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91st Congress }
2d Session }

COMMITTEE PRINT

THE NATIONAL SECURITY COUNCIL

COMMENT BY HENRY A. KISSINGER
March 3, 1970

SUBMITTED BY THE
SUBCOMMITTEE ON NATIONAL SECURITY AND
INTERNATIONAL OPERATIONS
(Pursuant to S. Res. 311, 91st Cong.)

TO THE
COMMITTEE ON GOVERNMENT OPERATIONS
UNITED STATES SENATE



Printed for the use of the Committee on Government Operations

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1970

41-631



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FOREWORD

In its study of the effectiveness of this country's national security methods, staffing and procedures, the subcommittee has a continuing interest in the National Security Council.

On October 30, 1969, I wrote to Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs, saying I would welcome a memorandum or letter from him describing the current approach to the NSC and its use in Presidential decision-making, which could be published in the record of the subcommittee.

The purpose of this publication is to make generally available the text of Dr. Kissinger's reply of March 3, 1970.

HENRY M. JACKSON,
*Chairman, Subcommittee on National Security
and International Operations.*

MARCH 4, 1970.

III



LETTER TO SENATOR HENRY M. JACKSON CONCERN-
ING THE NATIONAL SECURITY COUNCIL FROM HENRY
A. KISSINGER, ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS

THE WHITE HOUSE,
Washington, March 3, 1970.

HON. HENRY M. JACKSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: In your letter of October 30, 1969, you asked me for "a memorandum or letter . . . describing the current approach to the NSC and its use in Presidential decision-making."

I have given your request the most careful consideration, and I am happy to comply. No student of policymaking could fail to appreciate the enormous contribution which you and your subcommittee have made to the body of learning on this subject. I hope I can be of assistance.

Enclosed is a copy of the section of the President's Report to the Congress on United States Foreign Policy which discusses the National Security Council system. The President intended this section of the Report to be a clear description of how the NSC system works and, more importantly, of what its purposes are. We prepared it with your request in mind. I believe it is a suitable document for your subcommittee to add to the body of literature on the subject of national security policymaking.

Perhaps I can add some background on our new NSC system which places it in historical perspective.

A staff report issued by your subcommittee nine years ago pointed out that "each successive President has great latitude in deciding how he will employ the Council to meet his particular needs. He can use the Council as little, or as much, as he wishes. He is solely responsible for determining what policy matters will be handled within the Council framework, and how they will be handled."* President Nixon's decisions as to the new role and structure of the NSC were influenced by his direct experience with the NSC machinery as it was used during the Eisenhower Administration, and also by the accumulated national experience of a variety of approaches to the utilization of the NSC machinery.

During the period of transition between election and inauguration, the President-elect devoted considerable attention to devising a system and procedure that would be efficient, effective, and suited to his own style of leadership. As a result, President Nixon announced at the outset of his Administration that the National Security Council and the NSC system would be the central machinery in the process

*"The National Security Council," A Staff Report of the Subcommittee, December 12, 1960, in *Organizing for National Security*, Inquiry of the Subcommittee on National Policy Machinery, Committee on Government Operations, U.S. Senate, Vol. 3, p. 31 (1961).



of policymaking for national security. As the White House announced on February 7, 1969, "The President . . . indicated that the Council will henceforth be the principal forum for the consideration of policy issues on which he is required to make decisions."

It is not, of course, the NSC which makes decisions. The *President* makes decisions, in accordance with his Constitutional responsibility, and the NSC remains an advisory body as conceived by the 1947 National Security Act. Nor does the President necessarily make his decisions in the NSC meetings; rather, this is usually done after further private deliberation, subsequent to NSC consideration of the issues. The NSC is a forum for discussion, in which the interested departments and agencies of the U.S. Government are asked by the President to state issues, present alternatives, and discuss implications, in order that the President may elicit and receive the advice he requires.

The chapter from the President's Foreign Policy Report indicates the purposes which the new NSC system is meant to serve. We recognize, of course, that no institutional arrangement can guarantee that these objectives will all be realized. Nor can we claim that the structure and procedures we have devised are the only way to go about the business of policymaking. But the orderly and regularized procedures which the NSC system provides have advantages which President Nixon prefers to exploit.

The more ad hoc approach of the 1960's often ran the risk that relevant points of view were not heard, that systematic treatment of issues did not take place at the highest level, or that the bureaucracies were not fully informed as to what had been decided and why. Flexible procedures used in place of NSC meetings can enjoy the advantages which come with informality—speed, frankness, convenience, and so forth—but they may also suffer from the lack of fixed agenda, methodical preparation, and systematic promulgation or explanation of decisions. Of course, there is nothing to preclude a President from supplementing formal with informal machinery—as indeed has frequently been the case in this Administration.

President Nixon prefers to make use of the NSC and the NSC system, with occasional recourse to less structured groups. Almost all major issues are now treated within the framework of the NSC system. The Council meets regularly, usually once a week, and its agenda specifies for discussion a problem which has been through the process of review in the NSC system. In most cases, Presidential decisions follow in writing.

At the same time, we have tried to avoid some of the problems of the NSC system of the 1950's. One such problem was that the papers which came to the President from the NSC system, and the decision papers based upon them, were often not specific enough to provide effective guidance to the bureaucracy. Incoming papers often reflected compromises reached among agencies at a lower level. The machinery gave too much emphasis to interdepartmental consensus and too little to the presentation of distinct points of view and distinct policy alternatives.

As the chapter from the Foreign Policy Report makes clear, President Nixon wanted a system which provided him with analytical papers focusing on issues for decision and on clear policy alternatives. The system of supporting subcommittees which the President set up is intended to present distinct options, together with their pros and

cons and implications and costs, rather than a single policy recommendation founded on bureaucratic consensus. We thus try to identify the real issues for Presidential decision instead of burying them in "agreed language." Formal agency positions are taken only at the level of the Council itself, and are argued out in front of the President. In focusing on the issues, we try to ask first the crucial policy question of where we want to go. We formulate the alternative answers to this question, and the President's decision then guides our inquiry into the operational issues.

Finally, we have sought to avoid some of the problems of the formality of the NSC system of the 1950's, by introducing some flexibility as to the channel through which a subject travels to presentation to the Council. The Foreign Policy Report identifies some of the special groups and channels in the new NSC system, and indicates that they serve the same purposes that the regular groups and channels serve: systematic review and analysis, bringing together all the departments and agencies concerned.

There are inevitable kinks in the system, and we will continue to be flexible in order to iron them out. Further experience will no doubt give us a better perspective on how well the system is working. Further modifications will no doubt be made.

As the chapter from the President's Report concludes, there is no textbook prescription for organizing the system and staff for national security policymaking. The only basic rule is that the structure be suited to the wishes and style of the President. As your subcommittee's staff report of 1960 pointed out, the National Security Council is "the President's instrument," and it "exists only to serve the President."*

Warmest regards,

HENRY A. KISSINGER.

Enclosure.

The National Security Council System **

If we were to establish a new foreign policy for the era to come, we had to begin with a basic restructuring of the process by which policy is made.

Our fresh purposes demanded new methods of planning and a more rigorous and systematic process of policymaking. We required a system which would summon and gather the best ideas, the best analyses and the best information available to the government and the nation.

Efficient procedure does not insure wisdom in the substance of policy. But given the complexity of contemporary choices, adequate procedures are an indispensable component of the act of judgment. I have long believed that the most pressing issues are not necessarily the most fundamental ones; we know that an effective American policy requires clarity of purpose for the future as well as a procedure for dealing with the present. We do not want to exhaust ourselves managing crises; our basic goal is to shape the future.

At the outset, therefore, I directed that the National Security Council be reestablished as the principal forum for Presidential consideration of foreign policy issues. The revitalized Council—composed

*Ibid, p. 38.

**From the President's Report to the Congress on United States Foreign Policy, February 18, 1970.

by statute of the President, the Vice President, the Secretaries of State and Defense, and the Director of the Office of Emergency Preparedness—and its new system of supporting groups are designed to respond to the requirements of leadership in the 1970's:

- Our policy must be *creative*: foreign policy must mean more than reacting to emergencies; we must fashion a new and positive vision of a peaceful world, and design new policies to achieve it.
- Our policymaking must be *systematic*: our actions must be the products of thorough analysis, forward planning, and deliberate decision. We must master problems before they master us.
- We must know the *facts*: intelligent discussions in the National Security Council and wise decisions require the most reliable information available. Disputes in the government have been caused too often by an incomplete awareness or understanding of the facts.
- We must know the *alternatives*: we must know what our real options are and not simply what compromise has found bureaucratic acceptance. Every view and every alternative must have a fair hearing. Presidential leadership is not the same as ratifying bureaucratic consensus.
- We must be prepared if *crises* occur: we must anticipate crises where possible. If they cannot be prevented, we must plan for dealing with them. All the elements of emergency action, political as well as military, must be related to each other.
- Finally, we must have effective *implementation*: it does little good to plan intelligently and imaginatively if our decisions are not well carried out.

Creativity: Above all, a foreign policy for the 1970's demands imaginative thought. In a world of onrushing change, we can no longer rest content with familiar ideas or assume that the future will be a projection of the present. If we are to meet both the peril and the opportunity of change, we require a clear and positive vision of the world we seek—and of America's contribution to bringing it about.

As modern bureaucracy has grown, the understanding of change and the formulation of new purposes have become more difficult. Like men, governments find old ways hard to change and new paths difficult to discover.

The mandate I have given to the National Security Council system, and the overriding objective of every policy review undertaken, is to clarify our view of where we want to be in the next three to five years. Only then can we ask, and answer, the question of how to proceed.

In central areas of policy, we have arranged our procedure of policymaking so as to address the broader questions of long-term objectives first; we define our purposes, and then address the specific operational issues. In this manner, for example, the NSC first addressed the basic questions of the rationale and doctrine of our strategic posture, and then considered—in the light of new criteria of strategic sufficiency—

our specific weapons programs and our specific policy for the negotiations on strategic arms limitation. We determined that our relationship with Japan for the 1970's and beyond had to be founded on our mutual and increasingly collaborative concern for peace and security in the Far East; we then addressed the issue of Okinawa's status in the light of this fundamental objective.

Systematic Planning: American foreign policy must not be merely the result of a series of piecemeal tactical decisions forced by the pressures of events. If our policy is to embody a coherent vision of the world and a rational conception of America's interests, our specific actions must be the products of rational and deliberate choice. We need a system which forces consideration of problems before they become emergencies, which enables us to make our basic determinations of purpose before being pressed by events, and to mesh policies.

The National Security Council itself met 37 times in 1969, and considered over a score of different major problems of national security. Each Council meeting was the culmination of an interagency process of systematic and comprehensive review.

This is how the process works: I assign an issue to an Interdepartmental Group—chaired by an Assistant Secretary of State—for intensive study, asking it to formulate the policy choices and to analyze the pros and cons of the different courses of action. This group's report is examined by an interagency Review Group of senior officials—chaired by the Assistant to the President for National Security Affairs—to insure that the issues, options, and views are presented fully and fairly. The paper is then presented to me and the full National Security Council.

Some topics requiring specialized knowledge are handled through different channels before reaching the National Security Council. But the purpose is the same—systematic review and analysis, bringing together all the agencies concerned:

- The major issues of defense policy are treated in systematic and integrated fashion by the NSC Defense Program Review Committee. This group reviews at the Under Secretary level the major defense policy and program issues which have strategic, political, diplomatic, and economic implications in relation to overall national priorities.
- Through other NSC interagency groups, the United States Government has undertaken its first substantial effort to review all its resource programs within certain countries on a systematic and integrated basis, instead of haphazardly and piecemeal.

Determination of the Facts: Intelligent discussions and decisions at the highest level demand the fullest possible information. Too often in the past, the process of policymaking has been impaired or distorted by incomplete information, and by disputes in the government which resulted from the lack of a common appreciation of the facts. It is an essential function of the NSC system, therefore, to bring together all the agencies of the government concerned with foreign affairs to elicit, assess, and present to me and the Council all the pertinent knowledge available.



Normally NSC Interdepartmental Groups are assigned this task. But other interagency groups perform this function for certain special topics. For example:

- The Verification Panel was formed to gather the essential facts relating to a number of important issues of strategic arms limitation, such as Soviet strategic capabilities, and our potential means of verifying compliance with various possible agreements. This Panel was designed not to induce agreement on policy views, but to establish as firmly as possible the *data* on which to base policy discussions. It helped to resolve many major policy differences which might otherwise have been intractable. As the section on Arms Control in this report explains in detail, the Panel played a central part in making our preparation for the Strategic Arms Limitation Talks with the Soviet Union the most thorough in which the U.S. Government has ever engaged.
- The Vietnam Special Studies Group (VSSG) gathers and presents to the highest levels of the United States Government the fullest and most up-to-date information on trends and conditions in the countryside in Vietnam. This group is of key assistance in our major and sustained effort to understand the factors which will determine the course of Vietnamization.

Full Range of Options: I do not believe that Presidential leadership consists merely in ratifying a consensus reached among departments and agencies. The President bears the Constitutional responsibility of making the judgments and decisions that form our policy.

The new NSC system is designed to make certain that clear policy choices reach the top, so that the various positions can be fully debated in the meeting of the Council. Differences of view are identified and defended, rather than muted or buried. I refuse to be confronted with a bureaucratic consensus that leaves me no options but acceptance or rejection, and that gives me no way of knowing what alternatives exist.

The NSC system also insures that all agencies and departments receive a fair hearing before I make my decisions. All Departments concerned with a problem participate on the groups that draft and review the policy papers. They know that their positions and arguments will reach the Council without dilution, along with the other alternatives. Council meetings are not rubber-stamp sessions. And as my decisions are reached they are circulated in writing, so that all departments concerned are fully informed of our policy, and so that implementation can be monitored.

Crisis Planning: Some events in the world over which we have little control may produce crises that we cannot prevent, even though our systemized study forewarns us of their possibility. But we can be the masters of events when crises occur, to the extent that we are able to prepare ourselves in advance.

For this purpose, we created within the NSC system a special senior panel known as the Washington Special Actions Group (WSAG). This group drafts contingency plans for possible crises, integrating the political and military requirements of crisis action. The action responsibilities of the departments of the Government are planned in detail,



and specific responsibilities assigned in an agreed time sequence in advance. While no one can anticipate exactly the timing and course of a possible crisis, the WSAG's planning helps insure that we have asked the right questions in advance, and thought through the implications of various responses.

Policy Implementation: The variety and complexity of foreign policy issues in today's world places an enormous premium on the effective implementation of policy. Just as our policies are shaped and our programs formed through a constant process of interagency discussion and debate within the NSC framework, so the implementation of our major policies needs review and coordination on a continuing basis. This is done by an interdepartmental committee at the Under Secretary level chaired by the Under Secretary of State.

Conclusions

There is no textbook prescription for organizing the machinery of policymaking, and no procedural formula for making wise decisions. The policies of this Administration will be judged on their results, not on how methodically they were made.

The NSC system is meant to help us address the fundamental issues, clarify our basic purposes, examine all alternatives, and plan intelligent actions. It is meant to promote the thoroughness and deliberation which are essential for an effective American foreign policy. It gives us the means to bring to bear the best foresight and insight of which the nation is capable.

○



THE WHITE HOUSE
WASHINGTON

Clements





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

APR 21 1975

W. P. Clements
MS
WJ
check
WSE

Honorable James M. Cannon
Executive Director
Domestic Council
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. Cannon:

This will confirm an invitation to you to meet with me and some of my staff at 2:00 p. m. on Monday, 5 May 1975, in Room 3E928, the Pentagon. (I suggest you enter the Pentagon at the River Entrance and take the escalator up one flight to the third floor.)

I would like to discuss with you and a few other specially qualified individuals, a proposed "Year 2000 Study." As you know, there have been a number of forward looking studies undertaken in the past decade, some more useful than others. I want to make sure that we benefit from the experience of other research efforts in designing this study project and your prior association with the "Commission on Critical Choices" should be most helpful in this regard.

More specifically, I would welcome your views on: (1) alternative approaches, considering the advantages and disadvantages of each; (2) the pitfalls inherent in such a study and what to avoid based on your experience; and (3) the sort of person who should be sought to direct such a study.

I appreciate your willingness to join us in these discussions and look forward to receiving your views.

Sincerely,

W. P. Clements
W. P. Clements, Jr.



File

FY 77 DEFENSE BUDGET
PERSPECTIVES

DONALD RUMSFELD
SECRETARY OF DEFENSE
20 FEBRUARY 1976



INTRODUCTION

BY MAY 15, 1976, THE CONGRESS WILL HAVE MADE TWO OF THE MOST IMPORTANT DECISIONS IT WILL MAKE ALL YEAR ... THE LEVEL OF TOTAL FEDERAL SPENDING, AND THE AMOUNT OF THAT TOTAL WHICH WILL GO TO THE DEPARTMENT OF DEFENSE.

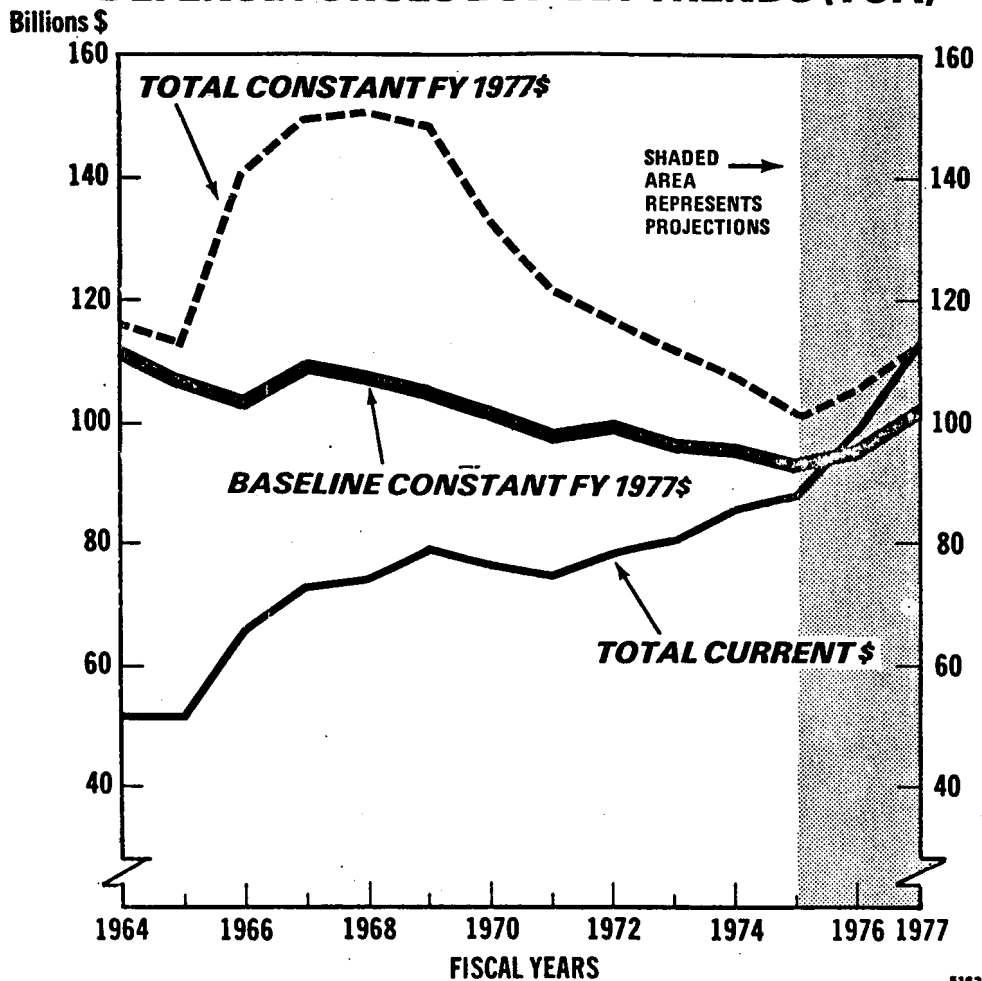
THERE IS CONSENSUS THAT U.S. MILITARY CAPABILITY AND STRENGTH CAN TODAY BE DESCRIBED AS SUFFICIENT ... THAT IS, WE HAVE "ROUGH EQUIVALENCE" TO THE SOVIET UNION, WHICH IS OUR POLICY.

HOWEVER, THE TRENDS OF THE PAST 5-10 YEARS ARE ADVERSE AS FAR AS THE MILITARY BALANCE IS CONCERNED. NO SINGLE CHART OR STATISTIC TELLS THE STORY -- BUT A SWEEPING LOOK AT RESOURCES, PROCUREMENT AND R&D EFFORTS, EQUIPMENT CONSTRUCTION RATES, FORCE LEVEL CHANGES, AND SHIFTS IN RELATIVE CAPABILITY MAKES IT CLEAR. A COLLECTION OF SUCH GRAPHICS IS PRESENTED HERE, ALONG WITH APPROPRIATE EXPLANATIONS AND CAVEATS.

THE CLEAR CONCLUSION IS THAT THE U.S. MUST ACT NOW TO ARREST THE ADVERSE TRENDS BY PROVIDING REAL INCREASES FOR DEFENSE UNLESS WE ARE WILLING TO ALTER OUR POLICY OF MAINTAINING ROUGH EQUIVALENCE. THE AMERICAN PEOPLE ARE NOT LIKELY TO ACCEPT A POLICY OF INFERIORITY.



DEFENSE FORCES BUDGET TRENDS (TOA)



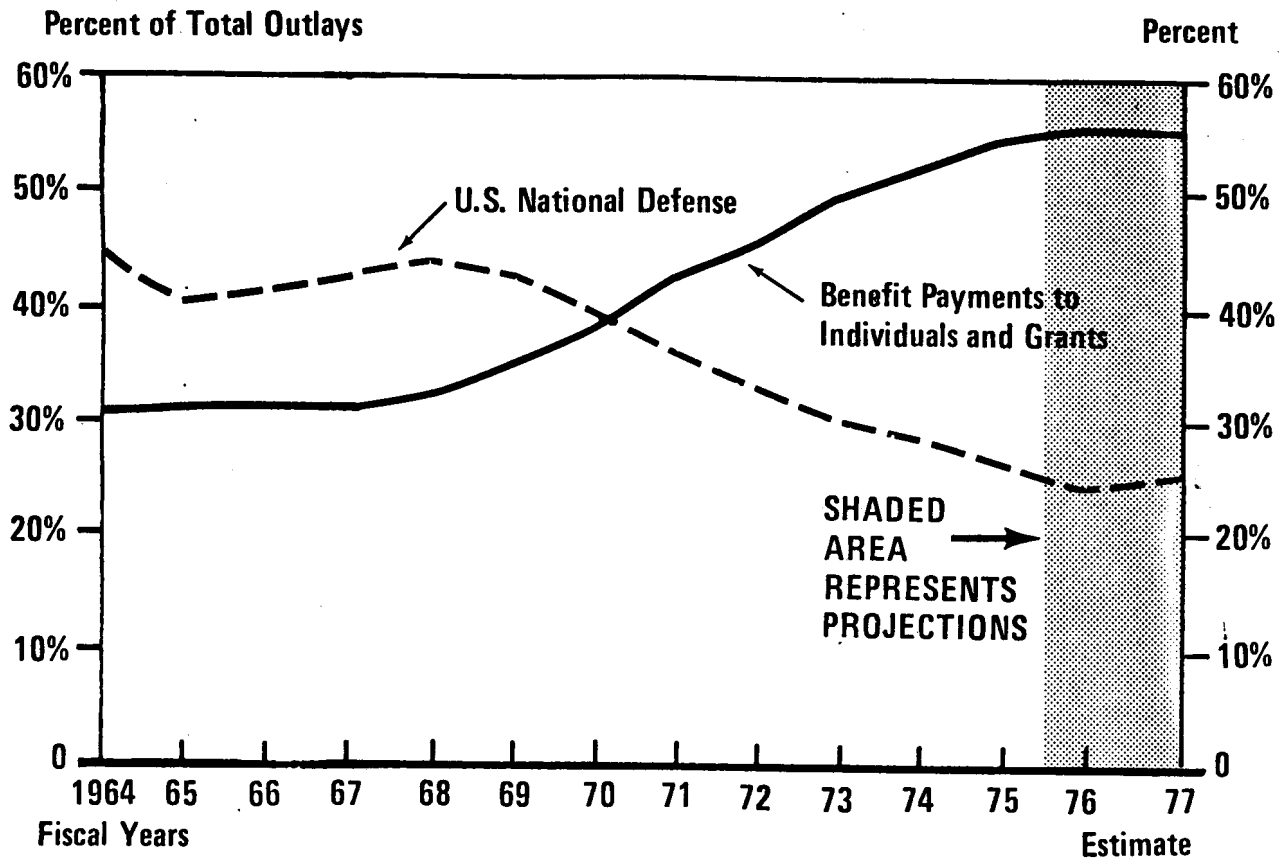
U.S. DEFENSE BUDGET TRENDS

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



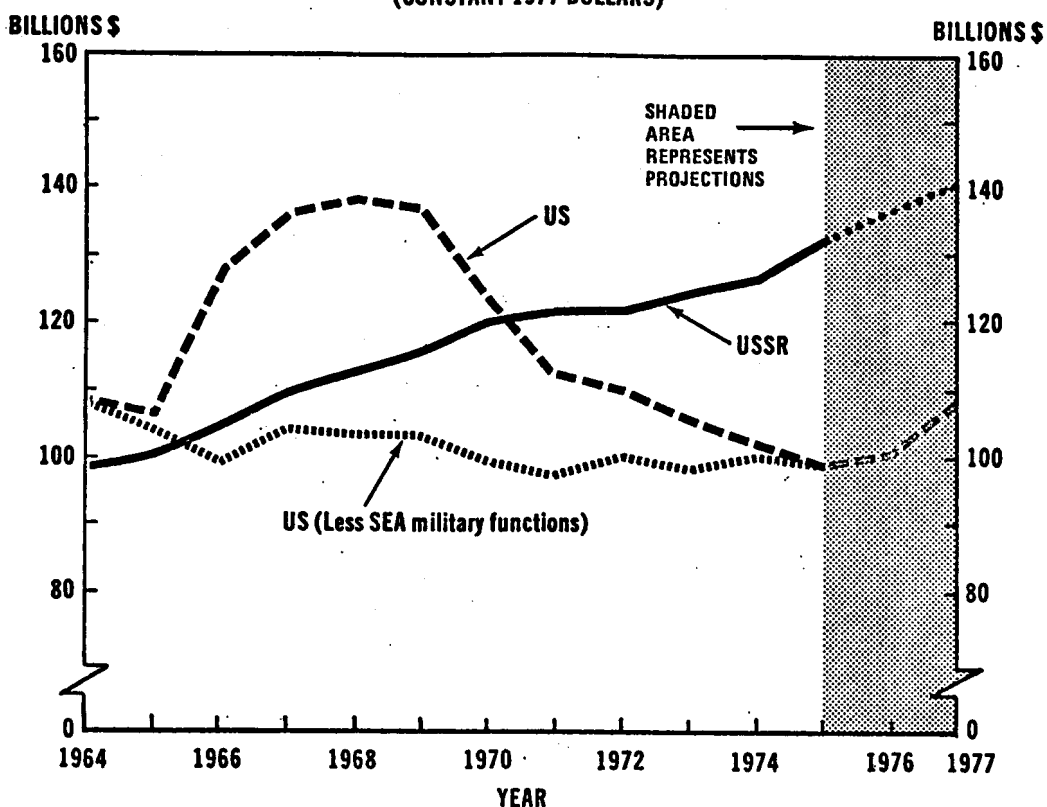
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SHARES OF THE U.S. BUDGET

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 DOD BUDGET TO MORE THAN 55% DURING THE SAME PERIOD.

US / USSR DEFENSE PROGRAM TRENDS **(US EXPENDITURES AND ESTIMATED DOLLAR COSTS OF SOVIET PROGRAMS)** **(CONSTANT 1977 DOLLARS)**



Source: Based upon intelligence estimates of the constant-dollar cost of Soviet military activities, and of US expenditures on a comparable basis. Transformed by DoD from constant 1974 dollars to constant FY1977 dollars. SEA adjustment based on DoD data only.

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.

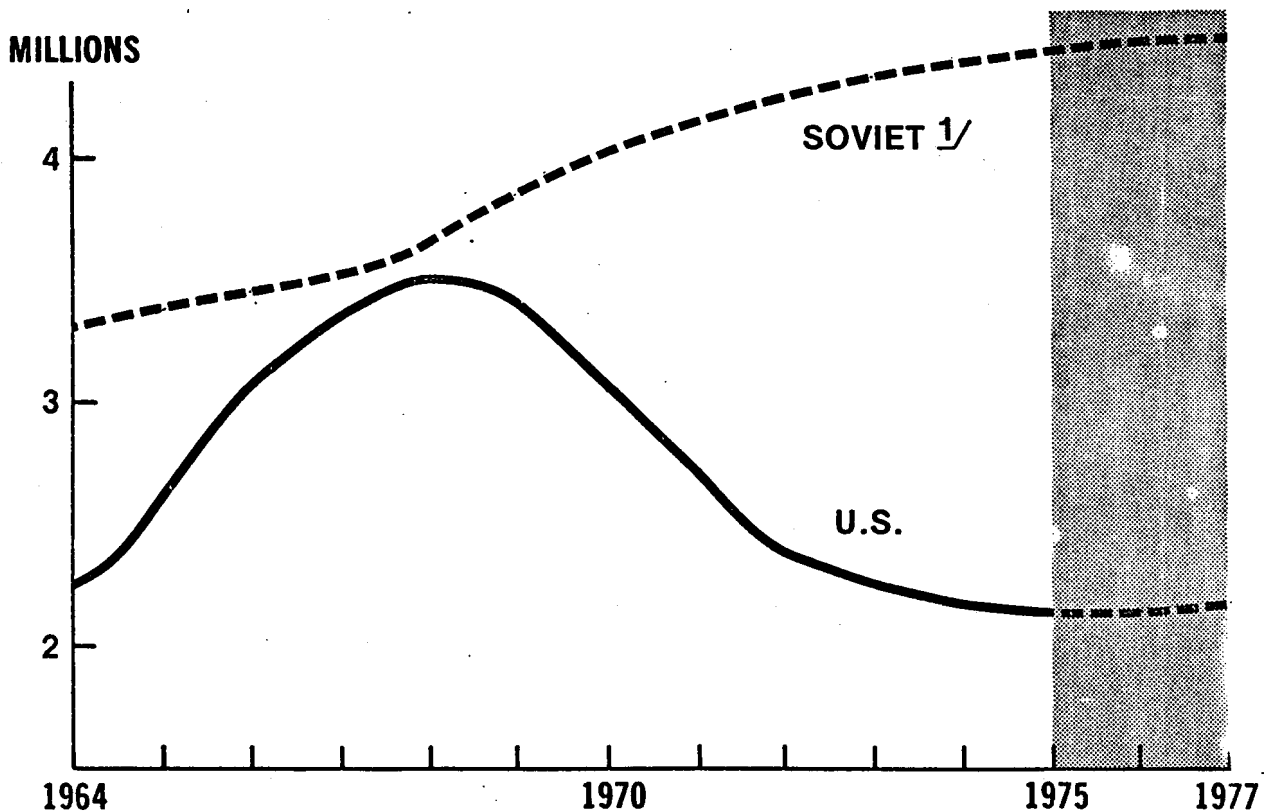
THE INTELLIGENCE COMMUNITY HAS WORKED AT THE DIFFICULT TASK OF ESTIMATING THE MAGNITUDE OF SOVIET EFFORT. THERE REMAINS SOME DISAGREEMENT AMONG ANALYSTS AS TO THE ABSOLUTE VALUE OF MILITARY EFFORTS IN A CONTROLLED ECONOMY, BUT THE CONSTANT 1977 DOLLAR VALUE OF THE RESOURCES ALLOCATED TO SOVIET NATIONAL DEFENSE APPEARS TO HAVE GROWN FROM 102 BILLION IN 1965 TO 135 BILLION IN 1975, AN AVERAGE ANNUAL INCREASE OF AT LEAST 3%.

THE SOLID CURVE SUPERIMPOSES AN ESTIMATE OF SOVIET PROGRAM COSTS ON COMPARABLE CURVES OF U.S. EXPENDITURES.

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



MILITARY MANPOWER



¹ EXCLUDES MILITARY SECURITY FORCES.

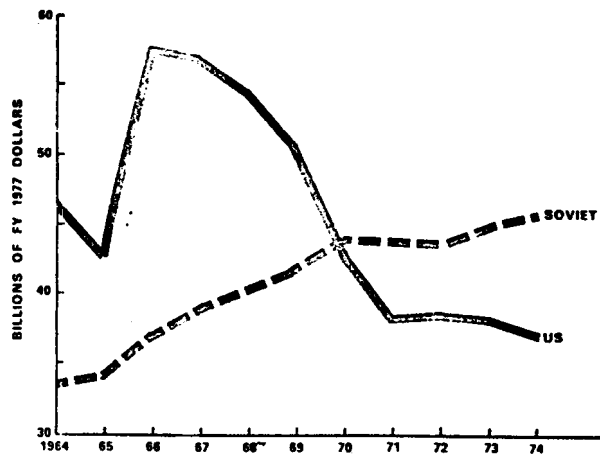
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COMPARATIVE MILITARY MANPOWER

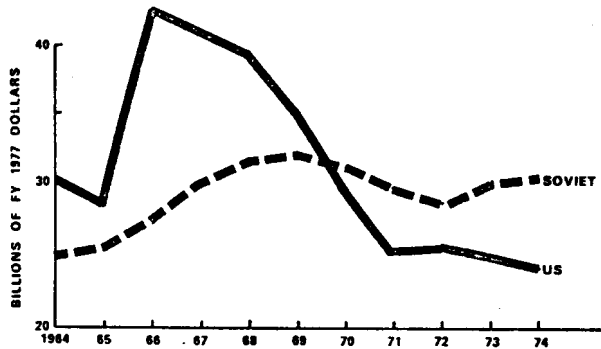
CONSIDERING MANPOWER RESOURCES, THE SOVIETS HAVE INCREASED THE NUMBER OF MEN UNDER ARMS (NOT INCLUDING SOME 500,000 MILITARY SECURITY FORCE MEMBERS) FROM 3.4 TO 4.4 MILLION SINCE 1964.

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 NOW THAN AT ANY TIME SINCE THE FALL OF 1950.

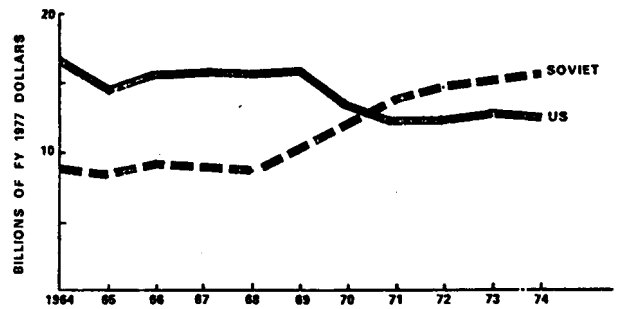
COMPARATIVE US AND SOVIET INVESTMENT*
(PROCUREMENT, FACILITIES, RDT&E)



COMPARATIVE US AND SOVIET PROCUREMENT*
AND FACILITIES CONSTRUCTION



COMPARATIVE US AND SOVIET*
MILITARY RDT&E



*BASED ON INTELLIGENCE ESTIMATES IN CONSTANT 1973 DOLLARS; CONVERTED TO CONSTANT FY 1977 DOLLARS BY DOD.

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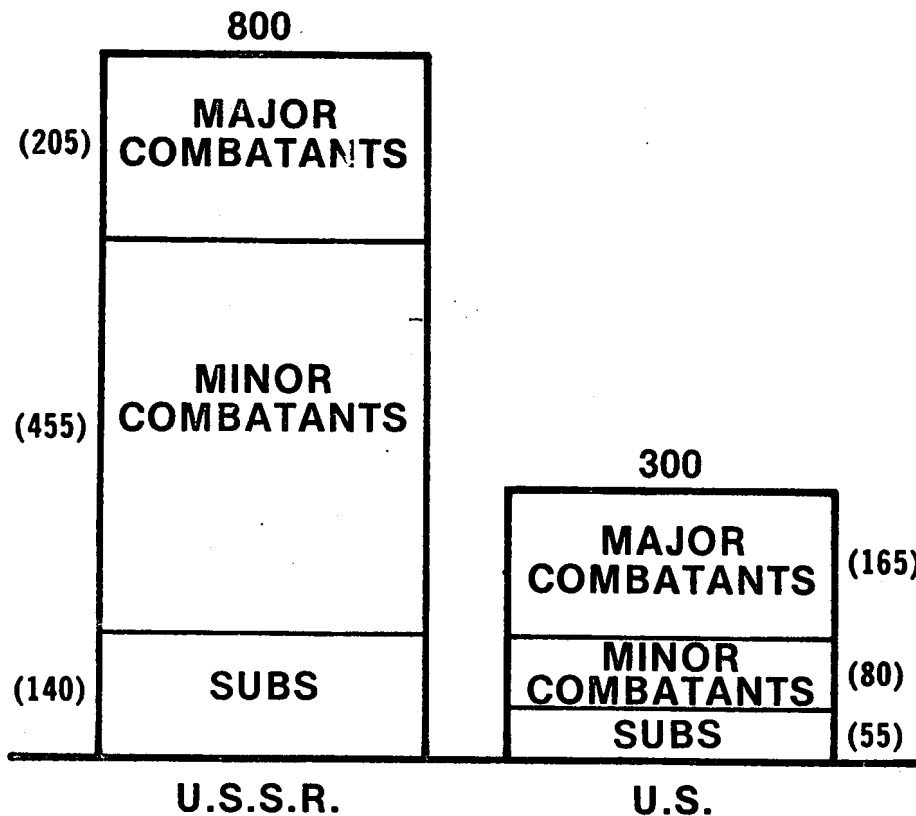
COMPARATIVE INVESTMENT
IN
PROCUREMENT, FACILITIES, RDT&E

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 UPPER CHART DISPLAYS AGGREGATED DATA; THE ONE IN THE LOWER LEFT-HAND CORNER SEPARATES PROCUREMENT AND CONSTRUCTION TRENDS FROM RDT&E (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 SOVIET EFFORT AND THE MOMENTUM THEY HAVE DEVELOPED ARE OF SERIOUS CONCERN.

U.S.S.R./U.S. NAVAL SHIP CONSTRUCTION 1965-1975



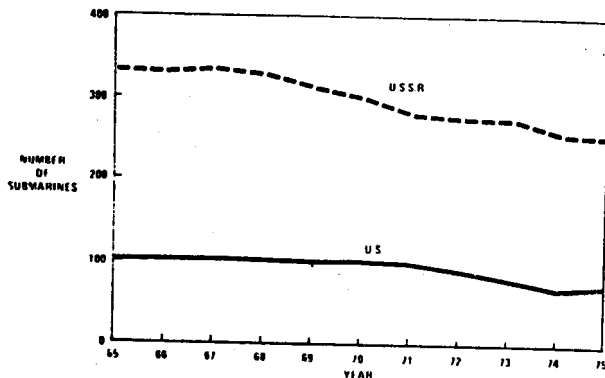
COMPARATIVE NAVAL SHIP CONSTRUCTION

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

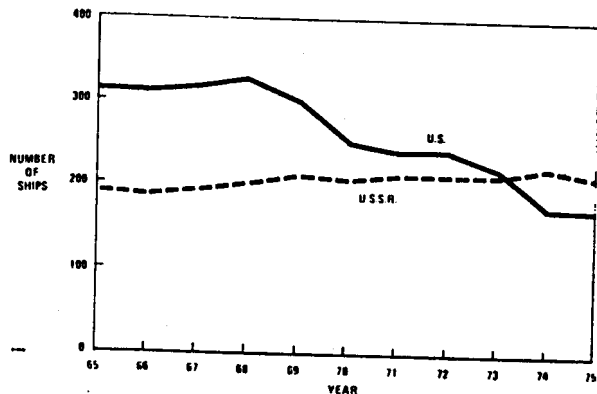
THE TWO COLUMNS ON THIS CHART COMPARE QUANTITATIVELY USSR AND U.S. SHIPBUILDING PROGRAMS -- MAJOR COMBATANTS, MINOR COMBATANTS (1000 TONS OR LESS), AND SUBMARINES -- FOR THE 1965-1975 PERIOD.

CHANGES IN NAVAL FORCE LEVELS (1965 - 1975)

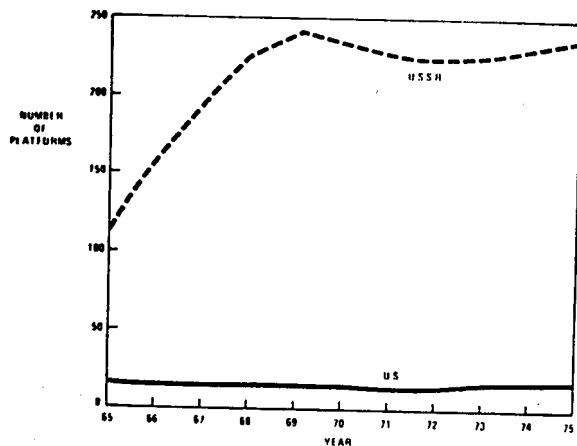
ATTACK SUBMARINES



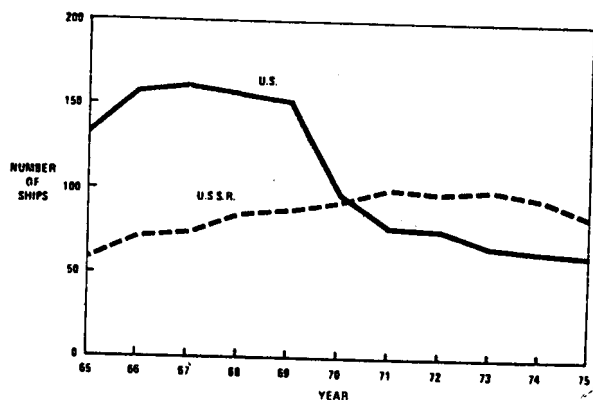
MAJOR SURFACE COMBATANTS



STANDOFF WEAPON DELIVERY PLATFORMS



AMPHIBIOUS SHIPS



CHANGES IN NAVAL FORCE LEVELS

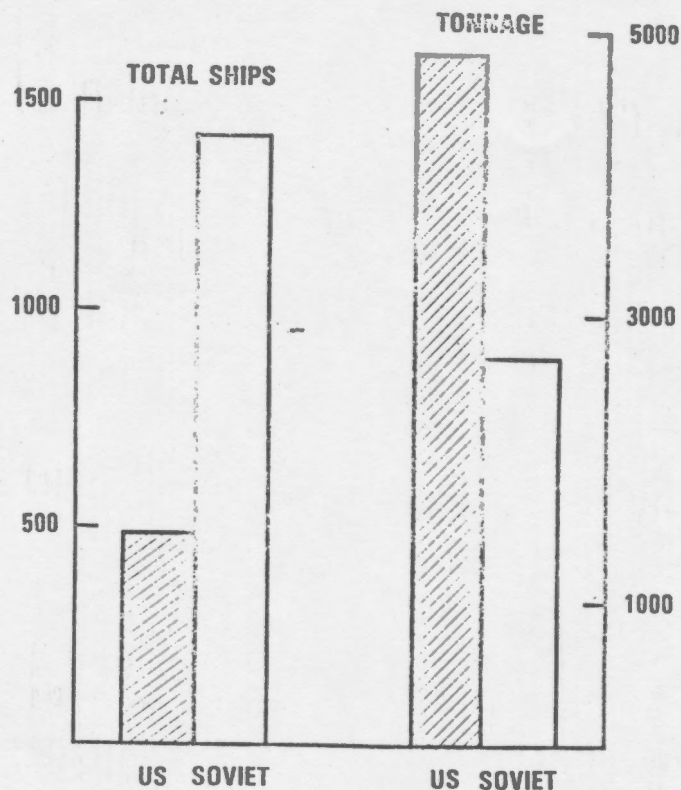
THE SOVIET FORCE HAS BECOME SMALLER WITH THE RETIREMENT OF LARGE NUMBERS OF DIESEL SUBMARINES. HOWEVER, THE SOVIETS STILL HAVE A 2.5-TO-1 ADVANTAGE IN ATTACK SUBMARINES.

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 14 AIRCRAFT CARRIERS, WHERE THE SOVIETS HAVE 240-ODD 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



1975

5081

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 1000 TONS), CONSISTENT WITH THE OLD VIEW THAT THEIR NAVY IS THE SEAWARD EXTENSION OF THE RED ARMY, LARGELY COASTAL IN ORIENTATION.

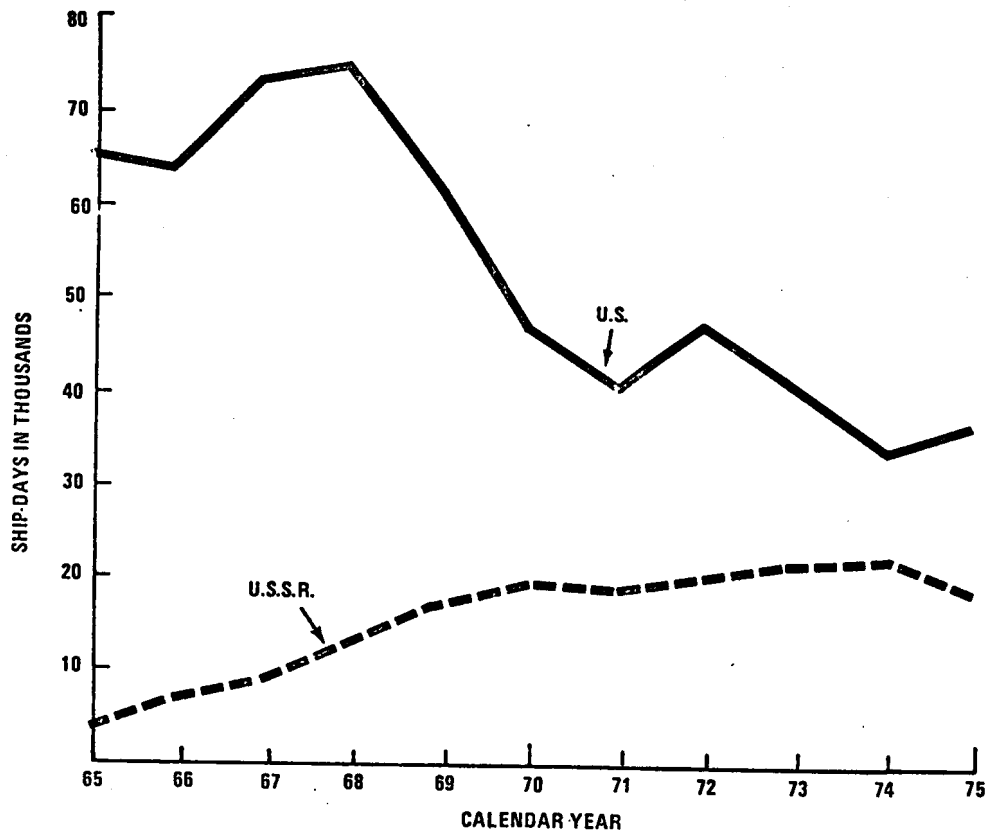
SECOND, THE U.S. LEADS IN DISPLACEMENT BECAUSE WE HAVE BUILT SHIPS FOR ROUTINE OPERATION ON DISTANT DEPLOYMENT. (ABOUT 60% OF THE U.S. ADVANTAGE IN TONNAGE RELATES TO OUR 14 AIRCRAFT CARRIERS.)

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 AND TONNAGES 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.

4981

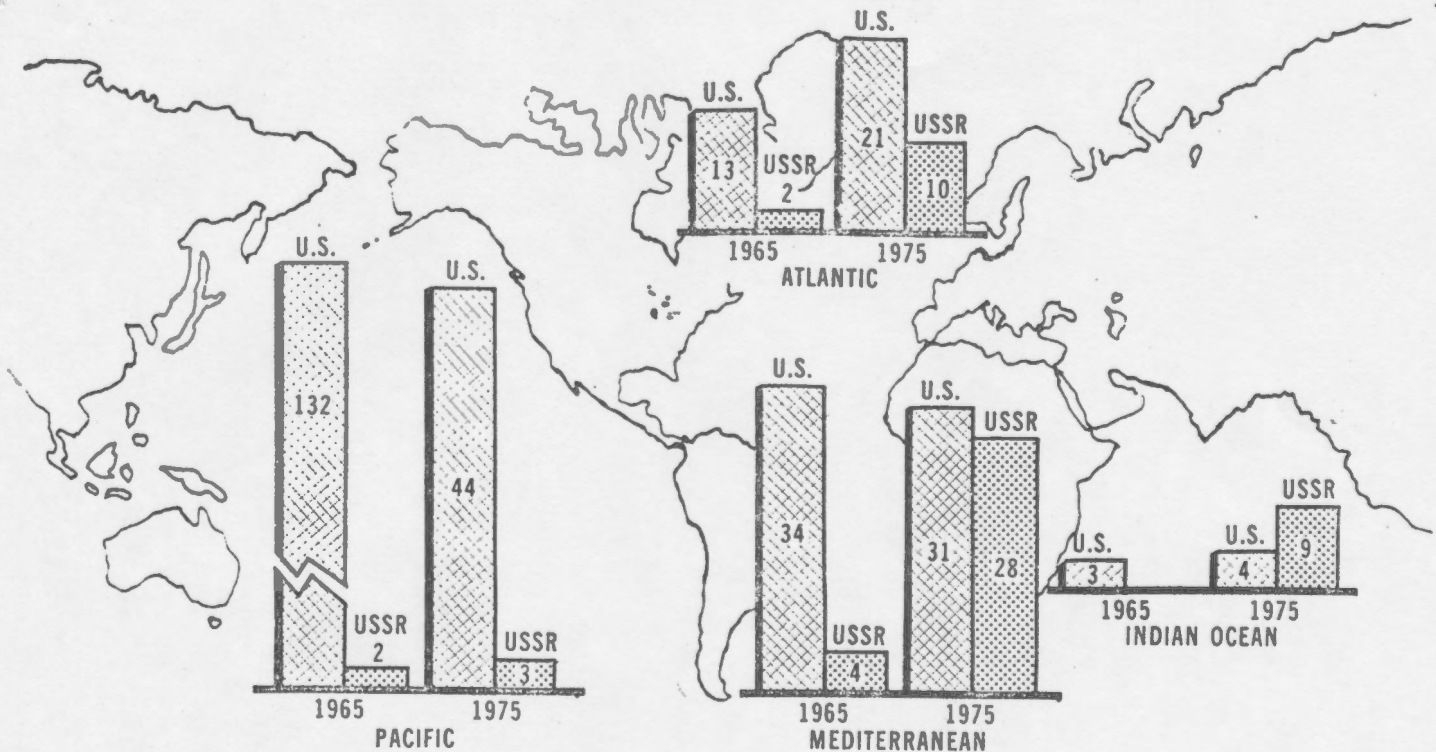
U.S./USSR COMBATANT SHIP-DAYS ON DISTANT DEPLOYMENT

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

TODAY, THE SOVIETS MAINTAIN A STEADY-STATE NAVAL PRESENCE AT A LEVEL ABOUT TWO-THIRDS THAT OF THE U.S.

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
3127

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. NOTE THAT THE NAVAL CONTRIBUTIONS OF THE NATIONS ALLIED WITH THE U.S. AND THE USSR ARE NOT ADDRESSED IN THESE COMPARISONS.

U.S./USSR RELATIVE PRODUCTION RATE ESTIMATES



USSR
1973-75 AVG
2,600
3,900
1,400
950

U.S.
1973-75 AVG
450
1,410
156
572

USSR/U.S.
1973-75
5.8:1
2.8:1
9:1
1.7:1

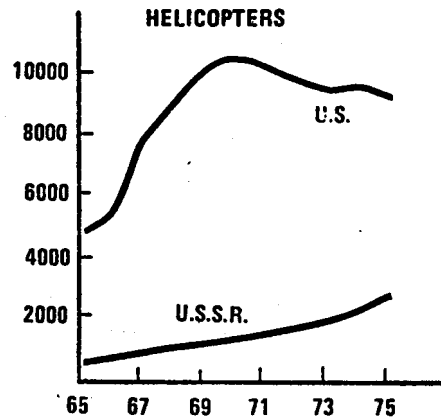
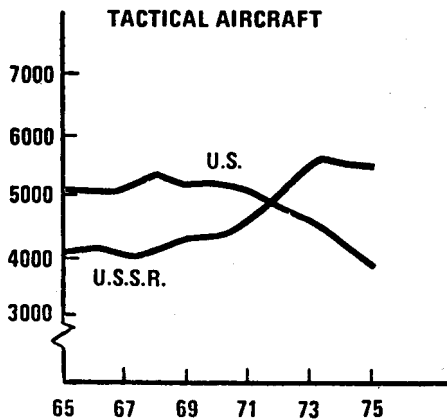
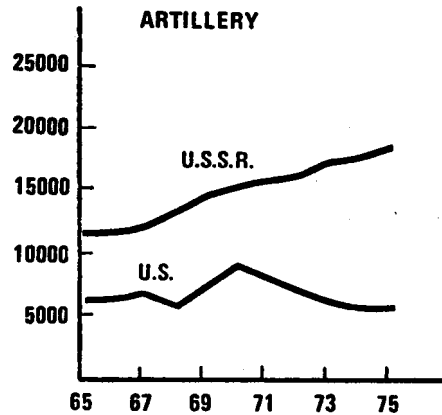
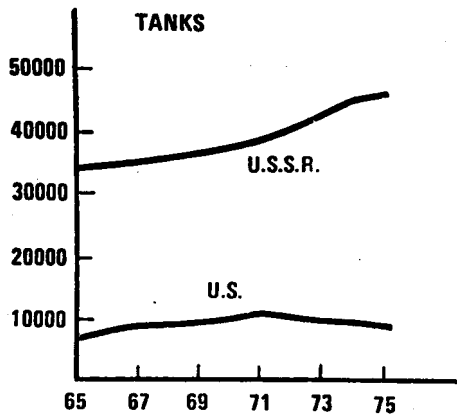
1564

RELATIVE PRODUCTION RATES FOR GROUND FORCE EQUIPMENT

AVERAGE SOVIET PRODUCTION OF MAJOR ITEMS OF GROUND WARFARE EQUIPMENT --
TANKS, ARMORED PERSONNEL CARRIERS, ARTILLERY PIECES, AND TACTICAL AIRCRAFT --
DURING THE PERIOD 1973-1975 IS ESTIMATED TO HAVE EXCEEDED QUANTITATIVELY THAT
OF THE U.S. BY THE MARGINS INDICATED.



CHANGES IN QUANTITIES OF MILITARY EQUIPMENTS (1965-1975)



1961

GROUND FORCE MILITARY EQUIPMENT

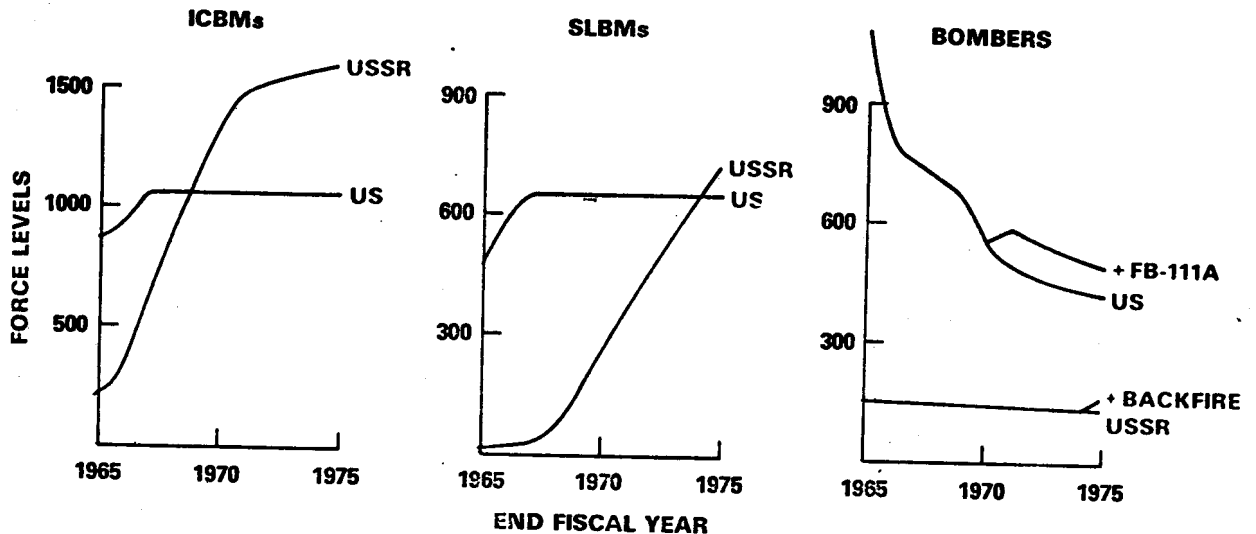
SOVIET TANK INVENTORIES EXCEED THOSE OF THE U.S. BY ROUGHLY 4-TO-1, A MARGIN WHICH IS INCREASING.

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 BEGINNING TO BUILD HELICOPTERS IN QUANTITY.

CHANGES IN STRATEGIC FORCE LEVELS



4758

CHANGES IN STRATEGIC NUCLEAR FORCES

THE SOVIETS HAVE INCREASED FROM ABOUT 225 ICBMs IN 1965 TO SOME 1600 TODAY, HAVING OVERTAKEN THE U.S. IN THE EARLY 1970's.

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

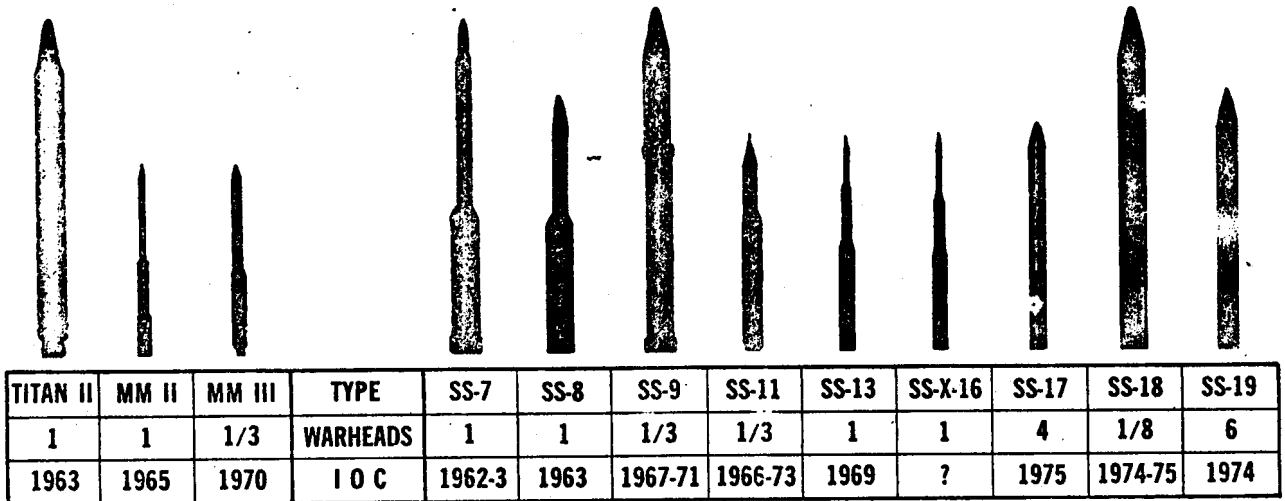
IN THE BOMBER FORCE THE U.S. STILL MAINTAINS A LEAD.

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

COMPARISON OF US AND USSR ICBMs

US

USSR

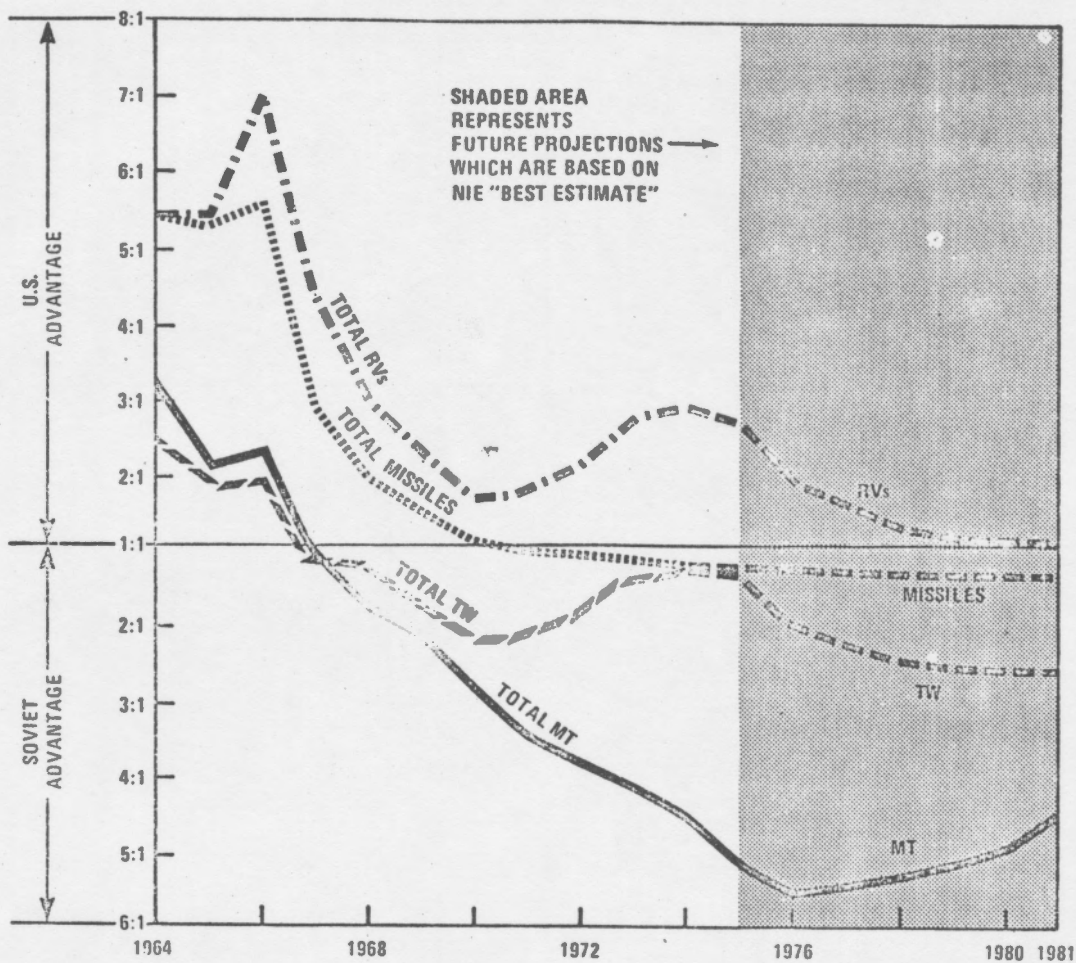


COMPARISON OF US/USSR ICBMs

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 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



1295

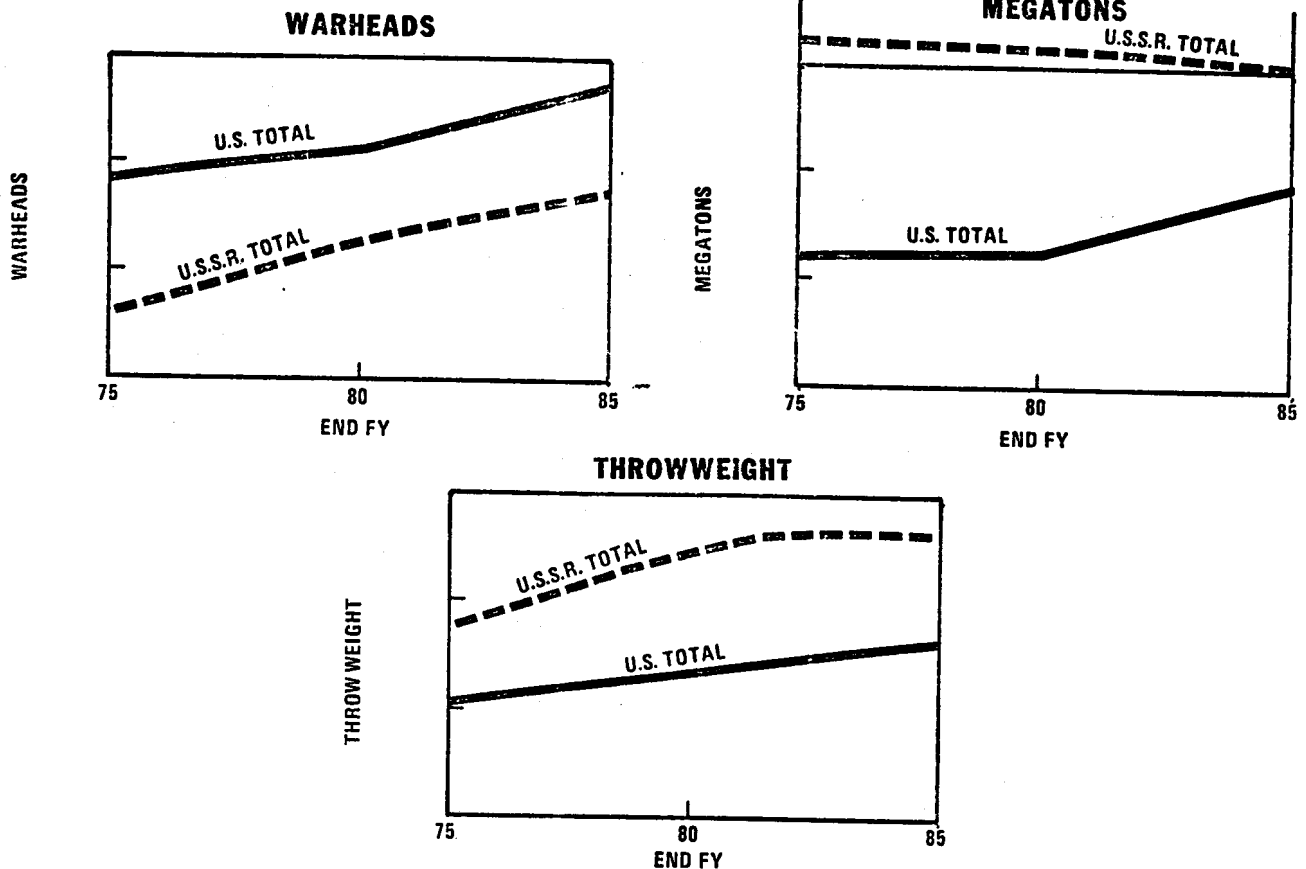
US/USSR STRATEGIC MISSILE ADVANTAGE

THIS CHART -- WHICH EXCLUDES STRATEGIC BomBER FORCES, AN AREA IN WHICH THE U.S. HAS A MARKED ADVANTAGE -- SHOWS HOW THE STRATEGIC MISSILE ADVANTAGE HAS SHIFTED 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 THE 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.

THESE TRENDS MEAN THAT, BY THESE INDICES, THE SOVIET ADVANTAGE COULD INCREASE OVER THE NEXT DECADE.

PROJECTED INVENTORY (2400 SNDV/1320 MIRV LEVEL)



PROJECTED NUCLEAR INVENTORIES

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 ACCORD LIMITS OF 2400 STRATEGIC NUCLEAR DELIVERY VEHICLES (SNDV) AND 1320 MULTIPLE INDEPENDENTLY TARGETED REENTRY VEHICLES (MIRV) WILL BE FINALLY AGREED UPON BY BOTH SIDES.

CENTRAL EUROPEAN BALANCE

(NON-MOBILIZED 1975)

NATO

727,000
6,000

GROUND FORCES ^{1/}
TANKS ^{1/}

PACT

925,000
15,000

NATO LEADS

ARMORED PERSON-
NEL CARRIERS
ANTI-TANK GUIDED
MISSILES
MORTARS

GROUND
WEAPONS

GROUND ATTACK
RECONNAISSANCE
HELICOPTERS

AIRCRAFT

PACT LEADS

ARTILLERY

MULTIPLE ROCKET
LAUNCHERS

AIR DEFENSE

^{1/} 1974 MBFR DATA

8210

CENTRAL EUROPEAN BALANCE

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:

-- NATO HAS SEVERAL ADVANTAGES:

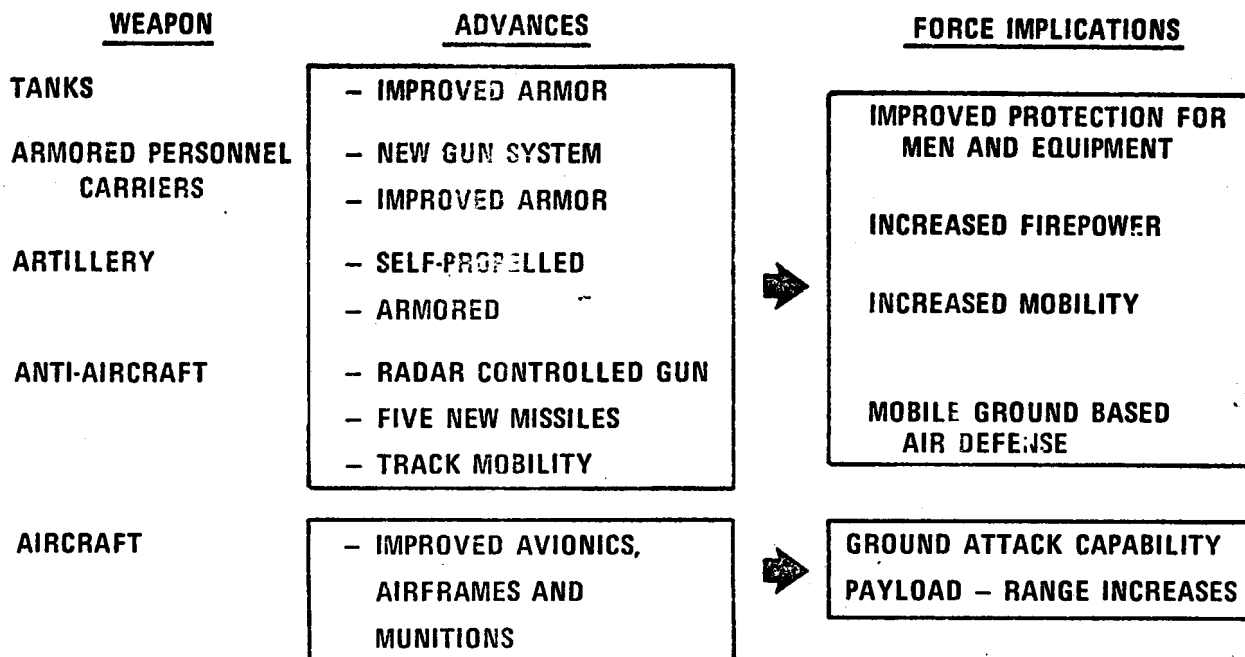
- IT HAS A DEFENSIVE MISSION WITH ADVANTAGES OF INTERIOR LINES AND FAMILIAR TERRAIN.
- ITS TACTICAL AIRPOWER IS SUPERIOR.
- IT HAS MORE ANTI-TANK WEAPONS, HELICOPTERS, AND ARMORED PERSONNEL CARRIERS.

-- 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



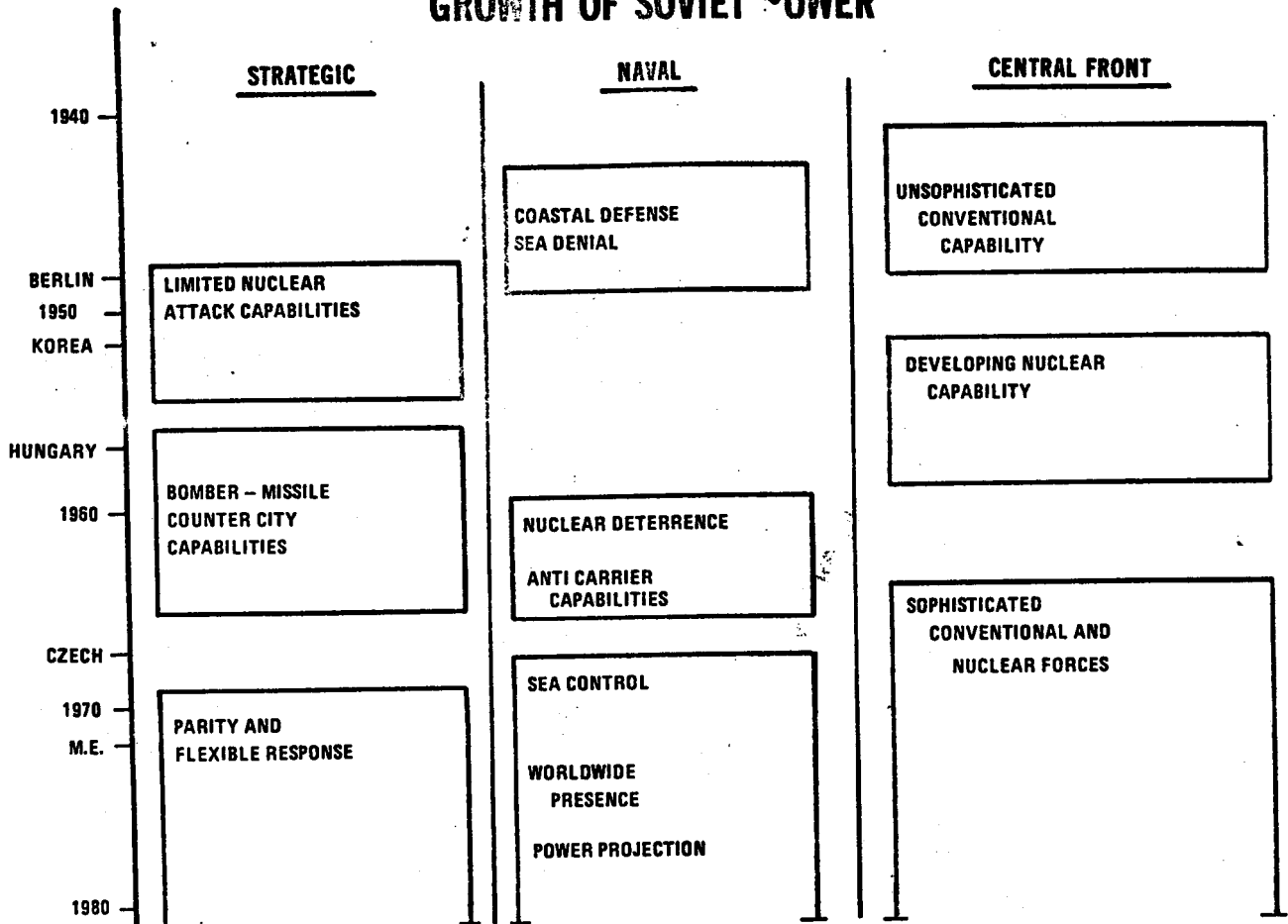
SOVIET WEAPON ADVANCES

THE SOVIETS FOR A LONG 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 SOPHISTICATED ONES. FOR EXAMPLE, SOVIET DIVISIONS HAVE BEEN EQUIPPED WITH AS MANY AS FOUR 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 AND 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, AND IT HAS CAUSED NATO AIR FORCES TO ALTER THEIR MISSION EMPHASIS SOMEWHAT TO FOCUS MORE ON DEFENSE SUPPRESSION.

GROWTH OF SOVIET POWER



4881

EVOLUTION OF SOVIET POWER

WHEN ONE CONSIDERS THE STRATEGIC NUCLEAR, NAVAL, AND CENTRAL FRONT BALANCES TOGETHER, IT IS APPARENT THAT DRAMATIC 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.

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

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	104.2	108.0	113.8	5.8
Outlays	113.8	101.7	99.1	98.2	100.1	1.9

5077

DEFENSE BUDGET TOTALS

IT IS CLEAR TO THOSE WHO LOOK AT THE MILITARY BALANCE WHICH RESULTS FROM THESE TRENDS THAT, IF WE ARE TO MAINTAIN SUFFICIENCY AND, THEREFORE, 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 THE PAST FOUR YEARS. THE TOP THREE LINES DISPLAY DATA, WITH PREWAR FY 64 FOR REFERENCE, IN TERMS OF CURRENT OR "THEN YEAR" DOLLARS. THE BOTTOM PART OF THE CHART PRESENTS THE SAME DATA IN REAL TERMS ... CONSTANT FY 77 DOLLARS.

ECONOMIES AND RESTRAINTS IN FY 1977 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

4961

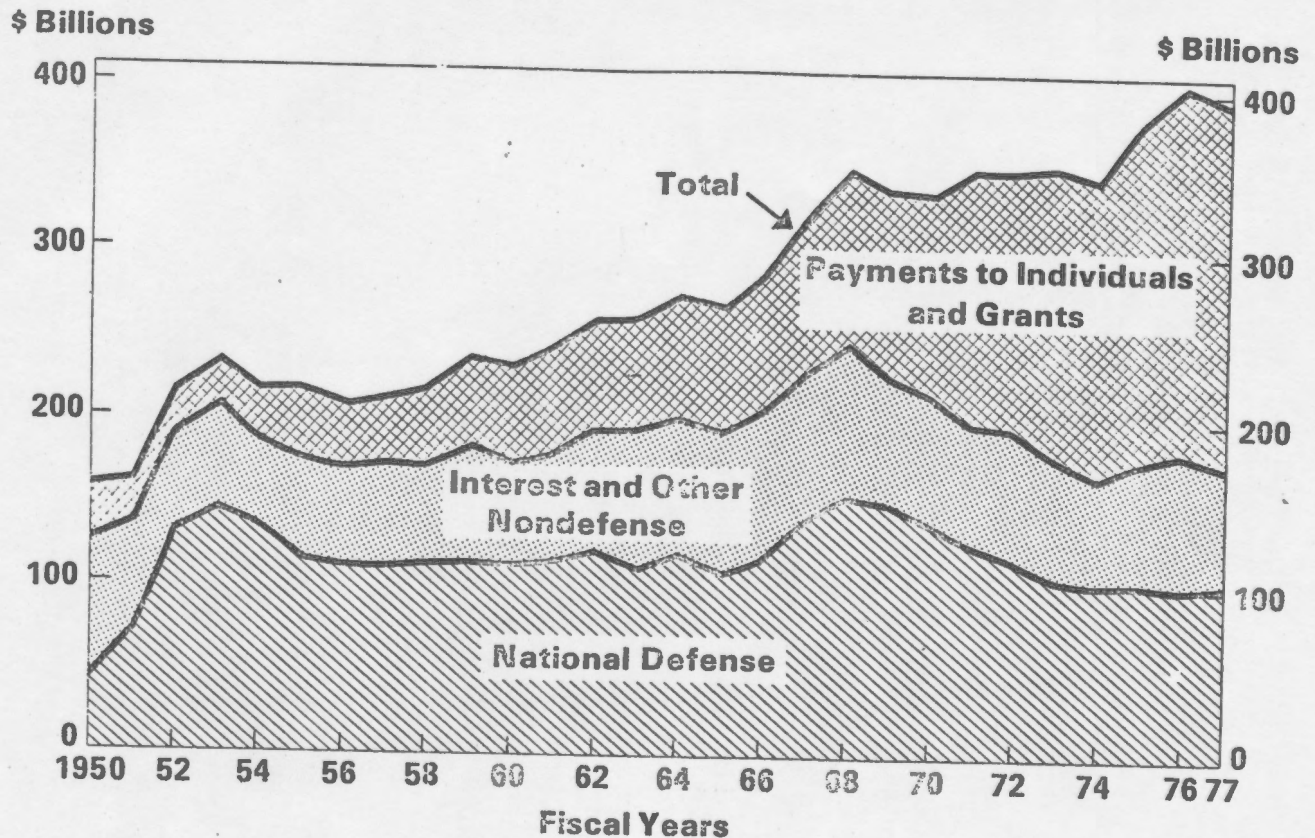
ECONOMIES AND RESTRAINTS

WHILE THE PRESIDENT'S BUDGET SEEKS TO IMPROVE 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 \$2.8 TO \$4.6 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 LEVEL REDUCTIONS.

FEDERAL OUTLAYS - CONSTANT 1977 DOLLARS



1949

TOTAL 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:

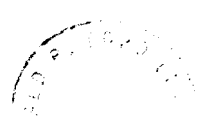
- A 10% INCREASE IN NON-DEFENSE SPENDING WOULD MEAN A CRIPPLING 30% CUT IN DEFENSE.

- A 33% INCREASE IN NON-DEFENSE SPENDING WOULD WIPE OUT THE DEFENSE ESTABLISHMENT ALTOGETHER.

CONCLUSION

CONTINUING THE TRENDS OF PAST YEARS MUST BE CONSIDERED TO BE A CONSCIOUS DECISION TO ABANDON THE POLICY OF MAINTAINING ROUGH EQUIVALENCE WITH OUR PRINCIPAL ADVERSARY. THIS WOULD BE UNACCEPTABLE.

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 A WORLD FUNDAMENTALLY DIFFERENT FROM THE ONE WE HAVE KNOWN DURING OUR LIFETIMES.



THE WHITE HOUSE
WASHINGTON

August 3, 1976

Al
Defense
Judy
on
JRC

MEMORANDUM FOR: JIM CANNON

FROM: JUDITH RICHARDS HOPE

SUBJECT: Proposed NATO Standardization of Weapons; Proposed National Security Decision Memorandum Requiring Executive Agencies to Coordinate with State and Defense Procurement of Defense-Related Equipment

The memo of 7/30/76 is in response to an inquiry from N.S.C. I never received the original N.S.C. memo, and our computer could not find it; Art Quern gave me the action (informally) last week. I got a backdoor copy from N.S.C. - attached - and this memo is in response.

I have made a copy of my 7/30 memo available to N.S.C. as Scowcroft asked today for the Coast Guard position.

cc: Paul Leach
Glen Schleede

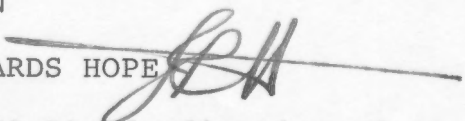
Containing for
the
Handwritten
no on the
weapons
proposed by
Defense.



THE WHITE HOUSE
WASHINGTON
July 30, 1976

File
Judy -
Information ?

MEMORANDUM FOR: JAMES CANNON

FROM: JUDITH RICHARDS HOPE 

SUBJECT: Proposed NATO Standardization of Weapons; Proposed National Security Decision Memorandum Requiring Executive Agencies to coordinate with State and Defense Procurement of Defense-Related Equipment

BACKGROUND

Pursuant to the commitment of the President and Secretaries Kissinger and Rumsfeld to achieve greater standardization of weapons systems among the NATO allies, the U.S.A. looks closely at allied-produced defense equipment when that equipment fulfills our requirement. DOD proposed that this policy be extended to the procurement of defense-related equipment by other executive agencies, such as the U.S. Coast Guard procurement of new patrol aircraft. This memorandum would also ask agencies to waive the cost differential normally applied under "buy American" legislation and to waive or remove import duties on defense related items, such as the five percent duty on aerospace products.

A number of agencies are involved, including DOT (Coast Guard), ERDA, NASA, Commerce and Treasury. The Coast Guard position is set forth below. By copy of this memo, I have requested the appropriate members of your staff to respond for their respective agencies.

COAST GUARD POSITION

Coast Guard procurement for forty medium range surveillance (MRS) aircraft to patrol the new 200 mile fishing zone is proceeding on schedule. Although these planes are not "weapons," support aircraft are used during warfare. Therefore the standardization policy could apply to them.

The Coast Guard takes no position on this issue; their current procurement includes some foreign contractors as



eligible bidders. Secretary Coleman now has the authority to waive the cost differential under the Buy American Act; he would be receptive to arguments for NATO standardization from other Administration officials. The Coast Guard would abide by any decision their superiors (Secretary of Transportation or the Commander in Chief) would make.

Removal of customs duties on aircraft would reduce the Coast Guard's cost by five percent (of a \$200 million procurement.) Note, however: if the duty is removed a foreign manufacturer would gain a five percent windfall unless some provision is made to prevent this. This could be done within the context of the proposed national security decision memorandum.

Three U.S. aircraft firms have expressed to the Coast Guard their support for free and open competition with foreign countries; one company supports maintaining the Buy American Act.

cc: Glenn Schleede (NASA; ERDA), for appropriate handling
Paul Leach (Commerce; Treasury), " "

Responses would be appreciated by c.o.b. August 3.



NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

MEMORANDUM FOR:

The Director, Office of Management
and Budget

X Assistant to the President for Domestic Affairs
Deputy Assistant to the President for Economic
Affairs

SUBJECT: Proposed NSDM on NATO Standardization

For over a year the President, Secretary of State Kissinger, and Secretary of Defense Rumsfeld have been calling for greater weapons system standardization between the U.S. and its NATO allies. As part of this effort, the United States is committed to looking closely at the purchase of Allied-produced defense equipment when that equipment fulfills U.S. requirements.

The Department of Defense has implemented this policy in its own internal procurement procedures. There are, however, defense-related equipment items that are procured by agencies other than the Department of Defense (such as the U.S. Coast Guard procurement of a new patrol aircraft). The Defense Department has now suggested that the standardization effort be expanded to include these items. Defense has proposed that a National Security Decision Memorandum be issued asking Executive agencies to coordinate with State and Defense any procurement of defense-related equipment when an Allied-produced system is participating in the competition. The NSDM would also ask agencies to waive the cost differential normally applied under "Buy American" legislation, and to waive or remove through legislation special import duties on defense-related items (such as the 5 percent duty on aerospace products).



Your views on this proposal would be most helpful before any action is taken. It would be particularly useful if you could indicate the amount of Executive Branch procurement that would be affected and the impact the proposed policy would have on the agencies with which you deal. It would be appreciated if you could provide your comments by Wednesday, July 21. If, following consideration of your comments, it is decided to prepare such a NSDM, we would of course coordinate further with you as to its contents.


Jeanne W. Davis
Staff Secretary



Pending

Defense

THE WHITE HOUSE
WASHINGTON

August 12, 1976

MEMO TO: JEANNE DAVIS
FROM: JIM CANNON

Attached are two letters in regard
to the B1 Program.

I would very much appreciate your
drafting for my signature replies
to Mr. Ochenrider and ~~Mr. Lent~~.

Thank you.

*ret'd
draft
letter*



nsc

**GRUMMAN AEROSPACE
CORPORATION**
1600 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22209

GORDON H. OCHENRAIDER
vice president

4 August 1976

Mr. James M. Cannon
Assistant to the President
for Domestic Affairs
West Wing White House
Washington, D. C. 20500

Dear Jim:

I am writing to you to advise you of our interest in the B1 Program. We at Grumman are scheduled to build the B1 horizontal stabilizer at Milledgeville, Georgia, assuming the program goes as the Air Force desires.

In addition, we are bidding via subcontract to Rockwell International on building the aft fuselage and the wing. The impact in jobs and money on winning those subcontracts can be seen in the attached enclosures.

I would like to emphasize two points:

1. You will note in the enclosed copy of the Congressional Record that New York State is paying much more in taxes toward the B1 than the state is getting in subcontracts. To my knowledge, the only other subcontractor affected by the B1 is Airborne Instruments Laboratory which is building some of the electronic boxes for the program.

2. In addition, should we Grumman win the subcontract, we would also be putting some money and jobs into our other facilities in Maryland, Virginia, Georgia and Florida. We feel this effort on this important major program throughout the United States in lieu of the current concentration in California and Ohio as indicated by the enclosed copy of the Congressional Record is more important to the National interest of the defense of the United States.



Mr. James M. Cannon

GRUMMAN

PAGE 2

I have been advised that some of our New York delegation may be contacting Jack Marsh for his advise in this regard.

Any advise you can give to me on this subject would be most appreciated. I can be reached by telephone at 525-2800.

With kindest personal regards,



Gordon H. Ochenrider

Enclosures



135

Congress of the United States

House of Representatives

Washington, D.C. 20515

NORMAN F. LENT
4TH DISTRICT, NEW YORK

BARBARA A. MORRIS
ADMINISTRATIVE ASSISTANT

ADDRESS CORRESPONDENCE TO:
WASHINGTON OFFICE:
428 CANNON HOUSE OFFICE BUILDING
TELEPHONE: AREA 202-225-7896

August 11, 1976

Mr. James Cannon
Assistant to the President for Domestic Affairs
The White House
Washington D.C.

Dear Mr. Cannon:

I am writing to you on behalf of Grumman Aerospace Corporation, a multi-faceted organization based in Bethpage, Long Island, New York. Grumman, long a leader in the aerospace field, has a full range of capabilities, ranging from preliminary design to product support. They are also recognized as being specialists in "systems" aircraft, and have designed 12 different models in the past 15 years.

With the emergence of the B-1 program, Grumman anticipates that a number of specialized subcontracts will be awarded to various qualified manufacturers. It is for this reason that I direct the following to you.

Grumman is Long Island's largest employer, and hence plays an important part in the strength of the local economy. The B-1 program presents to Grumman an opportunity to strengthen its business base with a potential 750 million dollars in sales projected over the next 10 years. These sales would help maintain approximately 1500 jobs at Grumman itself, and up to 2000 jobs in local communities. In addition, broad second tier subcontracting would result in the distribution of 150 million dollars to 10 states.

Three features in particular have been designated by Grumman to be their targets in the B-1 program:

The composite horizontal stabilizer
Various wing components
The aft fuselage.

The composite horizontal stabilizer (a Grumman development)

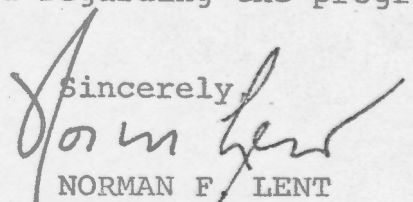


is already the recipient of a USAF development contract and is the largest composite structure to date. Wing components represent a second tier subcontract possibility to either AVCO or Douglas, and the aft fuselage, as designed by Grumman, has a number of features which lend itself ideally to the B-1 program.

These three subcontracts represent a logical extension of existing Grumman capabilities. The awarding of subcontracts to this corporation will not only benefit the B-1 program, but will go a long way in solving some of Long Island's economic problems.

I ask your fullest support during the subcontracting procedure. Please keep me informed regarding the progress of this phase of the B-1 program.

Sincerely,



NORMAN F. LENT
Member of Congress

NFL:rep



Defense -
Terrorism



Art —

Who
handles this?

Porsons?

Cameron, Jim

Yes, send to Dick

-A

8/17
Sent to Parsons
cd





THE SECRETARY OF STATE
WASHINGTON

August 12, 1976

Dear Jim:

In your capacity as a member of the President's Cabinet Committee to Combat Terrorism, I wish to inform you that I have appointed Ambassador L. Douglas Heck Director of the newly structured office to combat terrorism in the Department of State. Ambassador Heck will carry the equivalent rank of Assistant Secretary of State and will continue to serve as Coordinator of the Cabinet Committee Working Group on Terrorism. This new office (M/CT) replaces the office of the Special Assistant to the Secretary and Coordinator to Combat Terrorism (S/CCT). I am confident that this arrangement will provide an effective link between the policy and operational aspects of our continuing efforts in combatting terrorism.

I believe the urgency and magnitude of the international terrorism problem require a strengthening of our interdepartmental machinery designed to deal with this threat. Consequently, I have asked Deputy Under Secretary for Management Eagleburger and Ambassador Heck to call on you or your Department to explore ways in which the management and coordination of our overall effort to deal with acts of international and potential domestic terrorism can be improved.

Warm regards,

Henry A. Kissinger

The Honorable
James M. Cannon,
Assistant to the President
for Domestic Affairs,
The White House.



Defense

THE WHITE HOUSE

WASHINGTON

August 27, 1976

MEMORANDUM TO: BRENT SCOWCROFT
FROM: JIM CANNON *Jm*
SUBJECT: Response to Congressman Norman Lent
on B-1 Aircraft Subcontracts

Your NSC staff has very thoughtfully drafted for my signature a response to Congressman Norman Lent about the B-1 program.

Since NSC has the responsibility for defense matters, it seems to me that the reply to Congressman Lent's letter should come from you or Defense, rather than from the Domestic Council.

Would you be good enough to have someone at NSC reply to Lent?

Many thanks.



MEMORANDUM

NSC# 4634

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20505

(Correspondence Referral)

Date: August 25, 1976

TO: JAMES CANNON

FROM: JEANNE W. DAVIS *WJ*

JA
REFERENCE:

To: James Cannon

Date: August 11, 1976

From: Norman F. Lent, Member of Congress

Subject: Information on B-1 aircraft subcontracts.

Comment:

A draft reply is attached at Tab A. The incoming letter is attached at Tab B.

Attachments



DRAFT PROPOSED REPLY

Dear Mr. Lent:

This is in reply to your recent letter concerning information on B-1 aircraft subcontracts.

It should be recognized that any B-1 production effort is contingent upon Congressional approval of the Fiscal Year 1977 Appropriations Bill. In this regard, no production contracts or subcontracts can be awarded until resolution of the Appropriations Bill currently in Joint House-Senate Conference.

Pending approval of production funds, Rockwell International and the Air Force are currently negotiating the first buy of production aircraft. In the Rockwell proposal a "make-or-buy" analysis has been performed, in accordance with Armed Services Procurement Regulation guidance, to determine which items of the aircraft should be subcontracted and which should be built by Rockwell. The decision on which approach to use, as well as the decision on which subcontractors to select, rests with the prime contractor, subject to government review to assure use of sound procurement practices. In their proposal, Rockwell has concluded that the horizontal stabilizer, the wing, and the aft fuselage are to be subcontracted. The status of each is as follows:



a. For the stabilizer, Rockwell is exploring both the use of composite and metal materials. With the composite approach ^{GRUMMAN} Gruman will be a prime subcontract candidate. At the present time the technical and cost aspects of the alternative materials are under joint Rockwell-Air Force examination and no final decision has been reached.

b. Selection of vendors for wing components is the decision of the wing subcontractor. Provisions of the Rockwell contract will require a thorough make-or-buy analysis and selection of vendor sources by the wing subcontractor in accordance with sound competitive procurement practices.

c. Rockwell is presently conducting a source selection among eight potential vendors for the aft fuselage. The selection of a source is expected to be announced by Rockwell during the first week of September, and Grumman is a key competitor.

You may be assured that opportunities for significant B-1 subcontract business exist in all three areas you mentioned. Grumman Aerospace, with their prior record as a major Defense producer, is a key competitor for each of these subcontracts.

Sincerely,

Honorable Norman F. Lent
House of Representatives
Washington, D. C.



NSC

NORMAN F. LENT
4TH DISTRICT, NEW YORK

BARBARA A. MORRIS
ADMINISTRATIVE ASSISTANT

Congress of the United States
House of Representatives
Washington, D.C. 20515

ADDRESS CORRESPONDENCE TO:
WASHINGTON OFFICE:
428 CANNON HOUSE OFFICE BUILDING
TELEPHONE: AREA 202-225-7896

August 11, 1976

Mr. James Cannon
Assistant to the President for Domestic Affairs
The White House
Washington D.C.

Dear Mr. Cannon:

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With the emergence of the B-1 program, Grumman anticipates that a number of specialized subcontracts will be awarded to various qualified manufacturers. It is for this reason that I direct the following to you.

Grumman is Long Island's largest employer, and hence plays an important part in the strength of the local economy. The B-1 program presents to Grumman an opportunity to strengthen its business base with a potential 750 million dollars in sales projected over the next 10 years. These sales would help maintain approximately 1500 jobs at Grumman itself, and up to 2000 jobs in local communities. In addition, broad second tier subcontracting would result in the distribution of 150 million dollars to 10 states.

Three features in particular have been designated by Grumman to be their targets in the B-1 program:

The composite horizontal stabilizer
Various wing components
The aft fuselage.

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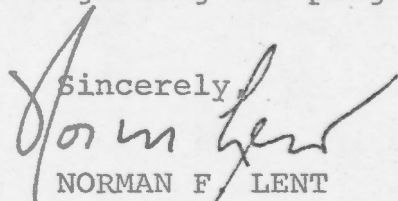


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These three subcontracts represent a logical extension of existing Grumman capabilities. The awarding of subcontracts to this corporation will not only benefit the B-1 program, but will go a long way in solving some of Long Island's economic problems.

I ask your fullest support during the subcontracting procedure. Please keep me informed regarding the progress of this phase of the B-1 program.

Sincerely,



NORMAN F. LENT
Member of Congress

NFL:rep



THE WHITE HOUSE
WASHINGTON

September 1, 1976

Rle
Defense

MEMORANDUM TO: BRENT SCOWCROFT
FROM: JIM CANNON *J Cannon*
Subject: Response to Gordon H. Ochenrider on B-1
Aircraft Subcontracts

We have received a draft response from Defense to Mr. Gordon H. Ochenrider's letter of August 4 concerning B-1 aircraft subcontracts. As with the response to Congressman Lent on the same subject, instead of the Domestic Council responding, would you be kind enough to have someone at NSC reply to Mr. Ochenrider?

Many thanks.





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

30 AUG 1976

MEMORANDUM FOR Mr. James Cannon
Assistant for Domestic Affairs
The White House

THRU Mr. Warren L. Gulley
Director, White House Military Office

Pursuant to your request, attached is a proposed draft reply which may be used to answer Mr. Gordon H. Ochenrider who wrote on August 4 concerning B-1 aircraft subcontracts.


ALAN WOODS
The Special Assistant

Attachment



DRAFT PROPOSED REPLY

Dear Mr. Ochenrider:

This is in reply to your recent letter concerning information on B-1 aircraft subcontracts.

I am sure you are aware that any B-1 production effort is contingent upon Congressional approval of the Fiscal Year 1977 Appropriations Bill. To this end, resolution of the Appropriations Bill currently in Joint House-Senate Conference is required before any production contracts or subcontracts can be awarded.

In any case, it should be emphasized that the decision regarding which items of the aircraft should be subcontracted and which should be built by Rockwell International, as well as the decision on which subcontractors to select, rests with the prime contractor. To assure use of sound procurment practices, their decisions are subject to government review.

In their "make-or-buy" analysis, Rockwell has concluded that the horizontal stabilizer, the wing, and the aft fuselage are to be subcontracted.

While no decision has been reached, Rockwell is exploring both the use of composite and metal materials for the stabilizer. With the composite approach Grumman will be a prime



subcontract candidate. As regards the selection of vendors for wing components, this is the decision of the wing subcontractor.

Finally, I am advised that Rockwell is presently conducting a source selection among eight potential vendors for the aft fuselage and that Grumman is a key competitor.

Hopefully, this information will provide you insight into the status of the B-1 program and be of assistance.

Sincerely,

Mr. Gordon H. Ochenrider
Grumman Aerospace Corporation
1600 Wilson Boulevard
Arlington, Virginia 22209

Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

Pentagon failed to commit over \$16 billion

By CHARLES W. CORDDRY
Washington Bureau of The Sun

*Baltimore Sun
Sun Nov. 7, 1976*

Washington—The Defense Department in the past fiscal year failed to commit more than \$16 billion that would have given the economy an election-year boost and produced arms that are said to be urgent-

ly needed, authoritative sources said yesterday.

One sure result of the failure, they said, will be to imperil the expanded defense budget that will go to Congress in January.

These sources said the Pentagon performance tended to make a mockery of the charge leveled by James R. Schlesin-

Defense

THE WHITE HOUSE
WASHINGTON

Defense

1977 JAN 3 PM 2 30

December 20, 1976

MEMORANDUM FOR THE VICE PRESIDENT

→ FROM:

JIM CANNON

SUBJECT:

Ft. Hamilton

As of today, the Department of Defense advises me that Fort Hamilton is not likely to be closed before January 20, 1977.

We hope that Fort Hamilton can be kept open after we leave office, but, of course, we cannot be sure what will be done in the next administration.

I will continue to follow this matter.

Attachment

No answer on Ft. Hamilton
Navy Reserve office - stay in Brooklyn
announced this A.M.





WILLIAM T. CONKLIN
21ST DISTRICT
DEPUTY MAJORITY LEADER

THE SENATE
STATE OF NEW YORK
ALBANY
12224

November 22, 1976

Honorable Nelson A. Rockefeller
Vice President of the United States
Washington, D. C.

Dear Nelson:

Despite your gracious offer at the "Salute to President Ford" dinner in New York to have Jim Cannon "fire up" the White House to get a positive announcement on the future of Fort Hamilton, I have yet to hear anything from Cannon on the matter. We both spoke with Cannon and I personally followed up with a letter and supporting materials to him.

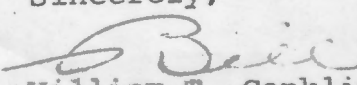
As I am sure you are aware, the only two Assembly Districts carried by the President in Brooklyn were adjacent to the Fort. This was in no small part due to our efforts to defuse the political overtones of a threatened closing. Army Secretary Hoffman and Assistant Secretary Greiner, who visited the Fort at my invitation, have not only been helpful but seem genuinely concerned about the future of the Fort and its effect on the community.

There is no doubt in my mind that the Army will not desert New York. My regret is that the President did not announce that finding prior to the election. My concern is that our President be able to show the government's good will by retaining the Fort as a fully functioning unit within the Army's command.

I hope you might "fire up" Cannon or whomever it takes to get a positive response prior to January 20th.

With kindest regards and best wishes to you and Happy,

Sincerely,


William T. Conklin
Senator - 21st District

WTC/jz1

112952



November 30, 1976

Dear Bill:

In response to your letter of the twenty-second regarding Fort Hamilton, I'll follow up on it immediately -- and will be in touch with you shortly.

With best regards,

Sincerely,

Nelson

The Honorable William T. Conklin
The Senate
State of New York
Albany, New York 12224

NAN/kh





Defense

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
WASHINGTON, D. C. 20301

30 December 1976

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Lynn:

In accordance with Office of Management and Budget Circular A-19, there is attached a listing reflecting the Department of Defense Legislative Program for the 95th Congress, First Session.

The program is divided into three parts:

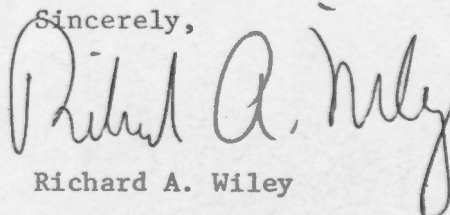
- Part I: Those proposals which the Department believes of sufficient importance to be included in the President's legislative program;
- Part II: All other proposals sponsored by the Department of Defense; and
- Part III: Proposals under consideration.

Items which have been carried over from the Department of Defense Legislative Program for the 94th Congress are parenthetically identified by their DOD 94 number. The status of the item in the 94th Congress is also shown.

Draft bills and "Speaker letters" for each of the items will be forwarded to you for clearance in the near future.

A list of expiring laws was submitted on November 23, 1976.

Sincerely,


Richard A. Wiley

Enclosure



DEPARTMENT OF DEFENSE LEGISLATIVE PROGRAM, 95th CONGRESS, FIRST SESSION

PART I -- PRESIDENT'S PROGRAM

DOD 95-1, Department of Defense Appropriation Authorization, FY 1978

Status: Awaiting determination of requirements.

DOD 95-2, Department of Defense Appropriation Authorization, FY 1979

Status: Awaiting determination of requirements.

DOD 95-3, Military Construction Authorization, FY 1978

Status: Awaiting determination of requirements.

DOD 95-4 (94-4), Uniformed Services Retirement Modernization Act

Status: H.R. 7769 was introduced in the 94th Congress.

Cost and Budget Data:

<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
25.0	111.9	93.4	84.8	67.2

Considerable cumulative savings are anticipated in the future.

DOD 95-5 (94-5), Defense Officer Personnel Management Act

Status: H.R. 13958 passed the House in the 94th Congress. The proposal is being revised for submission to the 95th Congress.

Cost and Budget Data:

<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
13.5	15.6	14.2	11.5	11.1

DOD 95-6 (94-6), Reserve Officer Personnel Management Act

Status: This proposal is being revised to mesh with DOPMA (95-5).

Cost and Budget Data: This proposal will result in undetermined savings.



DOD 95-8 (94-116), Enlistment and Selective Reenlistment Bonus

Status: Authority for the payment of these bonuses, provided in P.L. 93-277, will expire on June 30, 1977. DOD 94-116 was cleared by the Office of Management and Budget for submission to the 94th Congress and H.R. 13985 was introduced May 24, 1976.

Cost and Budget Data: Enactment of the proposed legislation, with an effective date of July 1, 1977, will result in an estimated budget cost of \$333.6 million in FY 77 and \$325.9 million in FY 78. Provision has been made in the President's Budget for the FY 78 costs. If the legislative authority to grant enlistment and reenlistment bonuses to enlisted members were allowed to expire, an estimated budget cost of \$340.0 million for FY 77 and \$250.0 million in FY 78 would remain as a result of the Regular Reenlistment Bonus (Saved Pay) provision of P.L. 93-277, and the Variable Reenlistment/Selective Reenlistment Bonus obligated installment payments.

PART II -- OTHER PROPOSALS SPONSORED BY THE DEPARTMENT OF DEFENSE

READINESS and TOTAL FORCE ENHANCEMENT

DOD 95-9 (94-8), Reserve Technicians; Authorize Employment

Status: Redrafted as suggested by the Office of Management and Budget and resubmitted for OMB clearance on July 13, 1976. CSC comments are being reviewed.

Cost and Budget Data: Enactment of this proposal is not anticipated to result in increased budgetary requirements for the Department of Defense.

DOD 95-10 (94-10), Ready Reserve; Require 91 Days' Active Duty Before Transfer to Standby Reserve

Status: H.R. 7461 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal would result in no increased budgetary requirements for the Department of Defense.

DOD 95-11 (94-134), Female Members of the Armed Forces; Requirement to Serve for Six Years

Status: H.R. 15418 was introduced in the 94th Congress.

Cost and Budget Data: Enactment would result in no increase in the Department of Defense budgetary requirements.

DOD 95-12 (94-69), Reserve Officers; Remove Requirement of Ordering to Active Duty for Training for not less than 3 Months

Status: H.R. 9371 was introduced in the 94th Congress.

Cost and Budget Data: Indeterminate savings will result from enactment of this proposal.

DOD 95-13 (94-9), Ready Reserve, Authorize Assignment of Certain Persons to

Status: Returned by the Office of Management and Budget on June 24, 1975 because it "would involve new spending in contravention of the President's policy".

Cost and Budget Data: Enactment of this proposal would result in no increased budgetary requirements for the Department of Defense.

DOD 95-14 (94-115), Officer Candidates; Authorize Financial Assistance While Attending College

Status: Section 604 of P.L. 94-361 extended the Marine Corps PLC subsistence program to June 30, 1977. The broader Department of Defense proposal was introduced in the House (H.R. 13446), and the Senate Armed Services committee conducted hearings on the subject.

Cost and Budget Data: The estimated cost of the PLC subsistence allowance for the next two fiscal years is as follows:

<u>FY</u>	<u>Number of Marine PLC's Electing Subsistence</u>	<u>Cost Per Marine</u>	<u>Total Cost</u>
1977	1200	\$900	\$1,080,000
1978	1200	\$900	\$1,080,000

The estimated annual cost of the subsistence for the Navy ROC/AVROC is \$720,000, since the Navy has traditionally relied more on the long term regular officer procurement programs such as the Naval Academy and NROTC than has the Marine Corps. The Army and Air Force do not presently have equivalent programs.

DOD 95-15 (94-15), ROTC, Two-Year Course, Remove Limitations on Appointments Therefrom

Status: H.R. 7458 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal would result in no increased budgetary requirements for the Department of Defense.

DOD 95-16 (94-132), Enlistment Qualifications; Secretaries to Establish

Status: Submitted to the Office of Management and Budget for clearance on August 13, 1976.

Cost and Budget Data: Enactment is expected to result in indeterminate savings to the Department of Defense.

DOD 95-17 (94-140), Reduction of Time-in-Grade Requirement for Promotion from Second to First lieutenant in Reserve Components

Status: Submitted to the Office of Management and Budget for clearance on August 5, 1976.

Cost and Budget Data: Any additional costs resulting from enactment will be negligible and will be absorbed in applicable appropriations.

DOD 95-18 (94-92), National Guard; Frequency of Inspections of

Status: H.R. 9736 was introduced in the 94th Congress.

Cost and Budget Data: An undetermined cost savings will result from greater flexibility in scheduling inspections, more efficient use of inspectors, and a significant reduction in travel requirements.

PAY and ALLOWANCES

DOD 95-19 (94-109), Cadet and Midshipmen, Adjust Pay; Senior ROTC Members Attending Field Training or Practice Cruises, Equalize Pay

Status: H.R. 13989 was introduced in the 94th Congress.

Cost and Budget Data: Enactment will result in cost savings resulting from a reduction in cadet and midshipmen pay and an alignment of ROTC pay while on active duty. The savings are estimated in current dollars and are sensitive to changes resulting from projected pay raises.

DOD Budget Savings

<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
-4.5	-7.0	-7.4	-8.0	-8.3

DOD 95-20 (94-70), Amendments to the Aviation Career Incentive Act

Status: H.R. 9574 was introduced in the 94th Congress.

Cost and Budget Data: No additional costs beyond those already budgeted are anticipated.

DOD 95-21 (94-93), Sea Pay; to Increase Rates

Status: In DOD coordination.

DOD 95-22 (94-26), Trailer Allowance; Remove Limitation on

Status: H.R. 13986 was introduced in the 94th Congress.

Cost and Budget Data: The anticipated annual cost for this proposal is \$7,989,000.

DOD 95-23 (94-121), Annuity Adjustments Based on CPI Increases

Status: This item was included in the House-passed version of H.R. 14773, was dropped from the Senate-passed version (the House accepted the Senate amendment).

Cost and Budget Data: Based on existing law relative to cost of living increases in retired pay, it is estimated that this legislation would result in additional expenditures as follows:

<u>FY</u>	<u>Amounts</u> (in millions)	<u>Number of Annuitants</u> (in thousands)
1977	\$6.696*	9.1
1978	6.941.	8.6
1979	7.158	8.1
1980	7.347	7.6
1981	7.502	7.2
1982	7.700	

* This amount would be apportionately reduced based on number of months remaining upon enactment of this legislation.

DOD 95-24 (94-124), Quarters Allowance; Authorize Reimbursement to Navy Members when Government-Provided Quarters are Unavailable

Status: Submitted to the Office of Management and Budget for clearance on April 30, 1976.

Cost and Budget Data: The projected cost is: (in millions)

<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
\$9.9	\$9.2	\$9.2	\$9.2	\$9.2

DOD 95-25 (94-28), Missing Persons, Amend P.L. 92-477 re Transportation of Dependents, Effects, Trailers, etc.

Status: H.R. 8399 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal would not increase the budgetary requirements for the Department of Defense.

DOD 95-28 (94-99), Civil Service Retirement; Credit for Military Service

Status: Submitted to the Office of Management and Budget for clearance on October 24, 1975.

Cost and Budget Data: There will be a nominal additional cost resulting from enactment because the amount of the social security offset generally will be less than the value of the military years of service used in computing civil service retired pay.

DOD 95-29 (94-138), Serviceman's Group Life Insurance; Increase Amount Available to Reserves and National Guard

Status: Submitted to the Office of Management and Budget for clearance on August 5, 1976.

Cost and Budget Data: Enactment would cause no increase in the Department of Defense budgetary requirements.

DOD 95-30 (94-23), Dependents' Schooling; Authorize Travel and Transportation

Status: Revised and resubmitted to the Office of Management and Budget for clearance on August 4, 1976.

Cost and Budget Data: Enactment of this proposal will entail annual expenditures approximately as follows:

Army	\$339,500
Air Force	275,100
Navy	120,900
OSD	<u>142,800</u>
Total	\$878,300

DOD 95-31 (94-24), Travel and Transportation of Members and Dependents

Status: Returned by the Office of Management and Budget on June 16, 1975 because funds were not included in FY 1976 budget.

Cost and Budget Data: Additional annual cost to the Department of Defense would be \$5,094,224.



DOD 95-32 (94-31), Civil Employees; Authorize Payment of T and T Expenses on Final Separation

Status: Submitted to the Office of Management and Budget for clearance on December 2, 1975.

Cost and Budget Data: Any additional cost to the Department of Defense resulting from the enactment of this proposal will be negligible and will be absorbed in applicable appropriations.

DOD 95-33 (94-34), Authorized Travel and Transportation Allowances for Civilians Separating and Remaining Outside the CONUS

Status: Submitted to the Office of Management and Budget on February 21, 1975.

Cost and Budget Data: Enactment of this proposal would result in no budgetary requirement increase to the Department of Defense. It is expected that savings will result in instances where transportation is provided to an alternate destination less distant than the employee's place of residence in the United States.

DOD 95-34 (94-30), Department of Defense Overseas Teachers, Amend 30 U.S.C. 904 Relating to Leave Entitlement

Status: Submitted to the Office of Management and Budget for clearance on February 21, 1975.

Cost and Budget Data: Enactment of this proposal would result in no increased budgetary requirements for the Department of Defense.

DOD 95-35 (94-39), Naval Research Advisory Committee, Authorize Secretary of Navy to Establish Compensation of Members

Status: Submitted to the Office of Management and Budget on February 21, 1975.

Cost and Budget Data: Enactment of this proposal will result in no increase in the budgetary requirements of the Department of Defense.

DOD 95-69 (94-27), Family Separation Allowance; Authorize for E-4's and Below with Dependents

Status: This item was not submitted to the Office of Management and Budget for clearance during the 94th Congress because funds were not budgeted. Funds are included now in the legislative contingency (military personnel items) section of the FY 1978 budget.

Cost and Budget Data:

<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
29.0	29.0	29.0	29.0	29.0

INSTALLATIONS and LOGISTICS

DOD 95-36 (94-50), Naval Vessels, Authorize Long-Term Charter of Ships to be Constructed for Navy Use

Status: Returned by the Office of Management and Budget, November 18, 1975. Reclama submitted to the Office of Management and Budget February 17, 1976.

Cost and Budget Data: Enactment of this proposal would result in no increase in the budgetary requirements for the Department of Defense.

DOD 95-37 (94-117), Government-Owned Vehicles; Authorize Home-to-Work Use Outside the United States

Status: Submitted to the Office of Management and Budget on March 5, 1976.

Cost and Budget Data: The enactment of this proposal will cause inappreciable increases in budgetary requirements for the Department of Defense. Since this authority will be exercised only in those most serious, essential cases, insignificant maintenance costs and increases in POL products will accrue. These costs can be absorbed from within current appropriations. There will be no future budgetary implications associated with this proposal.



DOD 95-38 (94-43), Personal Property and Spare Parts, Authorize Negotiated Sale to Contractors Under Certain Conditions

Status: Introduced as H.R. 7798 in the 94th Congress.

Cost and Budget Data: The enactment of this proposal is expected to result in indeterminate savings to the Department of Defense.

DOD 95-39 (94-48), Margarine, Use as Part of the Navy Ration

Status: H.R. 13988 was introduced in the 94th Congress.

Cost and Budget Data: The use of margarine would result in considerable savings (at least \$2.5 M).

DOD 95-40 (94-47), Unclaimed Personal Property, Authorize More Efficient Disposal

Status: H.R. 9006 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal should reduce the cost to the Federal Government to store, safeguard, and dispose of lost, abandoned, or unclaimed property.

DOD 95-41 (94-40), Ryukyu Islands, Reimbursement of Non-Appropriated Fund Facilities for Severance Payments

Status: Submitted to Congress, November 5, 1975.

Cost and Budget Data: This would provide a transfer of funds received from the Government of Japan to compensate nonappropriated fund activities on Okinawa for severance pay liabilities in the amount of \$7,384,862.

DOD 95-42 (94-45), Civil Air Patrol, Authorize Department of Defense to Budget and Extend Appropriation for Use of

Status: Returned by the Office of Management and Budget on April 29, 1975, as a "new spending initiative, contrary to President's policy". A similar bill, H.R. 4855 was introduced in the 94th Congress.

Cost and Budget Data: It is estimated that enactment of this proposal would result in an average annual cost of \$97,272. These costs would be absorbed within the existing Department of Defense budget.

DOD 95-43 (94-83), Aircraft Accidents; Authorize Investigation and Clarify Use of Reports

Status: H.R. 15223 was introduced in the 94th Congress.

Cost and Budget Data: Enactment would cause no increase in the Department of Defense budgetary requirements.

DOD 95-44 (94-80), Withdrawal and Reservation of Chocolate Mountain Aerial Gunnery Range for Defense Purposes

Status: Submitted to the Office of Management and Budget on May 5, 1975.

Cost and Budget Data: Enactment would cause no increase in the Department of Defense budgetary requirements.

DOD 95-45 (94-102), Alaska, Land Withdrawal (Ladd-Eielson Area at Fort Wainwright)

Status: Submitted to the Office of Management and Budget for clearance on December 5, 1975. Department of Interior agreement required.

Cost and Budget Data: Enactment will cause no apparent increase in the Department of Defense budgetary requirements.

Environmental Impact: An environmental impact statement is being prepared.

DOD 95-46 (94-103), Alaska; Land Withdrawal (Granite Creek Area at Fort Greely)

Status: Submitted to the Office of Management and Budget for clearance on December 5, 1975. Department of Interior agreement required.

Cost and Budget Data: Enactment will cause no apparent increase in the Department of Defense budgetary requirements.

Environmental Impact: An environmental impact statement is being prepared.

DOD 95-47 (94-104), Alaska; Land Withdrawal (Big Delta Area at Fort Greely)

Status: Submitted to the Office of Management and Budget for clearance on December 5, 1975. Department of Interior agreement required.

Cost and Budget Data: Enactment will cause no apparent increase in the Department of Defense budgetary requirements.

Environmental Impact: An environmental impact statement is being prepared.

DOD 95-48 (94-89), Naval Vessels; No Cost Port Service

Status: Submitted to the Office of Management and Budget for clearance on June 4, 1975.

Cost and Budget Data: The value of reciprocal free port services would be to the net monetary advantage of the United States.

DOD 95-49 (94-131), Sale of Certain Naval Vessels to Peru

Status: Submitted to the Office of Management and Budget for clearance on June 18, 1976.

Cost and Budget Data: There will be no cost borne by the U.S. Navy in this transfer. The sale price for this vessel will be determined by the Defense Property Disposal Ships Sales Office of the Defense Supply Agency and will be based on the scrap value of the vessel at its present location or the CONUS export scrap value of the vessel, whichever is higher, plus an appropriate charge for residual equipment remaining on board.

DOD 95-50 (94-133), Sale of Certain Naval Vessels to Uruguay

Status: Submitted to the Office of Management and Budget for clearance on July 20, 1976.

Cost and Budget Data: There will be no cost borne by the U.S. Navy in this transfer. The sale price for this vessel will be determined by the Defense Property Disposal Ship Sales Office of the Defense Supply Agency and will be based on the scrap value of the vessel at its present location or the CONUS export scrap value of the vessel, whichever is higher, plus an appropriate charge for residual equipment remaining on board.

OTHER LEGISLATIVE REQUIREMENTS

DOD 95-51 (94-35), Conflict of Interest Statutes, to Amend

Status: Being revised in accordance with Agency comments.

Cost and Budget Data: Enactment of this proposal would not result in increased budgetary requirements for the Department of Defense.

DOD 95-52 (94-84), Controlled Substances Act; Expand Jurisdiction of

Status: Submitted to the Office of Management and Budget for clearance on August 7, 1975.

Cost and Budget Data: Enactment would result in no increase in the Department of Defense budgetary requirements.

DOD 95-53, Mentally Incompetent Service Members, Provide for Commitment of

Status: New proposal

Cost and Budget Data: Enactment would cause no increase in the Department of Defense budgetary requirements.

DOD 95-54, Advanced Education: Active Duty Agreement Provisions; Reimbursement of Costs

Status: New proposal.

Cost and Budget Data: Enactment would cause no increase in the Department of Defense budgetary requirements.



DOD 95-55 (94-19), Naval Medical Service Corps, Authorize Flag Rank

Status: H.R. 7799 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal will result in no increase in the budgetary requirements for the Department of Defense.

DOD 95-56 (94-95), Admirals; Revise Distribution in Naval Reserve

Status: Submitted to the Office of Management and Budget for clearance on September 23, 1975.

Cost and Budget Data: Enactment would result in no increase in the Department of Defense budgetary requirements.

DOD 95-57 (94-14), Physical Examinations; Eliminate Quadrennial Requirements for Members of the Fleet Reserve and Fleet Marine Corps Reserve

Status: H.R. 7459 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal will result in no increase in the budgetary requirements for the Department of Defense.

DOD 95-58 (94-17), Naval Academy, Remove Dates for Nomination and Selection of Candidates to Fill Vacancies

Status: H.R. 8605 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal will not result in increased budgetary requirements for the Department of Defense.

DOD 95-59 (94-137), Officers Commanding Companies of Corps of Cadets at West Point

Status: H.R. 15592 was introduced in the 94th Congress.

Cost and Budget Data: Enactment will cause no apparent increase in the Department of Defense budgetary requirements.

DOD 95-60 (94-68), Academy, Military; Change Cadet Oath

Status: H.R. 8400 was introduced in the 94th Congress.

Cost and Budget Data: Enactment will cause no increase in the Department of Defense budgetary requirements.

DOD 95-61 (94-21) Academy Registrars, Authorize Service Secretary to Retire After 30 Years of Commissioned Service

Status: Submitted to the Office of Management and Budget for clearance on February 21, 1975.

Cost and Budget Data: Enactment of this proposal will not result in increased budgetary requirements for the Department of Defense.

DOD 95-62 (94-36), Military Band Members, Repeal Provisions of Title 10 on Off-Duty Employment

Status: H.R. 8606 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal will result in no increase in the budgetary requirements of the Department of Defense.

DOD 95-63 (94-74), Chaplains, Remove from Chief of Naval Personnel

Status: H.R. 10391 was introduced in the 94th Congress.

Cost and Budget Data: Enactment would cause no increase in the Department of Defense budgetary requirements.

DOD 95-64 (94-62), Defense Intelligence School; Authorize Award of Masters' Degree

Status: H.R. 8607 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal should result in reduced costs in providing graduate education in intelligence to military officers and Government civilians.

DOD 95-65 (94-94, revised), Naval Postgraduate School; Eliminate Reimbursement Requirement for Uniformed Personnel

Status: In DOD coordination.

Cost and Budget Data: Enactment would not result in any increased Department of Defense budgetary requirements.

DOD 95-66 (94-44), Statutory Reporting Requirements, to Repeal Certain

Status: H.R. 7457 was introduced in the 94th Congress.

Cost and Budget Data: Enactment of this proposal will result in no increase in the budgetary requirements of the Department of Defense. Some administrative savings could be achieved.

DOD 95-67 (94-130), Walters, Vernon Anthony; Retire as Lt. General

Status: Submitted to the 94th Congress, June 29, 1976.

Cost and Budget Data: The additional costs, in the event of enactment, can be absorbed in the appropriations available for the pay of retired officers.

DOD 95-68 (94-120), Naval Observatory Publication; Change Name

Status: H.R. 15317 was introduced in the 94th Congress.

Cost and Budget Data: Enactment would cause no increase in the Department of Defense budgetary requirements.

DOD 95-70 (94-20), Flag and General Officers Designated to Perform Duties of Great Importance and Responsibility; Prevent Pay Loss

Status: Submitted to the Office of Management and Budget for clearance on February 21, 1975.

Cost and Budget Data: Any additional cost resulting from the enactment of this proposal would be negligible and will be absorbed in the applicable appropriations.

DOD 95-71, Museums; Authorize the use of Volunteers in

Status: New proposal

Cost and Budget Data: Enactment will cause no apparent increase in Department of Defense budgetary requirements.

DOD 95-72 (94-111), Dual Compensation; Elimination of for Guardsmen or Reservists

Status: This proposal was cleared by the Office of Management and Budget and submitted to the 94th Congress. It was referred to Post Office and Civil Service Committee but not introduced.

Cost and Budget Data: Enactment would result in estimated savings of \$30 million for FY 1978.

DOD 95-73, Enlistment/Reenlistment Bonus Extension

Status: New proposal. Extends 37 USC 308, 308a for 15 months to September 30, 1978. This is an interim measure to permit use of these bonuses after current expiration date while Congress considers DOD 95-8.

Cost and Budget Data: Enactment will cause no increase in Department of Defense budgetary requirements.

PART III -- PROPOSALS UNDER CONSIDERATION

During the current FY 1978 Budget Review, a decision was made not to resubmit two of last year's budget restraint initiatives that were not enacted. They are the proposals on administrative duty pay (DOD 94-112) and National Guard training assemblies (DOD 94-113).

A proposal covering "Fair Market Rental" is being considered for submission as part of the President's Program. A decision on that subject is expected by the end of December.

Other proposals (for Part II of the Program) being considered include special pay for physicians and dentists (current authority expires September 30, 1977) and additional Army ROTC scholarships (DOD 94-16). The Navy is reviewing other Agency comments on its proposal for relief of non-U.S. citizens employed at Guantanamo Bay, Cuba (DOD 94-135). Other new proposals will be included in the DOD legislative program and submitted for clearance when the Department's legislative coordination process on each proposal is completed.

DOD's legislative program for the 94th Congress included a number of proposals designated as "DOPMA" and "ROPMA" contingency items (DOD 94-51 through 94-60). In view of DOPMA's progress this year, these items are not being submitted for clearance during the First Session, 95th Congress. Should DOPMA's prospects dim, they will be submitted with our program for the Second Session.

DOD's 94th Congress program also included a proposal to repeal the "Monroney Amendment" concerning conduct of wage surveys (DOD 94-75). Because this item was included in the Civil Service Commission's (CSC) broader "wage board" package, we are not resubmitting our proposal. We would offer strong support for the CSC proposal in the 95th Congress.

