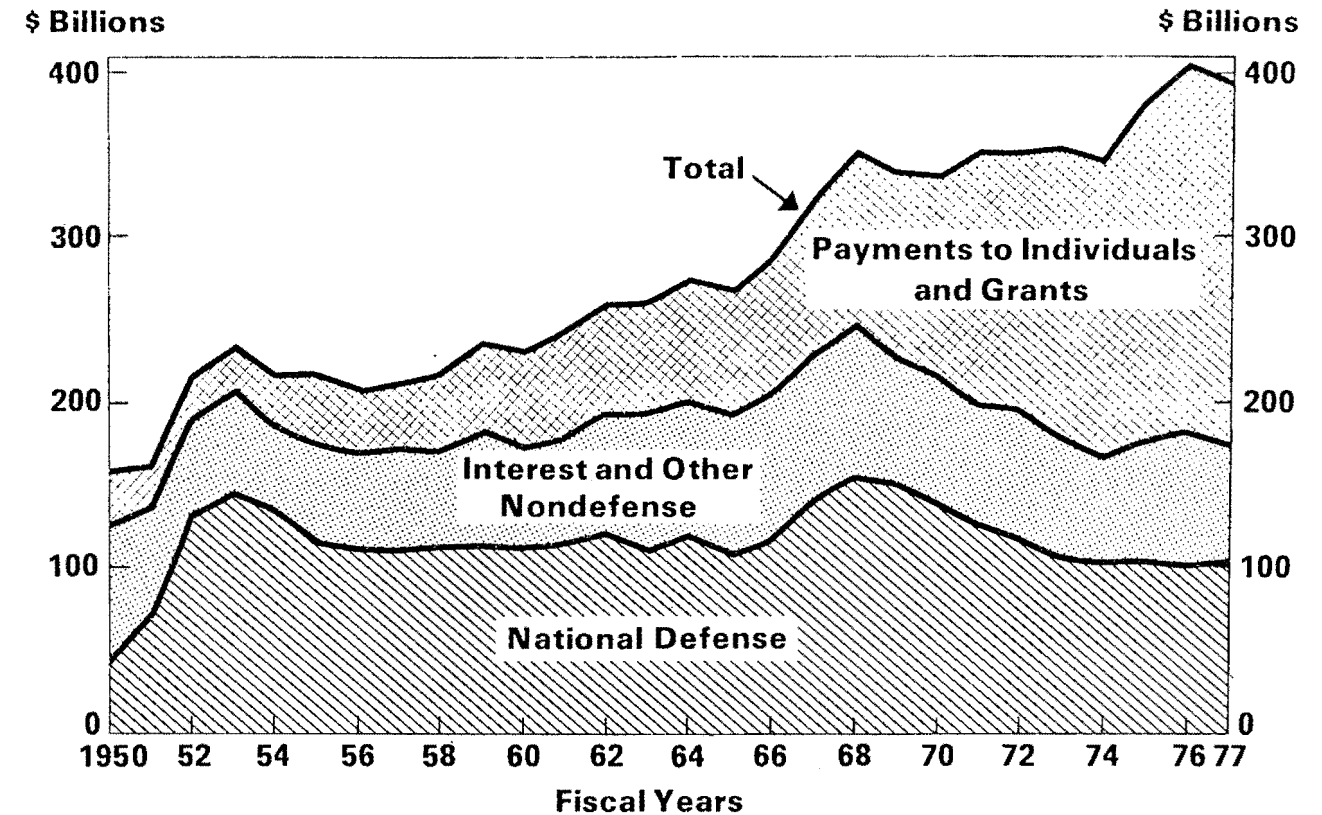
	<u>FY 1964</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
<b>DOD/MAP as Percentage:</b>					
<b>Federal Budget (Outlays)</b>	42.8%	29.2%	26.5%	24.4%	25.4%
<b>Gross National Product</b>	8.3%	5.8%	6.0%	5.7%	5.4%
<b>Labor Force</b>	7.9%	5.2%	5.0%	4.8%	4.8%
<b>Net Public Spending</b>	28.1%	17.4%	17.3%	16.4%	16.5%

U.S. DEPARTMENT OF DEFENSE BUDGET  
FINANCIAL SUMMARY

ALTHOUGH DoD OUTLAYS INCREASE \$8.9 BILLION FROM FY 1976 TO FY 1977 -- UP FROM \$98.2 BILLION TO \$100.1 BILLION -- THE PORTION OF THE NATION'S ECONOMIC RESOURCES ALLOCATED TO DEFENSE REMAINS VERY LOW, IN SOME CASES THE LOWEST LEVEL IN OVER A QUARTER OF A CENTURY.

- DEFENSE REPRESENTS 25.4% OF THE FEDERAL BUDGET, UP SLIGHTLY FROM FY 1976. IT REPRESENTS THE LOWEST LEVEL SINCE PRIOR TO PEARL HARBOR.
- DEFENSE AS A PERCENT OF GNP WILL BE 5.4% IN FY 1977, THE LOWEST SHARE SINCE PRIOR TO THE KOREAN WAR.
- DEFENSE EMPLOYMENT (INCLUDING MILITARY, CIVILIAN AND DEFENSE INDUSTRY) REPRESENTS 4.8% OF THE LABOR FORCE, THE LOWEST LEVEL SINCE PRIOR TO PEARL HARBOR.
- IN TERMS OF NET PUBLIC SPENDING (FEDERAL AND STATE AND LOCAL) DEFENSE WILL REPRESENT 16.5% OF THE TOTAL, EXCEPT FOR FY 1976, ALSO THE LOWEST RELATIVE SHARE SINCE PRIOR TO PEARL HARBOR.

**U.S. FEDERAL OUTLAYS - CONSTANT 1977 DOLLARS**



TOTAL U.S. FEDERAL OUTLAY PATTERN

OUR NATION'S NON-DEFENSE SPENDING CAN NO LONGER BE FUNDED OUT OF THE DEFENSE BUDGET. TODAY, NON-DEFENSE EXPENDITURES ARE NEARLY THREE TIMES THOSE OF DEFENSE.

IN THE EXTREME:

- A 10% INCREASE IN NON-DEFENSE SPENDING, TAKEN FROM THE DoD BUDGET, WOULD MEAN A CRIPPLING 30% CUT.
- A 33% INCREASE IN NON-DEFENSE SPENDING, FUNDED FROM DEFENSE SPENDING, WOULD WIPE OUT THE DEFENSE ESTABLISHMENT ALTOGETHER.

## CONCLUSION

CONTINUING THE TRENDS OF THE PAST YEARS WOULD HAVE TO BE CONSIDERED A CONSCIOUS DECISION TO ABANDON THE POLICY OF MAINTAINING "ROUGH EQUIVALENCE" WITH THE SOVIET UNION.

WHEN, AS WOULD BE INEVITABLE, THE FACT THAT THE UNITED STATES HAD MADE A DECISION TO SLIP TO AN INFERIOR STATUS WAS APPRECIATED BY THE WORLD, WE WOULD BEGIN LIVING IN AN UNSTABLE WORLD, FUNDAMENTALLY DIFFERENT FROM THE ONE WE HAVE KNOWN DURING OUR LIFETIMES.

*Done*

THE WHITE HOUSE  
WASHINGTON

Charlie --

The meeting on Security of Nuclear Information will be held on Friday, March 26 at 11:30 a. m. in H-403 of the Capitol.

The people attending will be:

- Geo. Murphy - Joint Atomic Energy Comte
- Glenn Schleede
- Dave Elliott
- Dudley Chapman for Lazarus, if Lazarus can't make it.

As you had mentioned to me before, I told them I didn't think you would be able to attend and they should go ahead without you.

Neta  
3/24/76

*Neta: pls put this on my schedule.  
Cher*



3/18/76

Security of Nuclear Info

Ken Lazarus Council's Office 6297. Dawn

Dave Elliott NSC 6965 Mary

Glenn Schleede 6556 Karen 2:4:30

Bill Parler Council 225-6171 Joint Atomic Energy Conte

Geo. Murphy 225-6171

10:30 Friday am +

Friday

6pm

Monday 3/29 -

10-02 after Elliott

Uranium Enrichment

Fresh wood



3/26

THE WHITE HOUSE  
WASHINGTON

Dave Elliott  
Glenn Schlee de

11:30 am. Fri 3/26

**MEMORANDUM  
OF CALL**

TO:

*Neta*

YOU WERE CALLED BY—  YOU WERE VISITED BY—

*Eleanor*

OF (Organization)

*Mr. Murphy's secretary*

PLEASE CALL → PHONE NO. 225-6171  
CODE/EXT.

WILL CALL AGAIN  IS WAITING TO SEE YOU

RETURNED YOUR CALL  WISHES AN APPOINTMENT

MESSAGE

*Capitol H 403  
Fri am =*

*Dubin Chapman  
11:30 am*

*Skleeds Yes  
Loganus No*



RECEIVED BY

DATE

TIME

*nd*

*3/24*

*2:20*

STANDARD FORM 63

REVISED AUGUST 1967

GSA FPMR (41 CFR) 101-11.6

GPO : 1969-048-16-80341-1 222-890

63-108

**MEMORANDUM  
OF CALL**

TO:

*Neta*

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization)

*George Murphy*

*Joint Comm. on Atomic Energy*

PLEASE CALL —→ PHONE NO. *225-6174*  
CODE/EXT.

WILL CALL AGAIN

IS WAITING TO SEE YOU

RETURNED YOUR CALL

WISHES AN APPOINTMENT

MESSAGE

*Call him about 1:45. He was  
going to hearing at 2.*



RECEIVED BY

*nd*

DATE

*3/18*

TIME

*12:50*

MEMORANDUM  
OF CALL

TO:

Charlie

YOU WERE CALLED BY—

YOU WERE VISITED BY—

Glenn Schleeche

OF (Organization)

1.0. 237

PLEASE CALL →

PHONE NO.  
CODE/EXT. \_\_\_\_\_

WILL CALL AGAIN

IS WAITING TO SEE YOU

RETURNED YOUR CALL

WISHES AN APPOINTMENT

MESSAGE

Bill Parler JAEC.  
Meet w/ Schleeche on the  
appropriate way to protect  
security of nuclear info  
which may

225 6171

RECEIVED BY

Vera

DATE

3/11

TIME

6:00

STANDARD FORM 63

REVISED AUGUST 1967

GSA FPMR (41 CFR) 101-11.6

GPO : 1969-045-16-80841-1 222-898

63-108

Notes:

3-12-76.

Get me Parker  
of Joint Atomic Energy  
Committee on the  
phone.

Clear.

Dave Elliott  
Ken Lazarus

Thurs or Fri  
Ken Lazarus  
Councils Office  
THE WHITE HOUSE  
WASHINGTON



3-17-76

Re: .

Pls see H bill  
PARLER at the Joint  
Atomic Energy Committee  
can meet with Glenn  
Ableside on legislation  
involving security of  
nuclear info. set up  
a meeting with them?

believe. I do not  
know to be involved  
but will if I can.

Dear,



[4/76]

POTENTIAL AMENDMENTS - HOUSE AUTHORIZATION BILL

<u>Sponsor</u>	<u>Amendment</u>	<u>Action</u>
Sieberling	<u>B-1</u> Defer production funds release until 1 Feb	Air Force
Dellums	<u>B-1</u> Cancel B-1 program	Air Force
Car Schroeder Downey (perhaps Hicks on Second TRIDENT)	<u>Ship Construction</u> (1) Delete \$728 M for second TRIDENT (2) Delete \$350 M for long-lead funding of CVNX (3) Delete \$590M for 4 FFG-7 patrol frigates (4) Delete \$940M for procurement of 4 DD-963 Spruance class destroyers (5) Delete \$302M LLT funds for 3 CSGN's	Navy
Emery	<u>FFG-7</u> Restore funds for 4 ships deleted by HASC	Navy
Carr, Etc	<u>MaRV</u> Prohibit testing but not development	Air Force
Carr, etc	<u>COD</u> Delete \$180M for US-3A COD aircraft	Navy
Abzug	<u>Counterforce</u> - Delete several strategic initiatives effort (MK 12A, Improved Accuracy MaRV)	Air Force
Matsunaga Mink	<u>Industrially Funded Civilians</u> Excludes from computation of manpower ceilings	M&RA
Dellums	<u>JROTC</u> - Reduce or eliminate program	M&RA

April 8, 1976

Office of the Doorkeeper  
U.S. House of Representatives  
Washington, D.C. 20515

PUBLISHED DAILY FOR THE INFORMATION PURPOSES OF THE DOORKEEPER'S OFFICE

Today's Business: HR 12438 (4 hours debate).

Floor Host: Winchester (DOY) today, Irv Woods on Friday, and Pastis Monday

HR 12438 Defense Authorization - \$33,426,343,000 in FY 77 for major weapons procurement and other weapons research, development, testing, and evaluation. That's \$7.9 billion more than last year's authorization.

Amendments

- ✓ Hicks - To place in escrow the \$350 m. in long lead time funding for a new nuclear aircraft carrier of the Nimitz class until after a Joint Armed Services Committee review and report on the matter.
- ✓ Leggett - To strike \$666 m. in funds for the purchase of SSN-688 class nuclear attack submarines. This amendment would reduce the number of SSN-688 submarines authorized in the bill from four to two.
- ✓ Seiberling - Would defer expenditure of the funds authorized (\$960.5m.) for the procurement of the first three production models of the B-1 bomber until, one, The President certifies to the Congress, subsequent to Feb. 1, 1977, that he has reviewed the results of the B-1 test and evaluation program and regards such expenditure as being in the national interest, and two, thereafter the Congress, by concurrent resolution approves such expenditure.
- Dellums - To cut the overseas troop commitment by 47,000. There is at present a troop commitment of 434,000 land-based American troops on foreign soil.
- Emery - Would add funds totaling \$589.5 m. for the addition of four more FFG-7 vessels to the Guided Missile Patrol Frigate program. This would double the number authorized in the bill.
- Carr - Would strike the \$589.5 m. authorized for the procurement of four FFG-7s (the guided missile patrol frigates).
- ✓ Carr - Would delete the \$170.9 m. authorized for the purchase of 12 CODs (Carrier Onboard Delivery cargo and personnel shuttle aircraft) for the Navy.
- Downey - To prohibit, for a period of one year, the testing of Maneuvering Re-Entry Vehicles (MaRV) over land. The amendment would not interfere with the "evader" low accuracy MaRV tests or the development and research of the MaRV.
- Mink/Hayes (Ind) - To provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized for the Department of Defense.



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

LEGISLATIVE  
AFFAIRS

(House Affairs)

April 5, 1976

MEMORANDUM FOR MR. BREHM

SUBJECT: House Action on DoD Legislation

1. HASC - DoD MilCon and Procurement Authorization Bills

Assuming a rule is granted on April 6, the HASC intends to bring the MilCon and Procurement Authorization bills to the House floor on Thursday, April 8. It will be open for amendment on Friday, April 9. House action maybe completed Friday night but in any event will be finished by Monday or Tuesday, April 12th or 13th. We expect the following hostile floor amendments to be proposed to the DoD Procurement Authorization Bill:

<u>Amendment</u>	<u>Sponsor</u>	<u>Likely Result</u>
A. Placing funding for B-1 in escrow until Feb. 1, 1977	Seiberling Aspin	Unknown. HASC has approved the President's request. HASC position will probably prevail but this represents the opposition's best attempt at amending the Bill.
B. Cancel entire B-1 program	Dellums	This amendment will fail. There was insufficient support for this kind of total cut amendment last year and we are stronger on the B-1 this year than we were last in the House
C. Five-part amendment on shipbuilding. (1) Subtract \$728 million for second Trident. (2) Subtract \$350 million for long-lead funding of CVNX (3) Subtract \$590 million for 4 FFG-7 patrol frigates. (4) Subtract \$940 million for procurement of 4 DD-963 Spruance class destroyers	Carr Schroeder Downey (perhaps Hicks on second Trident)	These amendments would negate the action of the Seapower Sub Committee of HASC. It is likely that these amendments will be defeated and that the HASC shipbuilding add-ons will be accepted.

<u>Amendment</u>	<u>Sponsor</u>	<u>Likely Result</u>
(5) Subtract \$302 million for long-lead time items for 3 nuclear strike cruisers	(See immediately preceding comments, first page)	
D. Prohibit testing but not development of MARV.	Carr Schroeder Downey	Amendment will fail. This amendment is similar to one offered by Cong. Leggett last year and should suffer the same negative fate.
E. Eliminate JROTC	Dellums	Amendment should fail.
F. Subtract \$180 million for the purchase of Navy US- 3A-COD	Carr Schroeder Downey	Unknown
G. Exclude industrially funded personnel in computing total number of civilian personnel authorized for DoD.	Phil Hayes Patsy Mink	Accepted by HASC on floor last year. Dropped out in Conference. Unknown outcome this year.

In addition, Rep. David Emery (R-Maine) may offer an amendment to restore funding for the 4 FFG-7 patrol frigates cut by the HASC. This amendment is likely to fail unless DoD should support Mr. Emery's efforts. If we should support such an Emery amendment the outcome will still be uncertain.

This information is not exhaustive. Cong. Aspin may offer a ceiling amendment and an amendment on shipbuilding, but these actions would appear unlikely this year. We shall be alert to any other hostile amendments as they surface this week prior to floor action. If the bill is brought to the floor on Thursday, we shall monitor the action from HB-13 in the Capitol. Jerry Dahmen will be on the phone with CLAG and with observers in the gallery. We shall be working with the HASC staff, Frank Slatinshek and John Ford, and with representatives from the Services from that control room. At this juncture it is my expectation that the MilCon and Procurement Authorization Bills will pass without hostile amendment.

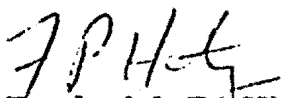
## 2. House Budget Committee

The HBC report on the First Concurrent Resolution will be available to Committee Members on April 6, 1976 and will be filed on April 9, 1976. It will then lie over until April 26 before being brought to the floor. We

shall obtain a copy of the report as soon as it is available to determine whether in separate or dissenting views we see the beginnings of any movement to lower the National Defense function on the floor. At this time no such movement has taken shape.

3. House Appropriations Committee

The HAC is scheduled to begin its markup immediately after the Easter recess. Mr. Mahon is anxious to get the Administration's ship-building proposal just as soon as we have it. Apart from that we have no further indication of HAC attitudes towards the DoD Appropriations Bill beyond those expressed to the HBC on March 15, 1976 in preparation for the First Concurrent Resolution.

  
Frederick P. Hitz  
DASD(House Affairs)

---

THE WHITE HOUSE  
WASHINGTON

CHARLIE  
TOM  
PAT

After defeating the O'Neill amend.  
which would have placed a  
moratorium on base closings, the  
House then passed the DEFENSE  
AUTHORIZATION BILL by a vote of  
298-52

Vera  
4/9

THE WHITE HOUSE

WASHINGTON

April 27, 1976

MEMORANDUM FOR: MAX FRIEDERSDORF

THROUGH: CHARLES LEPPERT, JR. *CL.*

FROM: TOM LOEFFLER *TL.*

SUBJECT: Establishment of a House  
Ad Hoc Defense Strategy Group

Over the past several weeks an ad hoc group headed by Congressman Sam Stratton of New York and Congressman Jack Kemp of New York has been quietly formed in an effort to coordinate strategy which will assure that this nation remains the strongest military power.

The group consists of a coalition of Democrats and Republicans who believe in strong national defense. I am informed it is their intent to coordinate strategies which would include member to member contacts, committee activities and House floor action.

cc: Pat Rowland

THE WHITE HOUSE  
WASHINGTON

AUG 23 1976

August 23, 1976

MEMORANDUM FOR: CHARLIE LEPPERT  
FROM: MAX FRIEDERSDORF *M.F.*

The Air Force Congressional Liaison office has informed us that on Tuesday, August 24, Congressman Addabbo may make a motion in the House to instruct House conferees to accept the Senate position on the B-1 Bomber. The Air Force has identified the following House Republicans as critical to that motion. They cannot determine if they will vote with Addabbo or against him. Would you make this a top priority item today and contact each of these Republicans and inform them of the President's strong interest in defeating the Addabbo move.

Secondly, please point out the high priority which the B-1 Bomber has in the President's defense program.

The Members are as follow:

John B. Anderson (Ill)  
John Buchanan (Ala.)  
J. Herbert Burke (Fla.)  
Lawrence Coughlin (Pa.)  
Pierre S. du Pont (Del.)  
Frank Horton (N.Y.)  
Robert McClory (Ill.)  
Ron Paul (Tex.)  
Ronald A. Sarasin (Conn.)



THE WHITE HOUSE  
WASHINGTON

AUG 23 1976

August 23, 1976

MEMORANDUM FOR: CHARLIE LEPPERT  
FROM: MAX FRIEDERSDORF

*M.F.*

The Air Force Congressional Liaison office has informed us that on Tuesday, August 24, Congressman Addabbo may make a motion in the House to instruct House conferees to accept the Senate position on the B-1 Bomber. The Air Force has identified the following House Republicans as critical to that motion. They cannot determine if they will vote with Addabbo or against him. Would you make this a top priority item today and contact each of these Republicans and inform them of the President's strong interest in defeating the Addabbo move.

Secondly, please point out the high priority which the B-1 Bomber has in the President's defense program.

The Members are as follow:

- John B. Anderson (Ill) - *cc*
- John Buchanan (Ala.) - *TL*
- J. Herbert Burke (Fla.) - *TL*
- Lawrence Coughlin (Pa.) - *cc*
- Pierre S. du Pont (Del.) - *cc*
- Frank Horton (N.Y.) - *PR*
- Robert McClory (Ill.) - *PR*
- Ron Paul (Tex.) - *TL*
- Ronald A. Sarasin (Conn.) - *PR*

*— vote yes to instruct*

*— leaning yes to instruct*

THE WHITE HOUSE  
WASHINGTON

Date: \_\_\_\_\_

TO: Charlie

FROM: Robert K Wolthuis

For your information \_\_\_\_\_

Please handle X

Other

*Map would like  
advance copies given to*

*Rhodes  
Michel  
Wilson  
Cedarberg  
Latta*

*8/23 —  
delivered by  
PK and JZ*

TO THE CONGRESS OF THE UNITED STATES:

My total fiscal year 1977 Budget request for national defense, including amendments, is \$114.9 billion in budget authority. This budget request is based upon a careful assessment of the international situation and of the contingencies we must be prepared to meet. The request is substantial, as it must be to provide what is necessary for our national security.

When I submitted my budget last January, I pointed out that the request might need to be increased for three reasons: (1) in the event that the Congress did not approve legislative proposals necessary to reduce spending in lower-priority areas involving manpower and related costs and sale of unneeded items from the stockpile; (2) in the shipbuilding area, where a National Security Council study then under way, could lead to an increase in the shipbuilding budget; and (3) a possible increase later in the year depending on the progress of the SALT II negotiations and our continuing assessment of Soviet ICBM programs. Indeed, there have been changes in these areas and they have been reflected in my revised budget request.

On July 14, 1976, I approved legislation authorizing 1977 appropriations for procurement and for research and development programs. At that time I indicated that in a number of important respects the Congress has not fully faced up to the nation's needs. First, the Congress has not approved a number of essential Defense programs. Second, the Congress has added programs and funds which are of a lower priority. Finally, the Congress has not yet acted upon certain of my legislative proposals which are necessary to restrain manpower cost growth and to achieve other economies. These three areas require remedial action by the Congress.

Therefore, today I am advising the Congress that failure to take the necessary remedial actions will result in a revised 1977 estimate for National Defense of \$116.3 billion. This revised estimate reflects the following adjustments:

	<u>Budget authority (\$ Billions)</u>
Amended budget request .....	114.9
Congressional adjustments, net .....	<u>-1.8</u>
Congressional action to date ....	113.1
Adjustments in this Message:	
(a) Resubmission of Congressional authorization reductions .....	+2.4
(b) Deletion of programs added by Congress .....	-.6
(c) Congressional inaction on Defense Management economies .....	+1.4
(d) Additional recruiting require- ments (\$39 million) .....	<u>---</u>
Revised National Defense estimate	<u>116.3</u>

Resubmission of Congressional Authorization  
Reductions

I am having resubmitted authorization requests for \$2.4 billion in program reductions imposed by the Congress.

Shipbuilding. Congress has not thus far authorized \$1.7 billion requested for new ship programs that are needed to strengthen our maritime capabilities and assure freedom of the seas. In particular, funds have been denied for the lead ships for two essential production programs -- the nuclear strike cruiser and the conventionally-powered AEGIS destroyer -- and for four modern frigates. The 1977 program was proposed as the first step of a sustained effort to assure that the United States, along with our allies, can maintain maritime defense, deterrence, and freedom of the seas. Therefore, I am submitting a supplemental authorization request for 1977 to provide for these ships as well as for the research and development to upgrade U.S. ship capabilities in the near-term and to create longer-term alternatives to conventional surface forces.

Other Programs. The Congress has also failed to authorize over \$900 million requested for other Defense procurement and research and development programs. While some of these adjustments can be accepted due to fact-of-life program developments, I must request a supplemental authorization of \$759 million for programs which are urgently needed. In particular, I reaffirm the need for the following programs, and request restoration of the indicated amounts to the Authorization Act:

- \$19 million for the Defense Agencies research and development appropriation, principally to provide the needed resources for the Defense Advanced Research Projects Agency.
- \$20 million for civil aircraft modifications, clearly the most cost-effective option for enhancing our airlift capability. These modifications should be a part of any airlift improvement program, and the needed funds should not be denied while other airlift improvements are under consideration.
- \$171 million for the Air Force research and development appropriation. Our most urgent needs here include funds for the MAVERICK missile needed to start engineering development for advanced warhead and single rail launches and advanced ICBM technology funds needed to identify the most cost-effective option for full-scale development.
- \$136 million for the F-16 fighter aircraft, to provide full funding for 1977 in accordance with sound budgetary principles. Since Congress approved the full program, this cut is illusory and would serve only to complicate management and make potential foreign buyers less confident of this program.

- \$122 million for the Army research and development appropriation to cover urgent programs such as the STINGER missile, where the Authorization Act would impair the development effort for an improved target-seeking technique. This effort is critical to achieving the needed improvements over the current REDEYE missile.
- \$211 million for the Navy research and development appropriation to provide what is needed for several essential programs, in particular the Navy cruise missile program. The Authorization Act would prevent our moving forward at the pace needed to assure that sub and surface launch options can be operational by 1980.
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- \$15 million for the MK-30 mobile target, critically needed for anti-submarine warfare training.

#### Programs Added by Congress

While the Congress disapproved several programs which are essential to our national security, \$1.1 billion was added to the budget request for items for which I did not request funds for 1977. Although I continue to believe that all of these programs are unnecessary at the present time, I specifically urge the Congress to delete \$584 million for the following programs:

- Conversion of the cruiser LONG BEACH (\$371 million) which can readily be postponed.

- Repair and modernization of the cruiser BELKNAP (\$213 million) damaged in a collision, for which funds should be authorized in the Transition Quarter as I have requested.

I proposed that Congress authorize funds for repair of the BELKNAP in the current transition quarter, and delete the funds for the LONG BEACH, which is of lower priority than the conventionally powered AEGIS destroyer and the STRIKE CRUISER which the Congress reduced. If the Congress does not act favorably upon this request, funds would have to be added on top of my revised 1977 Defense budget request.

#### Congressional Inaction on Defense Management Economies

My 1977 Defense budget estimates were based upon the assumption that the Congress would act favorably upon a number of specific legislative proposals, thereby achieving major economies. These savings involve pay costs and related compensation areas and sales of certain materials from the national stockpile.

In these areas alone, the budget reflected savings of \$4.0 billion for FY 1977. For the five-year period FY 1977-81, my proposals would save \$27 billion. Of these savings, nearly \$11 billion can be realized by administrative action in revising the pay comparability process for general schedule and military personnel. I am taking the required actions. Over \$16 billion of the savings are dependent upon Congressional action, however, and these are the items which I wish to address. Let me summarize these savings proposals requiring action by the Congress:

- \$4.7 billion (including \$276 million in FY 1977) would result from revisions in the Federal wage board pay system to provide pay rates that are truly comparable with those in the private sector.
- \$1.1 billion (including \$163 million in FY 1977) would result from changing pay practices in the Reserve and National Guard, modifying training and assignment policies, and transferring 44,500 Naval reservists to a different pay category. My proposals provide the levels of reserve readiness needed, and they are equitable.
- \$1.7 billion (including \$61 million in FY 1977) would result from holding future increases in military retired pay to changes in the cost of living, eliminating the additional increment which present law provides. I am aware that the Congress has approved this change for military retirees contingent upon Congressional approval of this change for civilian retirees as well.
- \$1.4 billion (including \$92 million in FY 1977) would result from reducing the subsidy in military commissaries on a phased basis, while still providing much lower prices than are available in commercial stores. This proposal is entirely equitable considering current levels of military compensation and other relevant factors.
- \$2.6 billion (including \$746 million in FY 1977) would result from sale of items from the national stockpile, which are excess to our requirements.
- \$4.7 billion (including \$384 million in FY 1977) would result from a number of proposals which appear to be well on their way to enactment. These include employment cutbacks, a move toward a fair-market-rental-system for military personnel, and revisions in certain payments for leave.



I am deeply concerned by the apparent intent to reject a large portion of these proposed savings, and to make up the difference by cutbacks in urgently-needed defense programs. The conference report on the first budget resolution states, in fact, that other defense cuts will be made if these proposed savings cannot be realized. This would be a totally unwarranted course of action. If Congress is unwilling to enact the necessary changes to end these unjustifiable outlays, then we must pay for these items from our pocketbooks -- not by slashing our national security. We simply cannot sacrifice our national security to provide for unproductive fringe items and unwarranted levels of compensation.

Once again I urge the Congress to take the necessary actions I have proposed in order to achieve real economies in the national defense program, and not to add the new requirements now under consideration. While I am not now requesting additional appropriations for these items, I want to make it clear that if the Congress fails to take the proper action, I will request again that the additional appropriations be provided. Failure to do so would result in an unbalanced national defense program.

#### Additional Requirements

Finally, I have approved an amendment in the amount of \$39 million to the 1977 Defense budget to provide additional funds for enlistment bonuses to recruit the required numbers of high school graduates for the Army. Recruiting success, particularly as measured in terms of quality, has proven to be sensitive to the level of resources available, and any significant reduction of resources reduces program effectiveness in the long run. We must reverse the recent practice of curtailing budget dollars devoted to recruiting and invest this amount as a contribution towards the relatively small additional resources necessary to maintain a successful program over the long term.

Submission of Legislative Proposals and Appropriation Requests

Proposals for authorizing legislation and appropriation requests will be submitted to the Congress as necessary to provide for these requirements. Requests covering weapons procurement, RDT&E and recruiting activities are being transmitted now. The remainder of the additional appropriation requests -- principally those relating to the compensation area -- will, in accordance with the normal budgetary cycle, be transmitted in January 1977. There is yet time for the Congress to act upon my restraint proposals so that this large additional January submission will not be necessary. Once again, I urge the Congress to act. If the Congress does not take the necessary action, the additional funds will be required and I will request that the Congress provide them.

In withholding my approval from the Military Construction Authorization Bill (H.R. 12384), I noted several points that are also germane here. Section 612 of that Bill would impose severe restrictions and delays upon base closures or employment reductions at certain military installations. As I stated at that time, the nation's taxpayers rightly expect the most defense possible for their tax dollars. Provisions such as Section 612 would add arbitrarily and unnecessarily to the tax burden of the American people. We must have the latitude to take actions to cut unnecessary defense spending and personnel. Congress should reenact this otherwise acceptable legislation without the objectionable base closure provision.

As I have consistently indicated, I am determined that the national security efforts of the United States shall be fully adequate. This message indicates what is necessary to ensure that adequacy. It is up to the Congress to act promptly to provide the resources necessary to do the job.

**GERALD R. FORD**

THE WHITE HOUSE,

EMBARGCED FCF RELEASE UNTIL 3:00 P.M., EDT  
MONDAY, AUGUST 23, 1976

Office of the White House Press Secretary

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THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

My total fiscal year 1977 Budget request for national defense, including amendments, is \$114.9 billion in budget authority. This budget request is based upon a careful assessment of the international situation and of the contingencies we must be prepared to meet. The request is substantial, as it must be to provide what is necessary for our national security.

When I submitted my budget last January, I pointed out that the request might need to be increased for three reasons: (1) in the event that the Congress did not approve legislative proposals necessary to reduce spending in lower-priority areas involving manpower and related costs and sale of unneeded items from the stockpile; (2) in the shipbuilding area, where a National Security Council study then under way, could lead to an increase in the shipbuilding budget; and (3) a possible increase later in the year depending on the progress of the SALT II negotiations and our continuing assessment of Soviet ICBM programs. Indeed, there have been changes in these areas and they have been reflected in my revised budget request.

On July 14, 1976, I approved legislation authorizing 1977 appropriations for procurement and for research and development programs. At that time I indicated that in a number of important respects the Congress has not fully faced up to the nation's needs. First, the Congress has not approved a number of essential Defense programs. Second, the Congress has added programs and funds which are of a lower priority. Finally, the Congress has not yet acted upon certain of my legislative proposals which are necessary to restrain manpower cost growth and to achieve other economies. These three areas require remedial action by the Congress.

Therefore, today I am advising the Congress that failure to take the necessary remedial actions will result in a revised 1977 estimate for National Defense of \$116.3 billion. This revised estimate reflects the following adjustments:

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	Budget authority ( <u>\$ Billions</u> )
Amended budget request .....	114.9
Congressional adjustments, net .....	<u>-1.8</u>
Congressional action to date ....	113.1
Adjustments in this Message:	
(a) Resubmission of Congressional authorization reductions .....	+2.4
(b) Deletion of programs added by Congress .....	-.6
(c) Congressional inaction on Defense Management economies .....	+1.4
(d) Additional recruiting require- ments (\$39 million) .....	<u>---</u>
Revised National Defense estimate	<u>116.3</u>

Resubmission of Congressional Authorization  
Reductions

I am having resubmitted authorization requests for \$2.4 billion in program reductions imposed by the Congress.

Shipbuilding. Congress has not thus far authorized \$1.7 billion requested for new ship programs that are needed to strengthen our maritime capabilities and assure freedom of the seas. In particular, funds have been denied for the lead ships for two essential production programs --- the nuclear strike cruiser and the conventionally-powered AEGIS destroyer --- and for four modern frigates. The 1977 program was proposed as the first step of a sustained effort to assure that the United States, along with our allies, can maintain maritime defense, deterrence, and freedom of the seas. Therefore, I am submitting a supplemental authorization request for 1977 to provide for these ships as well as for the research and development to upgrade U.S. ship capabilities in the near-term and to create longer-term alternatives to conventional surface forces.

Other Programs. The Congress has also failed to authorize over \$900 million requested for other Defense procurement and research and development programs. While some of these adjustments can be accepted due to fact-of-life program developments, I must request a supplemental authorization of \$759 million for programs which are urgently needed. In particular, I reaffirm the need for the following programs, and request restoration of the indicated amounts to the Authorization Act:

- o \$19 million for the Defense Agencies research and development appropriation, principally to provide the needed resources for the Defense Advanced Research Projects Agency.

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- \$20 million for civil aircraft modifications, clearly the most cost-effective option for enhancing our airlift capability. These modifications should be a part of any airlift improvement program, and the needed funds should not be denied while other airlift improvements are under consideration.
- \$171 million for the Air Force research and development appropriation. Our most urgent needs here include funds for the MAVERICK missile needed to start engineering development for advanced warhead and single rail launches and advanced ICBM technology funds needed to identify the most cost-effective option for full-scale development.
- \$136 million for the F-16 fighter aircraft, to provide full funding for 1977 in accordance with sound budgetary principles. Since Congress approved the full program, this cut is illusory and would serve only to complicate management and make potential foreign buyers less confident of this program.
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August 23, 1976.

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