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PRESIDENT WINS MILITARY BASE DISPUTE

- HR 8439 -- Reported by House Armed Services Committee (H Rept 386) May 27, 1965.
- Passed by the House by voice vote June 10.
 - Reported, amended, by Senate Armed Services Committee (S Rept 338) June 21.
 - Passed by the Senate by an 89-0 roll-call vote June 28. (See p. 1053)
 - Conference report (H Rept 713) agreed to by a 389-0 roll-call vote of the House Aug. 4 and by voice vote of the Senate Aug. 5. (See p. 986)
 - Vetoed Aug. 21.

- HR 10775 -- Reported by House Armed Services Committee (H Rept 956) Sept. 3, 1965.
- Passed by the House by a 347-0 roll-call vote Sept. 7. (See p. 996)
 - Passed by the Senate by voice vote Sept. 9.

PL 89-188 -- Signed into law Sept. 16.

Registering his first veto of a major public bill since taking office, President Johnson in 1965 refused to sign into law a military construction authorization measure (HR 8439) which included a provision requiring the Secretary of Defense to submit plans for closing military installations to Congress for review. Mr. Johnson objected particularly to language in the provision that permitted the Secretary to submit such plans only in the first four months of a year. It also forbade closing of any base until 120 days after the Secretary's report was submitted to Congress. The President called the provision a "fundamental encroachment" on the powers of the Executive Branch.

Congress did not attempt to override the veto and, instead, passed a new bill (HR 10775) with a watered-down reporting requirement on base closures that the President accepted.

McNamara Shutdowns Protested

The controversial provision which brought the veto of HR 8439 originated in the House Armed Services Committee and appeared to be a challenge by the Committee's new chairman, L. Mendel Rivers (D S.C.), to the "unilateral" decisions made by Secretary of Defense Robert S. McNamara to close bases. It was prompted by McNamara's Nov. 18, 1964, announcement of intentions to close or phase out 95 military installations in the United States and abroad. The plans affected facilities in 34 states and numerous Congressional districts, and met considerable opposition from Congress. (1964 Almanac p. 160)

As originally approved by the House, HR 8439 provided a formula under which any base-closure plan would be subject to veto by either chamber of Congress; the Senate deleted the provision altogether. In conference, a compromise was reached which struck out authority for a Congressional veto but which required the Secretary of Defense, between Jan. 1 and April 30 of each year, to submit base-closure plans to Congress for a 120-day review. After HR 8439 was vetoed, Congress replaced the bill with HR 10775, which included a provision giving

Congress 30 days to review base-closing plans submitted by the Secretary. An effort on the House floor to get a vote on overriding the veto of HR 8439 was beaten down by a 323-19 roll-call vote.

Late in 1965, McNamara Dec. 6 announced the closing or consolidation of an additional 126 domestic and 23 overseas military bases at an estimated savings of \$410 million a year. McNamara explained Dec. 8 that most of the base reductions were related to a Defense Department decision to cut back the Strategic Air Command's bomber fleet between 1965-71. McNamara was expected to submit the base-closure plan to Congress for review soon after the 1966 session convened.

Funds Authorized. In both HR 8439 and HR 10775, Congress authorized identical sums of \$1,780,062,000. The total included \$1,085,851,000 for new construction at 427 military bases in the United States and abroad, \$9,823,000 in deficiency authorizations for projects approved in previous years, and \$684,388,000 for 9,500 new units of military family housing plus maintenance and debt payments on all family housing.

The total of \$1,780,062,000 was \$173,136,000 less than revised Defense Department requests of \$1,953,198,000. It also was \$154,865,000 less than the House approved and \$58,710,000 more than was voted by the Senate. The largest reductions in the Administration's requests were \$21.2 million from the Army's near-obsolete Nike-Hercules anti-missile system, \$22.4 million from the Air Force's tactical aircraft shelter program, \$15.2 million from Air Force projects in Europe, and \$51.2 million from family housing requests. The Administration had sought authority to construct 12,500 new housing units. Although Congress allowed actual construction of only 9,500 units, it authorized 11,180 units, thereby giving the Department some leeway in determining construction priorities. The fiscal 1966 military construction appropriations bill (HR 10323), however, provided funds for construction of only 8,500 units. (See story p. 225)

PROVISIONS -- As signed by the President, HR 10775 authorized:

Military Construction:	
Army	\$ 309,522,000
Navy	311,412,000
Air Force	334,376,000
Defense Agencies	100,051,000
Reserve and National Guard	30,490,000
Deficiencies, prior years	9,823,000
Total, Military Construction	\$1,095,674,000
Family Housing:	
Construction (all services)	\$ 195,589,000
Operation, maintenance and debt payments	488,799,000
Total, Family Housing	\$ 684,388,000
GRAND TOTAL	\$1,780,062,000

In addition, HR 10775:
 Prohibited the Defense Department from closing or abandoning any "camp, post, station, base, yard or other

oration or organization which received 75 percent more of its gross income from federal funds.

ACTION -- The House Aug. 4, by a 389-0 roll-call vote, and the Senate Aug. 5, by voice vote, adopted the conference report on HR 8439, sending the bill to the President. (For voting, see chart p. 986)

During House discussion of the conferees' action, Rivers said the new base-closing provision gave the House "exactly what we wanted." Rivers said, "We wanted the Secretary of Defense to take us into a partnership when he got ready to close a base or considered closing a base.... That is what the conferees insisted on. That is what we received." He said the House Armed Services Committee would tolerate no "unilateral dismantling" of defense installations by the Secretary of Defense. Referring to press reports that the compromise version of the base-closing provision represented a setback for the House Committee, Rivers asked, "Does it look like we are losing? I wish we were doing as well in Viet Nam as the House Committee on Armed Services is doing on Capitol Hill."

The Senate cleared the bill without discussion.

PROVISIONS -- As sent to the President, HR 8439 authorized:

Military Construction	\$1,095,674,000
Family Housing	684,388,000
TOTAL	\$1,780,062,000

President's Veto

President Johnson Aug. 21 refused to sign HR 8439 into law and returned the bill to Congress with a veto message. Mr. Johnson based his objections to the measure on the section requiring the Secretary of Defense to submit plans for closing military bases to Congress for a 120-day review period. The President indicated, however, that he would accept a new bill containing "a reasonable reporting provision, consistent with the legislative powers of the Congress." (See below)

In his veto message, the President said he had been "advised" by Attorney General Nicholas deB. Katzenbach that the base-closure provisions of HR 8439 were "repugnant to the Constitution," representing a "fundamental encroachment" on the separation of powers between the Legislative and Executive Branches. The limitations imposed by the provisions, Mr. Johnson added, "could seriously interfere with and adversely affect the administration of our military program and our continuing efforts to improve our defense posture."

The President cited the following major reasons for vetoing HR 8439:

- The base-closure provisions "substantially inhibit" the Commander in Chief's constitutional obligations to execute the powers of his office. "He cannot sign into law a measure which deprives him of power for eight months of the year (i.e., May through December) even to propose a reduction of mission or the closing of any military installation...."

- "Effective national defense in this nuclear age requires flexibility in the management of our defense installations, including the assignment of their respective missions."

- "The American people are entitled to a dollar's worth of defense for every dollar spent. The base-closure program is a vital element in effecting important economies within the military establishment."

- The President must "be concerned about the cumulative erosion of the executive power by legislation" such as HR 8439. "The power of the Congress... is not served by assuming executive functions. Not only does separation of powers fail when Congress impairs the executive function, but the sheer inability of the Congress to deal meaningfully with the multitudinous details of execution of its laws weakens government."

Disapproval of HR 8439 was Mr. Johnson's third veto of a public bill since becoming President in 1963. (1963 Almanac p. 1020; 1964 Almanac p. 892; 1965 Almanac p. 1427)

Action on HR 10775

House

COMMITTEE -- Armed Services.

ACTION -- Sept. 3 reported HR 10775 (H Rept 956) including a revised version of the base-closure provision of HR 8439 which was the cause of Mr. Johnson's veto. HR 10775 authorized the same military construction and family housing sums as HR 8439.

The new base-closure provision, reportedly worked out between the Committee and the Administration, required that no military installation in the United States or Puerto Rico employing more than 250 civilian and military personnel could be closed or abandoned until 30 days after the closure plan and full justification of the plan had been submitted to the House and Senate Armed Services Committees.

The only other change from HR 8439 was in a provision requiring specific authorization of construction and land contracts between the Defense Department or any military department and any non-profit group which received 75 percent or more of its gross income from federal funds. The new provision, which reverted to the original House language in HR 8439, applied only to contracts between the Air Force and the Aerospace Corp.

Majority Views. The Committee report stated: "When the President signs into law an authorization bill, and later an appropriations bill, according to the Attorney General, he is bound to execute that law. But in the execution of the law the Congress obviously contemplates that the (military) base it has authorized is required and will remain open. Therefore, whether or not a base should be closed might well be a question for the Congress to determine." The report added: "The Committee believes the Congress must... be concerned about the cumulative erosion of the legislative powers of the Congress, frequently based upon the assumption that Congress is unable to deal meaningfully with the multitudinous details of execution of its laws. The Congress is not so devoid of ability and capability that it cannot go into details that vitally affect the welfare of the nation. And frankly the Committee grows tired of the implication that the Congress really only has the power to appropriate funds."

In conclusion, the report said that by adopting the compromise reporting procedure the Committee "has not entered into a strategic withdrawal, but has entered into a new era of understanding" with the Executive Branch.

Separate Views. Five Committee members -- Reps. Otis G. Pike (D N.Y.), Alton Lennon (D N.C.), Floyd V. Hicks (D Wash.), Bob Wilson (R Calif.) and Durward G. Hall (R Mo.) -- urged that Congress repass HR 8439 over the President's veto. All had military or naval

redevelopment, community facilities, and the Peace Corps. Domestically we have had program after program developed supposedly to expand the economy. Where will we stop?

Mr. McCARTHY. Mr. President, the Senator has so little confidence in the private enterprise capital system that he seems to be afraid of our economy, which has demonstrated over the last 4 years that we can go from a high level of production to an even higher level of production without the intervention of recession.

I find myself in the position of being an advocate and believer in the private enterprise capital system in contrast to the pessimistic view expressed by the Senator from Ohio. I am surprised to learn that he has such little confidence in the record that has been made in the past 4 years.

Mr. LAUSCHE. Mr. President, the record of the past 4 years does not disprove the record of history that fantastic ideas separated from realities eventually produce disaster.

Mr. McCARTHY. Mr. President, the Senator from Ohio appears to be in the position of some politicians and businessmen who seem to have a vested interest in cycles of recession and depression in order to advance their own interest. Some economists have a vested interest in the course that they have been teaching for 20 years on cycles of recession and depression. That course might be outmoded.

Mr. LAUSCHE. Mr. President, I had a conversation with the Senator from Minnesota one day in which I expressed my alarm about the gold reserves. The Senator from Minnesota said that gold reserves mean nothing so long as we have enough gold to fill the decaying teeth of the people in our country. I have a different viewpoint about the need for gold reserves.

Mr. McCARTHY. That is not quite what I said. However, the Senator comes very close to expressing my view. I said that, along with the lack of gold, we had great strength in the production of the American economic system. I said that, as far as the real need of the economy of our people is concerned, we would need gold for fillings, and, to a limited extent, for jewelry. I stated that, as long as people had a superstition concerning gold, we could go along with it and exploit that superstition. However, I said that we should not depend upon gold or wampum, that we might have a return to beaver skins—and there has been a great increase in beaver skins in northern Minnesota. I said that we might go back to that medium of exchange. The Senator from Ohio might prefer to go back to that medium of exchange. There would be more stability if we were to use beaver skins than there would be if we were to use gold.

Mr. DIRKSEN. Cheer up. We will not bother with beaver skins as long as we have wampum.

Mr. McCARTHY. What about trading stamps?

Mr. DIRKSEN. Mr. President, what I am about to say is not what I started to say. When we start talking about the use of gold to take care of teeth, and

the question of medicare, it reminds one of that old man in England who went to the rector and said that he had been told that when he went to heaven there would be ambrosia, but that he was without teeth. The rector said that teeth would be provided.

Mr. McCARTHY. Gold teeth.

Mr. DIRKSEN. I remind the Senators to read the testimony of John Exter, the senior vice president of the National City Bank of New York, given before the Senate Finance Committee on the question of the imbalance of payments.

There we receive the Gospel, hot off the griddle. He makes it seem that we can put all the rocks in the stream that we want—as in the case of equalization of interest and voluntary efforts among the bankers—but it will not stave off the debacle until the expansion of credit is stopped.

I regard John Exter as one of the greatest students in this field. That is the reason that I asked him to testify. That is the root of the evil. Therefore, I suggest a reading of Mr. Exter's testimony, along with the treatise that the Senator gave.

Mr. McCARTHY. Mr. President, I hope Senators will do that. I hope they will read what Mr. Martin said in a speech on June 25 in which he said that we do not have a definite balance-of-payments problem and did not have one in the last 2 or 3 months.

Mr. LONG of Louisiana. Mr. President, inasmuch as the gold problem has arisen, it might be worthwhile to point out that we are consuming gold in this Nation at the rate of approximately \$200 million a year for dentures and other purposes.

I am speaking from the top of my head, but I think the figures are substantially correct. We produce about \$70 million worth as against our present gold supply of \$15 billion. So we have enough to last about 100 years at the rate we consume the commodity. But what we are talking about is monetary gold. I agree that the tight money policies pushed the previous administration into a recession on the average of once every 3 years. We have gone about as far as we can go to try to maintain prosperity with tax cuts. I helped put the tax cuts through. I agree with what the Senator from Minnesota has said that the time has come to use our monetary weapons.

Mr. McCARTHY. While we are cutting taxes to stimulate the economy, the tightening of money will have an effect opposite to what we have been trying to accomplish.

Mr. LONG of Louisiana. I agree with the Senator.

SEVERAL SENATORS. Vote! Vote!

Mr. LONG of Louisiana. Mr. President, may we have order? If a Senator wants to say something, he has a right to say it. If I want to say something, I have a right to say it. I do not want any Senator to be irritated, but I could have a speech prepared on some other subject and use it.

Mr. McCARTHY. Does not the Senator agree that the question of monetary policy is more important than many of the bills on which we have spent 4 or 5

hours each day? We ought to be more concerned about monetary policy than some of those measures.

MILITARY CONSTRUCTION AUTHORIZATION FOR FISCAL YEAR 1966

The Senate resumed the consideration of the bill (H.R. 8439) to authorize certain construction at military installations, and for other purposes.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.
Mr. LONG of Louisiana. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Maine [Mr. MUSKIE], the Senator from Maryland [Mr. TYDINGS], and the Senator from Florida [Mr. SMATHERS], are absent on official business.

I further announce that the Senator from Virginia [Mr. BYRD] is necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. CLARK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Maine [Mr. MUSKIE], the Senator from Florida [Mr. SMATHERS], and the Senator from Maryland [Mr. TYDINGS], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. CORTON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from North Dakota [Mr. YOUNG] is absent on official business.

If present and voting the Senator from Texas [Mr. TOWER] would vote "yea."

The result was announced—yeas 89, nays 0, as follows:

[No. 157 Leg.]

YEAS—89

Aiken	Hart	Morton
Allott	Hartke	Moss
Anderson	Hickenlooper	Mundt
Bartlett	Hill	Murphy
Bass	Holland	Neelson
Bayh	Hruska	Neuberger
Bennett	Inouye	Pastore
Bible	Jackson	Pearson
Boggs	Javits	Pell
Brewster	Jordan, N.C.	Proty
Burdick	Jordan, Idaho	Proxmire
Byrd, W. Va.	Kennedy, Mass.	Randolph
Cannon	Kennedy, N.Y.	Ribicoff
Carlson	Kuchel	Robertson
Case	Lausche	Russell, Ga.
Church	Long, Mo.	Russell, S.C.
Cooper	Long, La.	Saltzman
Curtis	Magnuson	Scott
Dirksen	Mansfield	Simpson
Dodd	McCarthy	Smith
Dominick	McGee	Sparkman
Douglas	McGovern	Stennis
Eastland	McIntyre	Symington
Ellender	McNamara	Talmadge
Ervin	Metcalf	Thurmond
Fannin	Miller	Williams, N.J.
Fong	Mondale	Williams, Del.
Gore	Monroney	Yarborough
Gruening	Montoya	Young, Ohio
Harris	Morse	

NAYS—0

NOT VOTING—11

Byrd, Va.	Hayden	Tower
Clark	McClellan	Tydings
Cotton	Muskie	Young, N. Dak.
Fulbright	Smathers	

that the late Speaker Rayburn felt quite strongly on this point as well, that these matters should be referred back to the Congress and then referred to the committee involved.

Mr. RIVERS of South Carolina. I do not believe it is a major question. If the House insisted on it, I would have no objection.

Mr. CURTIS. I do not believe it is, either. I consider it a procedural point which has some significance.

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KUNKEL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. KUNKEL. Mr. Speaker, the gentleman from South Carolina warmed the cockles of my heart by his reference to the closure of Olmsted Air Force Base. From time to time I have given him briefs prepared by employees at Olmsted in which they made a clear case showing why this base should not be closed.

They particularly stressed the degradation of Air Force support which would inevitably occur. The briefs also showed conclusively that Mr. McNamara's estimates of savings from the closing were greatly overestimated. In fact, there will probably be no savings whatever, and there may be a net deficit. These briefs were also submitted all the way up the line through the Air Force and the Department of Defense to Secretary McNamara himself. The replies received never satisfactorily answered the questions posed and raised by the Olmsted employees. It was a case of a closed mind. And yet, from the best information I have been able to glean from behind the iron curtain of the Pentagon, I understand he did authorize an independent audit of the Springfield Arsenal, a relatively minor facility and one that is not nearly so vital in our overall defense structure.

I know the gentleman from South Carolina has studied the Olmsted briefs carefully and that this is one of the cases which caused him to draw the military construction bill passed by the House with a provision for notification to the Congress before a military installation can be closed.

He is one of the best informed men in the Nation on the whole military outlook of the United States. He knows whereof he speaks. When he says the closing was "one of the most serious mistakes in our military history," he is certainly not exaggerating. In my judgment, it may well be that our air losses in Vietnam reflect to some degree the closure of Olmsted Air Force Base. I hope and pray that these losses will not increase because as time goes on the effect of the degradation of air support will probably grow.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the distinguished gentleman from Illinois.

Mr. ARENDS. Mr. Speaker, I am happy to join the distinguished chairman of the Armed Services Committee in support of the conference report in connection with H.R. 8439.

We went into conference with 80 differences between the House and Senate versions of the military construction bill. I think it is interesting to note the philosophy of the two bodies as we sat for the first time in conference. At the outset, one of the House conferees accurately stated the views of all the House conferees to the effect that we were extremely concerned that nearly all the projects relating to the comfort, welfare, and morale of the troops had been eliminated from the bill at a time when the retention and recruitment rate was the lowest in all our history, and the need for experienced service personnel was most urgent. The Senate conferees answered by explaining that all such items should be deleted, in view of economy, because of the foreseeable buildup occasioned by the events in southeast Asia. So, it was in this climate of diametrically opposite views that the conferees met, and I wish to compliment the distinguished chairman of the House Armed Services Committee for the outstanding job he did in negotiation.

While many items were deferred until next year, many other items were restored which will, in my opinion, help alleviate the recruitment and retention problems. I refer specifically to dormitories for enlisted men, to officers quarters, and to family housing.

I also call attention to the success which the House conferees made in regard to section 608 of the bill relating to the closure of military installations.

While it was not quite what the House originally desired in that it does not give a specific veto power to either House of Congress, I believe that it will permit adequate review by the Congress before any base is scheduled for closing. In essence, the provision requiring the Secretary of Defense, or his designee, to submit the announcement of its base closures to the Congress between the period of January 1 and April 30 will permit the Armed Services Committees of both the House and the Senate to review the proposed base closures at the time it considers the military construction authorization bill. During its consideration, specific language could be written in to prohibit the closure of any particular base. Naturally, we would have preferred the version as it passed the House but after strong urging, we were unable to prevail in our views; and, I think, the compromise in essence gives to us in another form the power that the original House bill provided.

For many years, I have heard service chiefs testify that the most important single morale factor was the type of housing we gave to the troops and their families. Frankly, I was somewhat appalled when the Senate reduced the number of houses authorized from 12,300 to 8,000 and limited the number of leased units to 5,000, reducing the number of the House-passed bill by 2,500.

Insofar as I could understand, the Senate conferees felt that since quarters

allowances were given in lieu of quarters the servicemen should take care of themselves on this allowance. It was extremely difficult to get them to raise the number of units authorized for construction to 9,500 and to increase the number of leased units from 5,000 to 7,000. I might add that this area was even more difficult in which to get agreement than section 608. I am hopeful that all the units of family housing authorized will be funded.

While I would like to have seen the bill exactly as it passed the House, I feel that we have worked out a satisfactory compromise, and I am hopeful that every Member of this House will support the conferees in their actions.

Mr. RIVERS of South Carolina. Mr. Speaker, I have no further requests for time.

The SPEAKER. Without objection the previous question is ordered.

There was no objection.

The SPEAKER. The question is on agreeing to the conference report.

Mr. RIVERS of South Carolina. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 389, nays 0, not voting 55 as follows:

[Roll No. 221]

YEAS—389

Abbutt	Clausen	Fino
Abernethy	Don H.	Fisher
Adair	Clawson, Del	Flood
Adams	Cleveland	Flynt
Addabbo	Clevenger	Fogarty
Albert	Cohelan	Foley
Anderson,	Collier	Ford,
Tenn.	Conable	William D.
Andrews,	Conte	Fontaine
George W.	Conyers	Fraser
Andrews,	Cooley	Frelinghuysen
N. Dak.	Corbett	Friedel
Annunzio	Corman	Fulton, Pa.
Arends	Craley	Fulton, Tenn.
Ashbrook	Cramer	Gallagher
Ashley	Culver	Garmatz
Ashmore	Cunningham	Gathings
Aspinall	Curtin	Gettys
Ayres	Curtis	Giulmo
Baldwin	Daddario	Gibbons
Bandstra	Dague	Gilbert
Baring	Daniels	Gilligan
Barrett	Davis, Ga.	Gonzales
Beckworth	Davis, Wis.	Goodell
Beicher	Dawson	Grabowski
Bell	de la Garza	Gray
Bennett	Delaney	Green, Pa.
Betts	Dent	Grelgg
Bingham	Denton	Grider
Boggs	Derwinski	Griffin
Boland	Devine	Griffiths
Bolling	Dickinson	Gross
Bolton	Diggs	Grover
Bray	Dingell	Gubser
Brock	Dole	Gurney
Brooks	Donohue	Hagan, Ga.
Broomfield	Dorn	Hagen, Cal.
Brown, Ohio	Dow	Haley
Broyhill, N.C.	Dowdy	Hall
Broyhill, Va.	Downing	Halleck
Buchanan	Dulski	Halpern
Burke	Duncan, Oreg.	Hamilton
Burleson	Duncan, Tenn.	Hanley
Burton, Calif.	Dwyer	Hanna
Burton, Utah	Dyal	Hansen, Iowa
Byrne, Pa.	Edmondson	Hansen, Nev.
Byrnes, Wis.	Edwards, Ala.	Hansen, Wash.
Cabeil	Edwards, Calif.	Hardy
Callan	Ellsworth	Harris
Callaway	Erlenborn	Harsha
Cameron	Evans, Colo.	Harvey, Ind.
Casey	Everett	Harvey, Wash.
Cederberg	Evins, Tenn.	Hathaway
Celler	Farbstein	Hawkins
Chamberlain	Farnsley	Hays
Chelf	Fascell	Hebert
Clancy	Felghan	Hechler
Clark	Findley	Helstoski

Anderson	Alize	St Germain
Arloing	Moeller	St. Onge
Hicks	Monagan	Saylor
Hollifield	Moore	Scheuer
Holland	Moorhead	Schisler
Horton	Morgan	Schmidhauser
Hosmer	Morris	Schneebeil
Howard	Morrison	Schweiker
Hull	Morse	Secrest
Hungate	Mosher	Selden
Huot	Moss	Senner
Hutchinson	Mufter	Shibley
Ichord	Murphy, Ill.	Shriver
Irwin	Murphy, N.Y.	Sickles
Jacobs	Murray	Sikes
Jarman	Natcher	Sisk
Jennings	Nedzi	Skubitz
Jcelson	Nix	Slack
Johnson, Calif.	O'Brien	Smith, Calif.
Johnson, Okla.	O'Hara, Ill.	Smith, Iowa
Johnson, Pa.	O'Hara, Mich.	Smith, N.Y.
Jonas	O'Konski	Smith, Va.
Jones, Ala.	Olsen, Mont.	Springer
Karsten	Olson, Minn.	Stafford
Keith	O'Neal, Ga.	Stalbaum
Kelly	O'Neill, Mass.	Stanton
King, Calif.	Ottinger	Steed
King, N.Y.	Passman	Stephens
King, Utah	Patman	Stratton
Kirwan	Patten	Stubblefield
Kluczynski	Pelly	Sullivan
Kornegay	Pepper	Sweeney
Krebs	Perkins	Talcott
Kunkel	Philbin	Teague, Calif.
Langen	Pickle	Teague, Tex.
Latta	Pike	Tenzer
Lennon	Pirnie	Thompson, N.J.
Lipscomb	Poage	Thomson, Wis.
Long, La.	Poff	Todd
Long, Md.	Pool	Trimble
Love	Price	Tuck
McCarthy	Pucinski	Tunney
McCloy	Purcell	Tuten
McCulloch	Quie	Udall
McCade	Quillen	Ullman
McDowell	Race	Utt
McSweeney	Randall	Van Deerlin
McFall	Redlin	Vanik
McGrath	Reid, Ill.	Vigorito
McVicker	Reid, N.Y.	Vivian
Macdonald	Reifel	Waggoner
MacGregor	Bainicks	Walker, N. Mex.
Machen	Resnick	Watkins
Mackay	Reuss	Watson
Mackie	Rhodes, Ariz.	Weltner
Madden	Rhodes, Pa.	Whalley
Mahon	Rivers, S.C.	White, Idaho
Malliard	Roberts	White, Tex.
Marsh	Robison	Whitener
Martin, Ala.	Rodino	Whitten
Martin, Nebr.	Rogers, Colo.	Widnall
Mathias	Rogers, Fla.	Willis
Matsunaga	Rogers, Tex.	Wilson, Bob
Matthews	Ronan	Wilson,
May	Rooney, N.Y.	Charles H.
Meeds	Rooney, Pa.	Wolff
Michel	Roosevelt	Wright
Miller	Rosenthal	Wyatt
Millis	Rostenkowski	Wydler
Minish	Roudebush	Yates
Mink	Roush	Young
Minshall	Roybal	Younger
	Rumsfeld	Zablocki
	Satterfield	

NAYS—0

NOT VOTING—45

Anderson, Ill.	Fallon	Nelsen
Andrews,	Farnum	Powell
Glenn	Ford, Gerald R.	Rivers, Alaska
Bates	Fuqua	Roncaglio
Battin	Green, Ore.	Ryan
Berry	Jones, Mo.	Scott
Blatnik	Kastenmeier	Staggers
Bonner	Keogh	Taylor
Eow	Laird	Thomas
Brademas	Landrum	Thompson, Tex.
Brown, Calif.	Leggett	Toll
Cahill	Lindsay	Tupper
Carey	McMillan	Walker, Miss.
Carter	Martin, Mass.	Watts
Colmer	Morton	Williams

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Keogh with Mr. Gerald R. Ford.
 Mr. Toll with Mr. Lindsay.
 Mr. Colmer with Mr. Walker of Mississippi.
 Mr. Fallon with Mr. Morton.
 Mr. Carey with Mr. Cahill.

Mr. Blatnik with Mr. Bates.
 Mrs. Green of Oregon with Mr. Carter.
 Mr. Roncaglio with Mr. Nelsen.
 Mr. Staggers with Mr. Tupper.
 Mr. Thomas with Mr. Bow.
 Mr. Fuqua with Mr. Laird.
 Mr. Williams with Mr. Berry.
 Mr. Watts with Mr. Martin of Massachusetts.
 Mr. Brown of California with Mr. Anderson of Illinois.
 Mr. Brademas with Mr. Taylor.
 Mr. Rivers of Alaska with Mr. Glenn Andrews.
 Mr. Landrum with Mr. Ryan.
 Mr. Bonner with Mr. McMillan.
 Mr. Thompson of Texas with Mr. Leggett.
 Mr. Scott with Mr. Battin.
 Mr. Kastenmeier with Mr. Powell.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to extend their remarks on H.R. 8439.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

AMENDMENT OF LEGISLATIVE BRANCH APPROPRIATION ACT, 1959, TO PROVIDE FOR REIMBURSEMENT OF TRANSPORTATION EXPENSES OF THE HOUSE OF REPRESENTATIVES, AND FOR OTHER PURPOSES

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9947) to amend the Legislative Branch Appropriation Act, 1959, to provide for reimbursement of transportation expenses for Members of the House of Representatives and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. HALL. Mr. Speaker, reserving the right to object, I should like to inquire of the distinguished gentleman from Maryland why this type of legislation—this bill, H.R. 9947—and I understand two other bills having to do with legislative expenses of the House—come up under a unanimous consent request rather than in the usual custom and tradition, by way of a privileged motion?

Mr. FRIEDEL. The reason is that H.R. 9947 would amend the law. A privileged resolution would be an ordinary resolution which does not amend any law. The funds would come out of the contingency fund, and would not change the law. This bill will amend the Legislative Branch Appropriation Act of 1959.

Mr. HALL. This actually would change the United States Code, title 2, section 43b, of the Legislative Branch Appropriation Act, 1959, as the bill states; is that correct?

Mr. FRIEDEL. That is correct.

Mr. HALL. Would the gentleman advise me further if it would be subject to

a point of order if it came up other than in this manner?

Mr. FRIEDEL. I have to obtain unanimous consent for its consideration. Of course, if any Member objected I could not bring it up. That is the only thing involved. I am willing to explain the bill thoroughly. It is quite simple.

Mr. HALL. Would the gentleman agree with me that in a reverse or corollary fashion, perhaps, granting unanimous consent for this type of legislation, wherein we increase our own emoluments or privileges or pay for necessary legislative functions out of the contingency fund, this puts all Members in the position of agreeing therewithout the right of individuals to object?

For example, I do not use my telegraph or telephone expense or my round trips at Government expense. I might be constrained to object on one or two of these bills—or perhaps all of them—as an unnecessary expense to the Federal taxpayers, but under the reservation of the right to object, I would state that I do not feel this is an authorized, justified additional income. Would you agree with me that the unanimous consent request does obviate the possibility of further stating in debate, or by a point of order, or other means what one's opinion is?

Mr. FRIEDEL. No. As I say, this is very simple legislation. This bill was cleared both with the majority and minority leadership and passed in committee by a unanimous vote. I do not use all of my telephone and telegraph allowances, and I do not have any extra rent to pay for offices because I am located in a Federal office building. As far as trips back home are concerned, I go back and forth to Baltimore every day and quite a few other Members in Maryland and Virginia go back and forth every day. But other Members who live great distances from the Capital would benefit greatly. They are called back to their own districts on many occasions, and it is very expensive for them. You would be amazed to know how many people think that a Member of Congress can get all of the free trips he wants and all of the telephone allowances he wants. We know this is not true. This is a very good bill. The Clerk will read the entire bill for the House, and I hope that the gentleman will not object.

Mr. HALL. Mr. Speaker, continuing the reservation of objection, I am not prepared to admit it is a good bill, but we have not discussed that, as yet. I am just questioning the method and the technique by which it is being brought up. I understand it is being brought up this way because it changes the United States Code and that it has been cleared with the leadership on both sides, but it does obviate the individual right of objection unless we say "we object."

Will the gentleman please explain this particular bill, H.R. 9947 under my reservation and also advise us about the number of trips that Members of the other body can take?

Mr. FRIEDEL. This bill will give each Member two additional round trips back home for each session. The other body

File

55TH YEAR

The Reader's Digest

APRIL 1976

An article a day of enduring significance, in condensed permanent booklet form



Can our democracy now face the harsh truth about the decline of U.S. power and prestige? asks the former Secretary of Defense. Or will the public listen only to the soothing voices of politicians?

The Continuing Challenge to America

By JAMES R. SCHLESINGER

THIS Bicentennial Year is an appropriate time not only to review the remarkable accomplishments of the American Republic, but also for a stock-taking as to where we now stand, and how we are to accomplish our national purposes in the future. The historic performance still defies the detractors. That the original 13 colonies, divided and weak, would rise in two

centuries to pre-eminence as the first power of the world—while maintaining national cohesion and purpose under free and democratic institutions—is an historical triumph. Yet recently the achievement of that power and the unwelcome responsibilities accompanying it have led to self-doubts and internal disarray.

Will the vitality of this nation be equal to the challenges of the future—as it has been to those of the past? Can this nation reconcile the requirements of its own security with its unavoidable responsibilities as the great democratic superpower, the leader of a coalition of free states?

Twice in this century America in-

JAMES R. SCHLESINGER was U.S. Secretary of Defense from July 1973 to November 1975. He has also served as chairman of the Atomic Energy Commission, and director of the CIA. Currently he is chairing a special study on national policy for Johns Hopkins and Georgetown universities.

tervened in world wars to preserve the democracies of Western Europe. In both wars, the United States could afford to wait—behind the protective screen of skirmishing free-world forces—and then mobilize at its own pace, intervening at a critical point. The situation has since dramatically changed. The decline of Europe and Japan means that there are no free-world forces to provide adequate protection or time for the United States to mobilize. The steady rise to power of the Soviet Union and the immediacy of modern conflict mean that the United States now must depend, for both its own security and that of its allies, on *forces in being*.

It is for this reason that the United States has continuously deployed forces in Europe and Asia. The American deployment in Germany is as significant militarily and politically as any in the world. Along the line of the Elbe, the forces of the Western Alliance and the communist bloc face each other—as they have for the last 31 years—in an area crucial to the United States. The American deployment is indispensable, not only to the military balance, but as the political glue of the Alliance and a symbol of American support to relatively weak allies.

Global Reach. Another change of growing significance has more recently emerged. For some 25 years after World War II, the Soviet Union was—as had been Nazi Germany—a continental power. Her naval forces were preponderantly in-



tended either for coastal defense or for interdiction. The abortive Cuban involvement in the early 1960s underscored the limitations of her global reach—limitations which she became painfully aware of and determined to rectify.

Thus in recent years the Soviet Union has acquired the characteristics of a global rather than a continental power. She is becoming a rival quite different from any that we have seen before. During the 1973 war in the Middle East, the Soviet deployments in the Mediterranean represented an impressive challenge to the augmented U.S. Sixth Fleet. Since the late 1960s, her Indian Ocean detachments have

THE CONTINUING CHALLENGE TO AMERICA

grown steadily and are now astride the oil routes from the Persian Gulf to the industrialized states. The Soviet Far Eastern fleet now represents a rough match for the immediately available American and Japanese forces. Soviet involvement in Angola, using Cuban forces as a proxy, establishes the Soviet Union in the South Atlantic. And Moscow's continuing investment in naval, airlift and mobility forces suggests that the Soviets will in a few short years represent an ever more formidable threat at considerable distances from their homeland.

Steadily, the entire world is becoming a single strategic stage. No longer can it be divided into widely separated "theaters." What happens in the Persian Gulf is likely to determine the future of the industrialized nations. A change in the Chinese political stance deeply affects NATO; and NATO's effectiveness affects the security of China. Developments in Angola are seen by Europeans to influence the world power balance and their own futures. The interlocking nature of power rivalries in various distant parts of the globe raises a question about the widely assumed ease with which the United States can readily reduce its commitments in this post-Vietnam period. What we slough off now in terms of commitments or military power we are likely to pay for later—dearly.

What is the American role in this changing power balance? Put in the bluntest terms, it is diminishing.

What is perhaps even more serious is that other nations' perception of American strength and steadfastness is shrinking even more rapidly than is our physical power. Three illustrations should suffice.

1. *The Role of China.* The People's Republic of China is the world's third most powerful state. Fear of the Soviet Union—not fraternal feelings or admiration for the American social order—has driven the Chinese to a quasi-alliance with the United States. Theirs is a strategy of exploiting the barbarian far removed to lessen the threat of the barbarian at the border. It is exclusively based upon the assumed promise of American weight in world affairs and American strength to prevent Soviet hegemony in the Eastern Hemisphere.

But the divisions within America since Vietnam have increasingly raised a question for the Chinese as to whether the United States is a suitable counterweight to the Soviet Union. To the extent that the United States loses value in Chinese eyes and really becomes a "paper tiger," the Chinese become inclined to re-establish somewhat warmer relations with the Soviet Union. Such action would inevitably affect the world balance.

2. *The Mood of Europe.* Since World War II, the ultimate protection of Western Europe has been American power. But now increasing concern is expressed in Europe regarding American steadfastness. France, for example, under the protection of the United States has felt

free to question the value or permanency of American protection. Today the French are concerned that what they have said for many years may indeed be true. Europe's growing apprehension was recently summed up by *The Economist* of London: "Two great empires have ruled the first two centuries of industrial advance—the British in 1776-1876, and the American in 1876-1976. But the Americans on the eve of 1976 are showing the same symptoms of a drift from dynamism as the British did in 1876. World leadership is therefore liable to pass into new hands quite early in the century 1976-2076."

In Germany—so critical to Europe's future—a poll taken in the 1950s indicated that by a majority of three to one the German public expected the United States to be the strongest power in the future. Last year, by three to one, the German public predicted that in the future the Soviet Union would become the world's most powerful state. Events in Portugal, Spain, Italy, Greece and Turkey also reflect a sharp drop in the respect for American power.

Much of power lies in perception. The awe that a nation's power inspires is a large element in that power. That even our European allies are prepared to question the American will and to doubt whether a divided America is capable of effective action in itself reflects a major change in the power balance.

3. *Angola and the Cuban Role.* Since our collapse in Southeast Asia,

no development has so suggested American weakness to other nations as the affair in Angola. The movement of 9500 Cuban troops to that African country elicited an American response characterized both by substantial involvement and by failure. That Cuba, situated but 90 miles from our shores, felt unconstrained in undertaking an operation 6000 miles away indicates the decline in awe of American strength. Quite obviously, despite the soothing atmosphere of détente, joint Soviet-Cuban planning for the Angolan action was under way in the warm afterglow of the Helsinki conference.

The fall of U.S. prestige is further illustrated by the Cubans' use of Guyana, in South America, as a stopping point for their aircraft moving toward Angola. The prime minister of Guyana, Forbes Burnham, achieved his position through American support. Now, however, apparently assured by Castro of Soviet backing, he has felt free to defy American policy.

Is THE American public really indifferent to the decline of American power and prestige? I do not believe so. In polls, the American people have overwhelmingly indicated that they are prepared to pay the price to maintain American power. But the public is given soothing stories which mask the underlying trends. In a democracy the political mechanism is delicately attuned to telling the public what it is believed the public wishes to hear. Historical-

ly, democracies have had a difficult time of facing up to harsh reality. This was true in the 1930s, a period with an increasing resemblance to our own time. In the face of German rearmament in the 1930s, Stanley Baldwin, the British prime minister, commented sadly: "One of the weaknesses of democracy is that until it is right up against it, it will never face the truth."

So the public is not *indifferent*: it is just *not informed*.

It should be—especially in the two areas of foreign policy and defense which are of immediate concern:

Foreign Policy. The character of America's confusing post-Vietnam foreign policy is symbolized in many ways by Angola. The specific reasons for our involvement—and for the thorough botching of the operation—may be debated. But the initial shock for other nations was that evidence of an American covert operation in Angola would be deliberately leaked. Then came the second shock, the termination by Congress of any arms support—raising serious questions whether America could effectively conduct a foreign policy. Adding to the foreign bewilderment was the vacillating reaction of the U.S. government: initial breast-beating, followed, during the SALT negotiations, by a studied downplaying of Angola as something of secondary significance.

Critics of our involvement in Vietnam ignored the clear evidence of outside communist intervention and called it a civil war. Now many of

these same critics avert their gaze from the Soviet-backed Cubans and express the pious hope that the Angolan issue can be settled indigenously. But in the world's current struggles there are no localized, insulated civil wars. Contending parties will always seek and obtain outside assistance, usually from big, friendly outsiders and increasingly from the Soviet Union. The Soviets have repeatedly insisted that *détente* does not imply an end to their support of "wars of national liberation."

The cry of "no more Vietnams" by American neo-isolationists does not mean there will be no more Vietnams. For if their viewpoint prevails, there will be many, many Vietnams successfully carried out by forces hostile to the United States.

In that somber truth lies the deeper significance of the deadlock of American policy regarding Angola.

Americans should be under no illusions that the world will remain benign if we simply leave it alone. It will become increasingly hostile. For a great power like the United States to avoid action is in itself a major policy decision. To avoid having the world become increasingly hostile to us requires a strong U.S. foreign policy. But such elemental truths are no longer the ordinary fare of political debate.

Defense Policy. Since the Vietnam peak, U.S. military spending has been reduced by some 40 percent. In the same period the Soviet effort has grown by 25 percent. Today, in crude dollar estimates, the Soviet effort ex-

THE READER'S DIGEST

ceeds the American by 45 percent. The Soviets out-produce us in all major categories of military hardware, save helicopters. The pace, the dynamism, the momentum of the Soviet effort vastly exceeds that of the United States, which has (at best) leveled off. Indeed, our military manpower and procurement already are at the lowest point since before Korea. Such trends bode ill for the future.

Time to Take Stock. Those are the simple realities. The specifics can be spelled out in disturbing detail. But the usual soothing voices urge us to ignore all this.

As a nation we are, once again, averting our gaze, burying our heads in the sand. Senators who have never failed to vote for slashes in the defense budget, who appear to favor unilateral disarmament, prate that the United States must have "military power second to none." The moment is at hand for the public to strip away this political verbiage and to examine the evidence of the actual trends.

There are also soothing voices that point to inefficiencies in our defense establishment and suggest that all could be made well through some dramatic management reform. There *are* inefficiencies in the Defense Department, as in any organization, and they should be rooted out. It is a misconception, however, to believe that required military strength will be produced through

management reforms or a meat-ax cut in defense appropriations.

If we wish to maintain military power second to none, we shall have to pay for it. Whatever the rationalization, there is no cut-rate defense.

In this Bicentennial Year it is time for a stock-taking whose outcome will determine the shape of the international order and the well-being of the American society, at least for the last quarter of the 20th century. That stock-taking must be based upon a painstaking examination of our real responsibilities and the real trends—not upon soothing political reassurances. We must recover a sense of the excitement and the significance of our history. We must forge anew a sense of national purpose. And we must not allow our vision to become clouded. Let us bear in mind the verse from *Proverbs*:

"Where there is no vision, the people perish."

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THE WHITE HOUSE

WASHINGTON

September 20, 1976

MEMORANDUM FOR RON NESSEN
FROM JIM REICHLEY
SUBJECT BROOKINGS STUDY OF DEFENSE SPENDING

Having finally concluded wading through the Brookings study on defense spending, my conclusion is that there is not much in it that is useful to us.

The report specifically criticizes the current efficiency of defense operations, and proposes some changes in the distribution of our forces. The report does call for an increase in defense spending, but concludes: "The defense budget will continue to grow slightly in real terms from year to year, though probably more slowly than GNP or than the present administration seems to envisage." (Emphasis added)

This gives some support for us against extreme budget-cutters, but probably can be made compatible with Carter's current position, which seems to be not that he would cut current spending but that he would cut the rate of increase called for by the administration. Criticism should be mainly on Carter's vagueness on the issue -- perhaps using the Brookings study as a backup document to show that the kind of cuts he formerly seemed to be calling for would endanger the nation's security. Press coverage of the Brookings report emphasized that Carter advisors were favoring increase in defense spending, and I think we should not push it too hard ourselves or they will come out with statements that Carter's program meets their recommendations. Incidentally, I think Dick Schweiker would be a good person to use to criticize Carter on defense. I would be glad to talk to Schweiker about this if you would like.

EMBARGOED FOR RELEASE
6 PM EDT October 9, 1976

OCTOBER 8, 1976

Office of the White House Press Secretary
(Lawton, Oklahoma)

THE WHITE HOUSE

STATEMENT BY THE PRESS SECRETARY

The debate on foreign and defense policy revealed a number of fundamental contradictions and inconsistencies in Mr. Carter's positions. In addition, he simply dodged a straight answer to many questions.

Therefore, we know almost nothing more about Mr. Carter's foreign policy and defense positions than we did before the debate.

Mr. Carter's rhetorical assertion of toughness toward the Soviet Union cannot be reconciled with his intention to cut the defense budget by billions of dollars, to withdraw U.S. troops from overseas, and to scrap major weapons such as the B-1 bomber.

Mr. Carter's professed wish to strengthen foreign alliances clashes with his stated views on accepting communists in European governments, withdrawal of U.S. troops and his high-handed attitude toward dealing with our allies on nuclear proliferation.

On Thursday, Mr. Carter told a group of labor leaders that he made no mistakes in the debate. That is not true. In his 18 opportunities to speak during the debate, Mr. Carter made at least 14 errors.

Attached is a detailed fact sheet listing the factual errors and misrepresentations made by Mr. Carter, either from ignorance of the facts or deliberate misstatements.

more

FACT SHEET

A compilation of statements made by Mr. Carter during the debate, and the actual facts contradicting Mr. Carter's statements:

Carter: "As a matter of fact, I have never advocated a cut of \$15 billion in our defense budget."

Facts: The Savannah Morning News on March 18, 1975, in a story by Richard Green, quoted Mr. Carter as telling the Savannah Rotary Club,

"The Federal budget...could and should be cut, especially the defense budget. Approximately \$15 billion could be cut from the defense budget and not weaken this nation's military capability..."

On March 20, 1975, the Los Angeles Times reported that Mr. Carter told a Beverly Hills news conference that "he thinks the Ford defense budget for this year could be cut by about \$15 billion without sacrificing national security."

This week, after the debate, the reporter for the Los Angeles Times confirmed that Mr. Carter had, indeed, made that comment on a \$15 billion defense budget cut.

* * * *

Carter: "Our country is not strong anymore" (page 2 of transcript). "I think militarily we are as strong as any nation on earth." (page 25).

Comment: These statements are contradictory.

* * * *

Carter: I never ever advocated a Communist government for Italy. That would be a ridiculous thing for any one to do who wanted to be President of this country."

Facts: On May 18, 1976 Mr. Carter was quoted as saying: "I believe we should support strongly the democratic forces in Italy, but still we should not close the doors to Communist leaders in Italy for friendship with us. It may be that we would be better off having an Italian Government that might be comprised at least partially of Communists tied in with the Western world rather than driven into the Soviet orbit irrevocably."

(The European Edition - Newsweek,
May 10, 1976)

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Carter: "We are not respected anymore."

Recent quotes from foreign leaders:

Prime Minister Cosgrave of Ireland

"...the ties that were forged between us (the U.S. and Ireland) in the early years have not lessened with time. On the contrary, I believe they are today stronger and firmer than ever."

March 17, 1976

President Giscard d'Estaing of France

"I do not think there has ever been a time when contacts between our two governments have been more frequent, consultation more sustained and cooperation more good-willed."

May 17, 1976

Chancellor Schmidt of the Federal Republic of Germany

"This is the third time in the past two years that I have come to the United States for talks with you, Mr. President, and I am not counting the meetings in other places. You, yourself, have made several trips to Europe, one of which was an official visit to the Federal Republic of Germany in July 1975, and I mention this because these frequent visits are a manifestation to the outside world of our mutual bonds and the closeness of our relations.

"I don't think I am exaggerating when I say that at no time during the past 30 years have the relations between our countries been closer and has been cooperation between our two governments more trustful and direct than today."

July 15, 1976

Secretary General Luns of NATO

"First of all, the situation in the United States itself, all of the allies have noted the improvement in the economic posture of the United States, which well compares to nearly all the allies. Secondly, if I may use the word, the recovery from the sense of disaffection which you felt two or three years ago in the United States and the fact that the Bicentennial was such a signal of success and this country has regained its unity of purpose.

"Then, of course, the voices which were so loud two or three years ago about withdrawing troops of the United States from Europe have become very muted indeed, and the United States' commitment to the defense of the United States and the whole Alliance on the first line in Europe has been underlined by the fact that two combat brigades have been added to the strength of the allied troops in Germany."

* * * *
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Carter: "As a matter of fact, Iran is going to get 80 F-14's before we even meet our own Air Force order for F-14's."

Facts: The Air Force has never ordered F-14's. The F-14 is is a Navy plane.

F-14 deliveries have been and are scheduled as follows:

Calendar	1974						
<u>Year</u>	<u>& prior</u>	<u>75</u>	<u>76</u>	<u>77</u>	<u>78</u>	<u>79</u>	<u>80</u>
USN	148	73	50	36	36	36	24
Iran	-	-	24	36	20	-	-

The delivery as divided between the United States and Iran meets the U.S. Navy's programmed requirements for the F-14.

* * * *

Carter: "In the case of the Helsinki agreement, it may have been a good agreement at the beginning but we failed to enforce the so-called Basket 3 part which ensures the right of people to migrate to join their families to be free to speak out."

Comment: The Helsinki Accord is not a treaty to be "enforced" upon a given date. It represents a standard of conduct against which Soviet behavior can be measured over time. Progress has been made. A recent West German-Polish Treaty provides for emigration of 125,000 ethnic Germans to West Germany from Poland.

Modest numbers of families are being reunited.

Carter: "He has been in office two years and there has been absolutely no progress made toward a new SALT agreement."

Fact: Totally wrong.

In November 1974 President Ford and General Secretary Brezhnev made a historic agreement at Vladivostok, for the first time putting a ceiling on the nuclear arms race at equal numbers of systems and MIRV's. This agreement received the strong endorsement of the U.S. Senate in May 1975.

more

Carter: "I understand that both the Department of State and the Defense Department have approved the accuracy of today's GAO Mayaguez report..."

Facts: Simply not true. The only approval given was that the report be released with no security classification.

* * * *

Carter: "Now we went into South Africa late, after Great Britain, Rhodesia...We did not go in until right before the election..."

Facts: We began discussions with African leaders on the events and trends in Africa over a year ago, first with respect to Angola and subsequently concerning the problems in Rhodesia and Namibia.

The President sent Secretary Kissinger on a formal fact-finding trip in April, 1976, at a time when many political observers noted its possible damage to the President's political standing. This was certainly not election politics.

* * * *

Carter: "During this current year we are shipping..to Saudi Arabia about \$7.5 billion worth of arms."

Facts: In FY 1976 we shipped \$429.4 million of defense articles and services to Saudi Arabia. Weapons constituted 2.2 percent of that, or \$8.4 million.

In FY 1976 we signed Solan Agreements to sell \$2.5 billion of defense articles and services to Saudi Arabia. Weapons constituted \$247 million or 10 percent. Some of these goods and services, including weapons, may have been delivered in FY 1976.

Non-weapons included such things as \$150 million for construction and \$100 million in aircraft maintenance services.

* * * *

Carter: "...during this current year we are shipping to Iran, or have contracted to ship to Iran, about \$7.5 billion worth of arms."

Facts: In FY 1976 we shipped \$1,232 billion of defense articles and services to Iran. Weapons constituted 41 percent of that, or \$509.8 million.

In FY 1976, we signed Sales Agreements to sell \$1.3 billion of defense articles and services to Iran. Weapons constituted \$419 million or 32 percent. Some of these goods and services, including weapons, may have been delivered in FY 1976.

Non-weapons sales include such things as maintenance and technical services.

more

Carter: "He has put pressure on the Congress, and I don't believe Mr. Ford would even deny this, to hold up on non-proliferation legislation until the Congress agreed for an \$8 billion program for private industry to start producing enriched uranium."

Facts: Wrong on all counts.

Far from holding up legislation, the President pressed and personally worked with members up to the closing minutes of the Congressional session for passage of constructive non-proliferation legislation.

The President's proposed legislation for enriched uranium included a proposal for expansion of Government-owned enrichment facilities.

* * * *

Carter: "...if the Arab countries ever again declare an embargo against our nation on oil, I would consider that not a military, but an economic declaration of war, and I would respond instantly and in kind."

Comment: To be effective such a counter embargo would have to be joined by the industrialized democracies. Otherwise the Arabs could go elsewhere for arms, machines, food, etc.

Assuming that were possible, is it in those countries' interest? Would the Arabs be more harmed by a loss of industrial goods and food than industrialized nations by a loss of oil?

What effect would it have in driving the Arabs back to the Soviet Union?

Needless to say, it would shatter any hope of a Middle East peace settlement.

* * * *

Carter: "Under the last Democratic Administration, 60 percent of all weapons that went into the Middle East were for Israel. Nowadays, 75 percent were for Israel before, now 60 percent go to Arab countries and this does not include Iran. If you include Iran, our present shipment of weapons to the Middle East, only 20 percent goes to Israel."

Facts: Carter is correct when he says 60 percent of all weapons (sales) that went into the Middle East were for Israel under the last Democratic Administration.

Carter is wrong when he says nowadays 60 percent goes to Arab countries. The actual figure is 39 percent in FY 74-76 weapons sales.

* * * *

Carter: "The grain deal with the Soviet Union in 1972 was terrible, and Mr. Ford made up for it with three embargoes, one against our own ally in Japan."

Comment: It is important the American farmer continue to be able to sell to foreign markets.

It is important to assure that we do not allow high surges in foreign demand to drive up the price of bread in this country.

more

To meet both aims requires a predictable market, so that farmers can plan and we can be confident of being able to meet foreign and domestic demand without price fluctuations.

We achieved this with the 5-year agreement which went into effect October 1.

It brings stability to the market by assuring the constant sale of at least 6 million metric tons of grain per year and requiring consultation before seeking to purchase above 8 million metric tons.

* * * *

Carter: "This (Chile) is a typical example maybe of many others, where this Administration overthrew a united government and helped to establish a military dictatorship."

Facts: The Chilean government was overthrown by a military coup in September, 1973, almost a year before President Ford took office. Besides not knowing his chronology, Mr. Carter is totally wrong, as confirmed by Senator Frank Church's Committee of the U.S. Senate, which found the U.S. Government was not involved in the overthrow of the Allende Government.

Mr. Carter's sinister suggestion that this government habitually overthrows other governments is unworthy of comment.

* * * *

Carter: "I have also advocated that we stop the sale by Germany and France of reprocessing plants to Pakistan and Brazil."

Facts" This brazen and unenforceable threat stands in contrast to Mr. Carter's comment that we must cooperate more clearly with our allies. In fact, President Ford is working with Germany and France and the other nuclear suppliers in a cooperative effort to resolve the reprocessing issue.

* * * *

Carter: "The Arabs have put pressure on Mr. Ford -- and he has permitted a boycott by the Arab countries of American businesses in trade with Israel who have American Jews owing or taking part in the management of American companies."

Facts: Boycott practices first took place in 1952.

No actions of any kind were taken by the Federal Government to deal with the problem until 1969.

President Ford is the first President to have analyzed the problem comprehensively and taken corrective actions.

In November of 1975, the President directed the Commerce Department and all Federal agencies to prohibit compliance with discrimination practices in foreign trade.

The Justice Department has launched the first anti-trust suit in a major boycott case.

The President on Monday, October 4, signed the tax bill, which had severe penalties against U.S. firms that participate in the boycott or discrimination.

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On Thursday, October 7, the President directed the Department of Commerce henceforth to disclose those companies that participate in the Arab boycott.

The President has worked closely with the Congress to find an acceptable legislative formula for addressing the problem.

President Ford has recognized that the ultimate solution to the Arab boycott issue is an end to the Arab-Israeli dispute. He has, therefore, moved responsibly to end discrimination against American citizens while avoiding any unilateral actions which would jeopardize the Middle East peace process.

* * * *

Carter: "One of the most embarrassing failures of the Ford Administration, ...is his refusal to appoint a Presidential Commission to go to Vietnam...Laos...Cambodia...and try to trade for the release of information about those who are missing in action..."

Comment: This is a basic disagreement over policy. To "trade" for information on our MIAs can only mean trafficking in human lives and allowing Hanoi to play on the anguish and suffering of the survivors for economic and political gain. We will not do this.

The Vietnamese have an obligation to provide a full accounting for all our missing and the President insists that they do so.

We are willing to talk and that is why a U.S. negotiator has been designated for exchanges with the Vietnamese in Paris.

* * * *

Carter: "He (Ford) and Mr. Kissinger and others tried to start a new Vietnam in Angola, and it was only the outcry of the American people and the Congress when this secret deal was disclosed that prevented our renewed involvement..."

Facts: Mr. Carter is either frighteningly uninformed or knowingly deceptive.

There was never, at any time, any thought of using U.S. forces, as was publicly stated.

Eight separate Congressional Committees were fully briefed on our Angola proposals on 24 separate occasions. More than 24 Senators, 150 Congressmen, and 100 Congressional staff members were kept informed.

U.S. efforts were designed to support majority rule in Angola. Mr. Carter implies he would acquiesce in Soviet/Cuban intervention in other countries' affairs.

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Carter: "We also need to have provided an adequate supply of enriched uranium. Mr. Ford, again, under pressure from the Atomic Energy Lobby, has insisted that this reprocessing or rather re-enrichment be done by private industry and not by the existing government plants."

Facts: Carter seems confused about whether he is talking about enrichment or reprocessing.

But he is wrong either way.

The President has requested approval from the Congress to build an addition to the government-owned Portsmouth, Ohio, plant to increase our capacity to produce enriched uranium.

* * * *

Carter: "As far as strength derived from doing what is right, caring for the poor, providing food, becoming the breadbasket of the world, instead of the arms merchant of the world, in those respects we are not strong."

Facts: By any standard of measure, we are the breadbasket of the world, both in terms of commercial sales and of food aid to the world's needy.

* * * *

Carter: "Only in the last few days with the election approaching has Mr. Ford taken any interest in a non-proliferation movement."

Facts: In the Spring of 1975, the President called the first of a series of meetings with the nuclear supplier nations, the countries whose cooperation is vital to any non-proliferation efforts. In the summer of 1974, the President ordered a comprehensive review of the entire subject in order to determine what further steps could be taken to strengthen non-proliferation policies.

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SECTION 1 OF 2
FROM OASD/PA
FOR INFORMATION AND PUBLIC AFFAIRS OFFICERS
SUBJECT: ODD NEWS BRIEFING

PART 1: ASD/PA WOODS HELD A NEWS BRIEFING AT THE
PENTAGON, THURSDAY, SEPTEMBER 2, 1976, 12:00 NOON.
TRANSCRIPT FOLLOWS:

1. TODAY WE HAVE THE SWEARING-IN CEREMONY AT 12:30
FOR ASSISTANT SECRETARY OF DEFENSE FOR COMPTROLLER FRED
WACKER; ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS,
BOB SMITH; AND STEVE HERBITS AS THE NEW SPECIAL ASSISTANT.

2. I BELIEVE YOU HAVE A BLUE TOP OF BRIGADIER GENERAL
EMMETT H. WALKER, JR., BEING NAMED DEPUTY DIRECTOR OF THE
ARMY NATIONAL GUARD.

3. ALSO, A BLUE TOP NAMING MEMBERS OF THE ARMY SPECIAL
PAGE 2 RUEKJCS 1021 UNCLAS
COMMISSION ON WEST POINT.

4. IN ADDITION, I THINK A MEMO HAS BEEN POSTED OR GIVEN
TO YOU THIS MORNING ANNOUNCING THE ARRIVAL OF THE A-10'S
IN EUROPE.

5. THE SCHEDULES HAVE BEEN POSTED AND THAT'S ALL I'VE
GOT EXCEPT FOR YOUR QUESTIONS.

Q: DID YOU TELL US ON TUESDAY, WHEN I WASN'T HERE, WHY
IT TOOK SO LONG TO ANNOUNCE THE COLLISION BETWEEN THE RUS-
SIAN SUBMARINE AND THE AMERICAN SHIP? IN ANY EVENT, I'D
SURE LIKE TO KNOW WHY THE U.S. GOVERNMENT SAT ON THAT INFOR-
MATION FOR TWO DAYS WITHOUT ANNOUNCING IT.

A: I DON'T KNOW. WE HAD SOME MECHANICAL PROBLEMS WITH IT,
I CAN TELL YOU FROM OUR END. I DID NOT ADDRESS YOUR QUESTION
EARLIER. I DON'T HAVE AN ANSWER TO IT, CHARLIE.

Q: WHY WASN'T THE ANNOUNCEMENT POSTED?

A: WHY WASN'T THE ANNOUNCEMENT POSTED? HOW DID WE ANNOUNCE
THAT?

Q: IT WAS ONE OF THESE THINGS -- A HALLWAY-TYPE THING --

*****WHSR COMMENT*****

JANKA

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HAVE YOU HEARD?

A: I BELIEVE HE POSTED THE ANNOUNCEMENT ON THAT, DIDN'T PAGE 3 RUEKJCS 1821 UNCLAS WE? HE MADE A CALL OUT ON IT, AS A MATTER OF FACT, I DIDN'T THINK HE WAITED UNTIL THE BRIEFING.

Q: CONGRESSMAN WILSON TODAY HELD A PRESS CONFERENCE ON A RATHER VAGUE REPORT, MY CHARACTERIZATION, WHICH REPORTS TO SHOW ALL SORTS OF CONFLICTS OF INTEREST BETWEEN THE STUDY PROFIT 76 AND THE SHIPBUILDING INDUSTRY. I GUESS THE NUGGET OF IT IS POINTING OUT THAT ROBERT E. MOOT HEADS UP AN ADVISORY COMMITTEE ON PROFIT 76 AND HE'S ALSO THE TREASURER OF THE FORD CAMPAIGN. WHAT IS MOOT'S STATUS NOW? DO YOU PLAN TO KEEP HIM IN THE POST AS CHAIRMAN OF THAT ADVISORY COMMITTEE ON THE STUDY TO LOOK AT PROFITS?

A: THE ADVISORY COMMITTEE WAS NAMED TO REVIEW THE RECOMMENDATIONS IN PROFIT 76 OF MAY 12. THAT ADVISORY COMMITTEE HAD PUBLIC HEARINGS FOR TWO DAYS, ON JULY 19 AND 26, AND SUBMITTED ITS REPORT IN THE FORM OF A TWO AND HALF-PAGE LETTER TO DEPUTY SECRETARY CLEMENTS ON THE 9TH OF AUGUST, AND THEN DISBANDED. IT HAS NO OTHER FUNCTION.

Q: ARE COPIES OF THAT REPORT AVAILABLE?

A: WE'LL MAKE COPIES OF THAT REPORT AVAILABLE TO YOU, SURE. THE PURPOSE OF THE COMMITTEE WAS TO LOOK AT THE RECOMMENDATIONS PAGE 4 RUEKJCS 1821 UNCLAS

MADE BY THE DEPARTMENT IN PROFIT 76 AND GIVE THEIR COMMENTS ON THAT REPORT TO THE DEPUTY SECRETARY. SO WHEN WE GIVE YOU THE LETTER, YOU'LL HAVE THE BOTTOM LINE OR THE WORK THAT THE ADVISORY COMMITTEE DID WITH REGARD TO PROFIT 76 IN TOTALITY.

Q: NOW WHAT HAPPENS ABOUT 76, WHEN, IF EVER, WILL THOSE GUIDELINES BE ADOPTED?

A: I BELIEVE THAT THE CURRENT PLAN WOULD BE FOR THOSE GUIDELINES TO BE ADOPTED IN ABOUT THE SAME TIME FRAME AS THE NEW GAO GUIDELINES GO INTO EFFECT, WHICH I BELIEVE IS OCTOBER 1.

Q: CONGRESSMAN WILSON RECOMMENDED THAT THE ADOPTION OF THE GUIDELINES BE HELD OFF UNTIL A NEW ADMINISTRATION IS IN OR UNTIL THE PRESENT ADMINISTRATION IS BACK IN, SOMETIME AFTER NEXT JANUARY 20. IS THERE ANY COMMENT ON THAT?

A: NO, RIGHT NOW I THINK WE PROBABLY PLAN TO GO AHEAD WITH THE GUIDELINES AS THEY'VE BEEN WRITTEN. AT THE PUBLIC HEARING THAT OCCURRED AND TESTIFYING WITH THE COMMITTEE PRESENT WAS THE GOVERNMENT ACCOUNTING OFFICE; PEOPLE FROM SENATOR PROXHIRE'S STAFF; MINORITY COUNCIL ON THE JOINT COMMITTEE ON DEFENSE PRODUCTION; PEOPLE FROM THE OFFICE OF FEDERAL PROCUREMENT POLICY; PEOPLE FROM CORPORATIONS; PEOPLE FROM AUDITING FIRMS, AND PAGE 5 RUEKJCS 1821 UNCLAS

IT'S MY UNDERSTANDING, ALTHOUGH I WOULDN'T WISH TO CHARACTERIZE THE OPINIONS OR THE VIEWS OF ANOTHER GOVERNMENT AGENCY, IT IS MY UNDERSTANDING THAT, GENERALLY SPEAKING IN THE BROADEST SENSE, THE GAO HAS NO PROBLEM WITH THESE GUIDELINES AND ENDORSES THEM.



NOW I ASK YOU TO GO CHECK GAO ON THAT. I DON'T WANT TO CHARACTERIZE, AS I SAID, ANOTHER GOVERNMENT AGENCY'S RESPONSE AND I HAVE NOT TALKED TO THOSE PEOPLE ABOUT IT THIS MORNING. I HAVE ONLY TALKED TO THE STAFF PEOPLE HERE IN THE BUILDING THAT HAVE WORKED ON THE PROFIT 76 OPERATION.

Q: CONGRESSMAN WILSON SAID THE GUIDELINES WOULD TEND TO INCREASE PROFIT MARGINS BY ONE OR TWO PERCENT; IS THAT A FAIR CHARACTERIZATION?

A: I DON'T BELIEVE IT IS. I THINK WHAT IT DOES IS IT CHANGES THE BASIS ON WHICH PROFIT IS FIGURED. MY UNDERSTANDING IS, AND YOU'RE GETTING ME IN AN AREA THAT I'M NOT TOTALLY COMPETENT, BUT I'LL TRY TO SAY THIS, THAT IT'S AN AREA IN WHICH PROFIT WILL BE SHIFTED TOWARD COMPANIES WHO ARE MAKING CAPITAL INVESTMENT, AND WILL BE FIGURED ON THE BASIS OF CAPITAL INVESTMENT TO A GREATER DEGREE THAN ON SALES, PER SE.

Q: IN OTHER WORDS, THIS WOULD PUT CHRYSLER IN A BAD FIX AS PAGE 6 RUEKJCS 1021, UNCLAS CHARGED RECENTLY BY . . .

A: I COULDN'T TELL YOU WHAT COMPANIES WOULD BENEFIT OR NOT BENEFIT FROM THAT, BECAUSE I DON'T KNOW.

Q: DOES THIS ONLY INVOLVE SHIPS AT THIS POINT, OR WOULD THIS BE A GUIDELINE FOR OTHER DEFENSE INDUSTRIES.

A: MY UNDERSTANDING IS THAT IT'S BROAD IN RANGE, IT'S NOT LIMITED.

Q: THIS REPORT BY WILSON QUOTES AN AIDE TO MR. CLEMENTS AS SAYING THAT HE MADE A MISTAKE WHEN HE APPOINTED MOOT TO THE ADVISORY COMMITTEE. IS THAT IN FACT AN ACCURATE STATEMENT?

A: I THINK THAT MR. CLEMENTS FEELS THAT HE WAS IN ERROR AT APPOINTING MOOT AT THAT TIME ALTHOUGH THE RECOMMENDATION CAME TO SECRETARY CLEMENTS FROM THE STAFF AND HE JUST TOOK THE STAFF RECOMMENDATION AND HE SAID I JUST FRANKLY DIDN'T THINK ABOUT THE FACT THAT BOB MOOT WAS AT THE COMMITTEE. THE POINT IN FACT IS THAT BOB MOOT HAD BEEN COMPTROLLER AND WORKED IN THE DEPARTMENT OF DEFENSE IN A DISTINGUISHED MANNER FOR A NUMBER OF YEARS AND IS WELL KNOWN FOR HIS EXPERTISE IN THIS AREA. I MIGHT ADD THAT THE OTHER MEMBERS OF THIS ADVISORY COMMITTEE, WHO MIGHT BE OF INTEREST TO YOU, WERE HERB STEIN, AN ECONOMIST FROM THE UNIVERSITY OF



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SECTION 2 OF 2
VIRGINIA) HERMAN W. BEVIS, WHO IS A SENIOR PARTNER IN PRICE-
WATERHOUSE; RONALD FOX, A FORMER ASSISTANT SECRETARY OF THE
ARMY FOR ISL, AND ALSO A FORMER DEPUTY ASSISTANT SECRETARY
OF THE AIR FORCE, AND RONALD G. ROSS, SENIOR VICE PRESIDENT OF
THE BANK OF AMERICA, WERE THE OTHER MEMBERS OF THE TASK FORCE.

Q: (INAUDIBLE) SOMETHING OF A POINT THAT THE BANK OF AMERICA
BEING A CHIEF MONEY LENDER AND A CHIEF CREDITOR TO THE SHIP-
BUILDING INDUSTRY AND THEREFORE ANOTHER CONFLICT OF INTEREST
ACCORDING TO CONGRESSMAN WILSON.

A: I CAN'T ADDRESS THAT. I HAVE NOT SEEN CONGRESSMAN WILSON'S
RELEASE; ALL I'VE SEEN AT THIS POINT IS WHAT HAS RUN ON THE WIRE.

Q: WOULD YOU LIKE TO SEE IT?

A: YES, BUT IT'S NOT GOING TO HELP ME WHEN I'M STANDING UP
HERE.

PAGE 2 RUEKJCS 1022 UNCLAS

Q: HE ALSO CALLS FOR THE RESIGNATION OF SECRETARY CLEMENTS.
HAVE YOU ASKED THE SECRETARY IF HE HAS ANY PLANS TO DO SO?

A: I HAVE NOT ASKED THE SECRETARY THAT QUESTION DIRECTLY,
BUT I DON'T BELIEVE THE SECRETARY HAS ANY PLANS TO RESIGN AT
THIS POINT.

Q: COULD WE GET A RUNDOWN OF WHAT THE DEFENSE BUDGET LOOKS
LIKE NOW AS AFTER THE PASSAGE OF THE VARIOUS APPROPRIATIONS?

A: SURE. LET ME MAKE SURE, DOES ANYONE ELSE HAVE ANY MORE
QUESTIONS ON THE PROFIT 76 MATTER BEFORE I SHIFT MY MENTAL
GEARS?

Q: HAVE YOU GOT SOME MORE ANSWERS LINED UP?

A: NO, I DO NOT REALLY HAVE ANY MORE ANSWERS. I RAN AROUND
AND GOT ALL THE ANSWERS I COULD GET BEFORE I CAME IN HERE THIS
MORNING. LET ME SAY ONE THING AND THAT IS THAT I THINK IT IS
GENERALLY ACKNOWLEDGED THROUGHOUT THE FEDERAL ESTABLISHMENT
THAT THE EFFORTS OF THE DEPARTMENT WITH REGARD TO PROFIT 76
ARE A STRONG STEP FORWARD IN A WAY WE DO OUR BUSINESS HERE AND
I MUST SAY THAT THE DEPARTMENT, I DON'T BELIEVE, FEELS ANY

***** W H S R C O M M E N T *****

JANKA

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REASON THAT IT SHOULD BE DEFENSIVE IN ANY WAY OF THE ACTIVITIES THAT WERE UNDERTAKEN IN THAT EFFORT AS FAR AS THE SUBSTANCE OF PAGE 3 RUEKJCS 1022 UNCLAS PROFIT 76 IS CONCERNED.

Q: YOU MENTIONED PROXMIER'S PEOPLE AND THE MINORITY STAFF OF THE JOINT COMMITTEE ON DEFENSE PRODUCTION, ETC., THEY WERE AT THE OPEN MEETING THAT WAS HELD, WHEN WAS IT, IN JUNE OR JULY?

A: JULY 19 AND 20, AND THE ADVISORY COMMITTEE OPERATED UNDER THOSE RULES OF THE FEDERAL ADVISORY ACT AND ALL THAT SORT OF THING, AND THOSE PEOPLE WERE PRESENT. I GATHER THAT, ALTHOUGH I HAVE NOT HAD AN OPPORTUNITY TO CHECK THIS, THAT THIS LETTER CAME DIRECTLY OUT OF THAT MEETING, THAT THESE TWO DAYS WERE THE ONLY MEETINGS OF THAT COMMITTEE, THEY DID ALL THEIR WORK IN THOSE TWO DAYS AND PROBABLY CIRCULATED THE LETTER AMONG THEMSELVES FOR COMMENT AND SIGNATURE AND SENT TO THE SECRETARY ON AUGUST 9.

Q: I'D LIKE TO GET A RUNDOWN ON THE EFFECTS OF THE APPROPRIATIONS VOTED BY CONGRESS ON THE BUDGET AS IT NOW STANDS, THERE'S SOME CONFUSION AS TO EXACTLY WHERE IT STANDS AS TO THE TOTAL AMOUNTS INVOLVED AND SO ON.

A: WE HAVE NOT SEEN HERE, I GUESS THE FINALL CONFERENCE REPORT HAS NOT BEEN FILED SO I CAN'T ADDRESS YOUR QUESTION IN VERY SPECIFIC TERMS BECAUSE WE HAVEN'T SEEN THE CONFERENCE REPORT ITSELF. THE SECRETARY OF DEFENSE ADDRESSED THE GENERAL PROBLEM WITH

PAGE 4 RUEKJCS 1022 UNCLAS
THE APPROPRIATION LEVELS IN HIS LAST NEWS CONFERENCE HERE AND THE PRESIDENT HAS RECENTLY SENT TO CONGRESS THE SUPPLEMENTAL REQUESTING ADDITINAL FUNDING FOR SEVERAL ITEMS IN THE DEFENSE BUDGET. I DON'T BELIEVE, FROM ANY OF THE NEWS REPORTS THAT I'VE SEEN ON THIS MATTER, THAT THE ITEMS SENT UP IN THE SUPPLEMENTAL ARE GENERALLY INCLUDED IN THIS, AND I THINK THE DEPARTMENT HOPES THAT THE CONGRESS WILL ACT ON THE ITEMS SENT UP PREVIOUSLY IN THE SUPPLEMENTAL. AT THIS TIME THAT WOULD BE THE ONLY GENERAL THING I COULD REALLY SAY ABOUT IT.

Q: WELL, AT THE APPROPRIATE TIME, WHEN CONGRESS IS FINALLY THROUGH, PERHAPS YOU CAN GET A RUNDOWN ON WHERE WE STAND AT THE END OF THIS SESSION BECAUSE THERE ARE SOME ELEMENTS THAT I'VE LOST TRACK OF IN THE PROCESS.

A: DO YOU HAVE ANYTHING SPECIFIC IN MIND, BECAUSE SOME OF THE NEWS REPORTS HAVE BEEN VARIOUSLY SPECIFIC AND VAGUE?

Q: IT'S TRUE, AS FAR AS I KNOW, WE HAVE THIS BILL, BUT THEN OTHER APPROPRIATION LEGISLATION THAT'S APPLICABLE, AND I'D LIKE TO AT THE END OF IT ALL JUST GET WHAT YOU PROPOSED AND WHAT YOU FINALLY GOT FROM CONGRESS.

A: OK, YES, AN ACCOUNTING ESSENTIALLY.

PAGE 5 RUEKJCS 1022 UNCLAS

Q: RIGHT.

A: AND OF COURSE THERE ARE MATTERS THAT REMAIN IN FRONT OF THE CONGRESS. I UNDERSTAND THAT YESTERDAY THE HOUSE SHIP-BUILDING SUB-COMMITTEE REPORTED OUT A BILL THAT RELATED TO



THE PRESIDENT'S SUPPLEMENTAL.

Q: THERE ALSO SEEMS TO BE SOME DISCREPANCY WHICH I HAVE NOT BEEN ABLE TO CLEAR UP. IN MR. ELLSWORTH'S SPEECH THE OTHER DAY HE TALKS ABOUT TOTAL BUDGET REQUEST OF \$116.3 BILLION AND YOU USE A PREVIOUS FIGURE WHICH, I THINK, SHOWED A \$1.4 BILLION INCREASE ASKED FOR BY THE PRESIDENT IN THE SUPPLEMENTAL. OTHER REPORTS REFER TO IT AS \$2.4 BILLION INCREASE.

Q: I THINK THE PROBLEM YOU HAVE THERE IS THE ONE THAT THE SECRETARY DISCUSSED IN THAT NEWS CONFERENCE WHICH IS DEPENDING ON HOW YOU COUNT THE BEANS, YOU HAVE A THREE TO A FIVE BILLION DOLLAR DIFFERENCE OR GAP BETWEEN WHAT THE DEPARTMENT REQUESTED WHAT IT APPEARED WAS COMING OUT OF THE CONGRESS AT THAT TIME. THE SUPPLEMENTAL HAS SINCE GONE UP AND SO THAT THE NUMBERS WOULD CHANGE IN THAT SAME THING, BUT THE PROBLEM IS THAT IT'S A MATTER OF HOW YOU WISH TO COUNT IT.

A: I THINK IT'S BASED ON THE WAY THAT SECRETARY ELLSWORTH PAGE 8 RUEKJCS 1022 UNCLAS WAS COUNTING AT THE TIME, THE THINGS THAT HE WAS INCLUDING IN AND OUT, I WOULDN'T WANT TO CHARACTERIZE THE FIGURE AS BEING OFFICIAL, BECAUSE YOU HAVE TO DEFINE, YOU KNOW, WHAT'S IN AND WHAT'S OUT WHEN YOU REALLY DO THAT.

Q: DOES THE ODD HAVE A RESPONSE TO THE SOUTH KOREAN AMBASSADOR TO THE U.S. SUGGESTING THAT A BLOCKADE WOULD BE A GOOD WAY TO TEACH THE NORTH KOREANS A LESSON?

A: I HAD NOT SEEN THAT REPORT AND I THINK PROBABLY THE STATE DEPARTMENT WOULD BE MORE APPROPRIATE PLACE TO RESPOND.

Q: IS THE SITUATION THE SAME IN SOUTH KOREA? IS THE MIDWAY TASK FORCE STILL AT SEA IN THE WESTERN PACIFIC?

A: THE MIDWAY IS STILL AT SEA IN THE WESTERN PACIFIC AND THE F-4S AND F-111S ARE STILL IN SOUTH KOREA AND THE GENERAL ALERT LEVEL HAS NOT CHANGED.

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THE PRESIDENT'S SUPPLEMENTAL.

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A: I THINK IT'S BASED ON THE WAY THAT SECRETARY ELLSWORTH PAGE 6 RUEKJCS 1022 UNCLAS WAS COUNTING AT THE TIME, THE THINGS THAT HE WAS INCLUDING IN AND OUT, I WOULDN'T WANT TO CHARACTERIZE THE FIGURE AS BEING OFFICIAL, BECAUSE YOU HAVE TO DEFINE, YOU KNOW, WHAT'S IN AND WHAT'S OUT WHEN YOU REALLY DO THAT.

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A: THE HIGHWAY IS STILL AT SEA IN THE WESTERN PACIFIC AND THE F-48 AND F-111S ARE STILL IN SOUTH KOREA AND THE GENERAL ALERT LEVEL HAS NOT CHANGED.

BT

