

Melvin Laird
and the Foundation of the Post-Vietnam Military
—————1969–1973—————

Documentary Supplement

Edited by
Richard A. Hunt



SECRETARIES OF DEFENSE HISTORICAL SERIES
Erin R. Mahan, GENERAL EDITOR

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Volume VII

Melvin Laird

and the Foundation of the Post-Vietnam Military

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Preface

This collection of documents complements the official history of Secretary of Defense Melvin Laird by making available a selection of the documents cited in the notes of *Melvin Laird and the Foundation of the Post-Vietnam Military, 1969–1973*. The documents selected were chosen for their historical significance with a preference for material created by the Office of the Secretary of Defense.

The documents are arranged by chapter and can be accessed by clicking on the document title in the table of contents. Readers will find that some of the documents bear notations by the Historical Office of the Office of the Secretary of Defense that were not present at the time of the document's creation. While every effort has been made to remove such notations, those instances where this proved impracticable are noted. All of the documents are either unclassified or have been properly declassified. The views presented in the documents included in this collection do not necessarily represent those of the Office of the Secretary of Defense.

Erin R. Mahan

Chief Historian, Office of the Secretary of Defense

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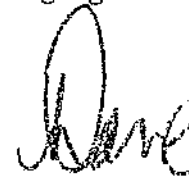
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DAVID PACKARD
1501 PAGE MILL ROAD
PALO ALTO, CALIFORNIA 94304

14 January 1972

Mel:

Attached is my summary of what I recall as
having happened during the past three years. I hope
that this in some way is similar to what you saw and
that you may find this of some value as you continue
the great job you have done in managing the Department.

A handwritten signature in dark ink, appearing to read "Dave", is positioned below the typed text.

Microcopy from Gerald R. Ford Library

Improving the Development and Procurement of New Weapons

As we took over the management of the Department of Defense in the spring of 1969, one of the most serious problems we faced was the unsatisfactory way the Department of Defense had been managing the development and procurement of new weapons systems. Some criticism of DOD management began to build up over several previous years but seemed to come to a head during the spring of 1969. The F-111 program which had been controversial from the very beginning was still in trouble. Cost over-runs and other troubles with the C-5A project were uncovered; the Mark-48 Torpedo project was in trouble, as was the Main Battle Tank Project of the Army. In fact, it was very difficult to find a new weapons development program without major cost growth or other difficulties of one kind or another.

In addition to the specific programs that were making headlines almost daily with cost growth and other difficulties, a more significant consideration was evident. The overall record of the previous decade in the development and procurement of new weapons systems in fact did indicate very poor performance. Development and procurement budgets had been at an almost all-time high for several years, yet a discouragingly small amount

of new equipment had been put into production and made available to the military forces. This was due in part to the considerable resources that had been diverted to supplies and materiel for Southeast Asia. Yet, there was ample evidence to support the opinion that the American taxpayer had not received very good value for the vast sums of money being spent by the Defense Department.

These problems were magnified by the general anti-Defense attitude which resulted at least in part from our involvement in Vietnam. This attitude in the country made it possible for almost any fact or figure to be used to make a plausible case that the Defense Department was wasting the resources it was given to manage.

There was enough substance to this criticism that the issue could not be simply brushed aside. There was, in fact, only one course of action to take -- that was to move right into the situation and take specific action to assure that the Defense Department would do a better job in the future in managing the development and procurement of new weapons systems.

The efforts to understand what had gone wrong and to decide how to do the job better were undertaken promptly and have

continued with a very high priority over these past three years. Numerous discussions were held with OSD and Service people at all levels. Reports were obtained from industry groups and discussions held with representatives of the industry. Many personal visits were held with the contractors involved in major programs and wherever possible we visited the plants where the work was being done and held discussions with the people directly responsible for management of the programs.

As we looked at project after project to try to determine what had gone wrong and find ways for improvement, there seemed four major factors, one or more of which was present in every situation:

A. The initial decision was wrong resulting in project cancellation and projects that were too ambitious or unrealistic.

B. DOD management was not as good as it should have been.

C. Cost estimates were unrealistic and accepted even when we could have known better.

D. Defense industry was in trouble in both its management and finances. To a significant degree, their problems were the product of bad DOD procurement policies.

A. Improving the Initial Decision

One very significant conclusion was reached early in our consideration of this matter. Poor decisions had often been made at the very beginning of the program. Sometimes the project should not have been undertaken in the first place. Sometimes over-optimism at the beginning assured disaster later. The first place to seek improvement, therefore, was to determine how better decisions could be made at the beginning.

1. The Problem.

The most certain way to waste resources is to spend hundreds of millions of dollars on a development and then conclude that we will not need what we are developing. Even when the right project is selected, there are other aspects in the initial decision-making process which must be right. These relate to the appropriate match between technology and requirements for it is almost certain to be wasteful to try to develop something that is beyond the state of the art, and it is costly to ask for more than is necessary. Careful consideration of this question is necessary before full-scale development is undertaken on a new weapons. If, however, misjudgments are made at the beginning, as is often the case when very advanced technology is involved, this problem can also be managed further down stream in the development program by giving proper attention to trade-offs between requirements and

costs even though the initial decision may not be the best. The management of the project must be structured and oriented to make trade-offs possible and this had seldom been done. In fact, the "total package" approach made trade-off decisions between performance and cost and schedule almost impossible and added real and unnecessary cost to programs such as the C-5A.

The nature and the capability of future military forces are of necessity determined to a large degree by the decisions that are made on new weapons developments today. Decisions on individual weapons cannot be made in isolation. In fact, no viable decision on what weapons should be developed can be made without knowing in considerable detail what kind of forces will be needed for the future. The selection of individual development programs to be pursued must of necessity be made only in the light of careful overall force planning.

The divisionary forces which pressure the decisions on what programs to undertake are numerous and powerful. Within the Pentagon there is a competition between the four Services -- the Army, Navy, Air Force and Marine Corps -- and frequently, between parts of a Service. The competition is not only for the allocation

of overall Department funds, but it goes on through the questions of roles and missions and there is a strong tendency for each one of the Services to want to be in on everything. Then there is the pressure from the industry. Private firms try to sell their particular program not only to people in the Services but also to people at the Secretarial level on the E Ring of the Pentagon, and no small part of their effort and energy is devoted to influencing committee members in the Congress. Under pressures of this influence and because of their need to do things to benefit their own districts, members of congressional committees have substantial impact on the decision-making process and the new weapons development programs undertaken. On top of these specific pressures is the basic inertia against change and innovation characteristic of a large organization. One particular characteristic of a military organization is that it tends to think more in terms of getting what was effective in the last war rather than thinking ahead in an imaginative way about what might be needed for the future.

A good example of the divisionary forces that put pressures on weapons systems programs are those forces which emphasize the development of major weapons systems rather than the

development of improved capability itself. As a specific example of this, the Navy has placed strong emphasis on the procurement of additional ships and aircraft. At the same time, the capabilities of existing ships and aircraft were limited more by their defensive and penetration capability than it was limited by numbers. The Navy faced and faces a serious threat from surface-to-surface missiles. However, the Navy program in this area has lagged for years at the same time they were making the case for more ships that would be similarly unequipped with the capability or able to defend against it. In the case of aircraft, the Navy lacked the ECM capability that would have permitted their aircraft to penetrate a sophisticated SAM threat area. The real need in the Navy was for increased ECM before an increased number of aircraft. In both of these cases the options presented by the Navy were those which added to force structure rather than very much lower cost options which would have substantially increased their combat effectiveness. There is a similar potential for greatly increased effectiveness at substantially lower cost through the use of "smart" as opposed to "dumb" bombs. The programs that we have established, counter to the original preferences of the military departments, result in improved

effectiveness in those areas where we have the greatest deficiencies as opposed to efforts to change force levels per se.

2. Force Planning.

Extensive force planning had, of course, been done in the past within the Department by OSD, JCS, and the military departments. There had been less than satisfactory agreement among groups involved and in recent years the systems analysis office had tended to dominate force planning and had a strong influence on specific decisions about new weapons programs. There was clearly a need to bring professional military experience more effectively into the picture. We felt this broader base would result in better decisions. This was done by effective use of both the NSC and improved DOD procedures beginning in the spring of 1969.

During these last three years excellent progress has been made through the NSC in providing a foundation for better decisions on the specific weapons needed for the future. A rational decision-making process is extremely important if the right decisions are to be made and if those people making the decisions are to have a basis for over-riding the pressures inherent in the system.

This NSC process began early in the spring of 1969 with a re-evaluation of the United States world-wide commitments and of the requirements for military forces necessary to support these commitments. Very important decisions have resulted from this work. For example, this re-evaluation provided support for the Nixon Doctrine, the substantial change in our policies toward Southeast Asia, a major reassessment of our world-wide commitments, and identification of the forces necessary to support these commitments.

These studies provided the basis for reaffirming the importance of the nuclear strategic offensive TRIAD, land-based missiles, sea-based missiles, and bombers, and reoriented the ABM to the Safeguard program. These studies indicated that our longer term planning should move toward a higher reliance on sea-based strategic nuclear missiles. More recently, these studies, combined with an evaluation of the recent trends in the growth of Soviet strategic nuclear capability, have brought to the forefront the urgency of improving the responsiveness and the survivability of the command and control capability for our strategic forces. The decisions to proceed with the development of the B-1 bomber, to accelerate the ULMS program, and to proceed with the

development and deployment of improved command and control capability all are based on those studies rather than from the pressures of advocates of certain systems.

These studies, and their recognition of the changed nuclear strategic balance, have provided the basis for emphasis on conventional (non-nuclear) forces with particular emphasis on developments to improve the capability of our naval forces.

During these last three years we have moved toward more realistic decision-making on new weapons which includes not only a better understanding of the appropriate strategy for the future but which also recognizes the realities of the situation, strategic reality first, of course, but also the diplomatic, political, manpower, and fiscal realities which bear on the decision-making process.

3. Internal Change in Decision-Making Procedures.

During the past administration, high reliance was placed upon what is called systems analysis to make the basic decisions about new programs. We have concluded during these past three years that while systems analysis is useful, good decisions require a combination of professional military judgement and good analysis. The first step was to re-emphasize that military

planning should be done by the military services and the JCS and that they should make more use of analytical decision-making procedures. All services and the JCS have developed and applied more system analysis capability to their planning. The OSD Office of Systems Analysis continues to be a devil's advocate in questioning service proposals. There has been much more of an attitude of cooperation, rather than the disdainful criticism that seemed to be the prevailing attitude before. We have a much more effective balance in the Department today between professional experience and judgment and objective systems analysis being applied to this important decision-making process.

We have taken steps to introduce other analytical studies which we believe will help with the decision-making process at the beginning of a development program. DDR&E has developed a procedure we call Area Concept Papers. These papers are studies of a general class of weapons rather than a study of a specific weapon. The papers are designed to give the decision-makers a broad view of what is already being done in a particular area, what deficiencies exist, now and in the future, the potential for further progress in that area as a background from which to make a

decision on a specific new weapons program. These papers also provide the basis for judging whether everything that is potentially productive in an area is being done and assuring the decision-makers that there is not unnecessary duplication between services on existing projects or when a new project is authorized.

Through the Development Concept Paper we have also put continuing emphasis on the careful and thorough evaluation of a particular project before it is released for full-scale development. These papers provide a concise yet thorough evaluation of the proposed development and enable the decision-makers to be sure the program has been carefully thought through before major funds are released.

4. Prototyping.

We have concluded that analytical studies alone, no matter how well done, are not always adequate. It is often necessary to put more reliance on hardware demonstrations and less reliance on paper analysis in making a decision to commit major resources to a new program. This is, of course, the basic rationale behind the "prototype" approach.

A good example of the prototype approach is the AX program. There is general agreement that we need improved

close air support capability. There is a question whether this should be done with fixed-wing, rotary-wing or VSTOL aircraft. In answering this question, there are many issues that cannot be satisfactorily resolved without operational testing of the hardware. We have, therefore, authorized a program which involves the development of two different models of the fixed-wing AX aircraft which will be produced and tested against each other and also against existing aircraft such as the A-7 which are also candidates for this job. Operational testing will also be used to evaluate the Cheyenne and other rotary-wing aircraft and the Harrier. Only after these prototypes have been tested in actual operation will a decision be made to commit major resources to produce equipment for the forces.

We are convinced that a much broader use of the prototype approach will be of immense help in making the right decision before we proceed to the commitment of major DOD resources for a new weapons program.

As a result of these specific and important steps which have been undertaken since 1969, we believe that both the Office of the Secretary and the services are much more capable of making a good decision at the beginning of a new program today than they

were three years ago. We recommend very strongly that those actions which have already been undertaken be supported and expanded and applied to the decision-making process at the beginning of every new program. If a decision is made to develop either something that should not be developed or to develop something that cannot be developed, the program has a built-in disaster.

B. Department of Defense Management

From our review of the problems that we found and the programs in trouble, it was clear that a major improvement required changes in DoD management and procurement policies. These changes were required not only at the initial decision stage but at every subsequent stage in the acquisition process. We have given particular emphasis to making the development process more realistic so that we know what we are doing before we do it. We have placed more emphasis on trade-offs during the development process and on the need to look at and test hardware before we make major decisions. In addition to these changes in development, we have made significant progress in improving the general management of the Department.

1. Improving the Development Process.

As an important part of our attack on the weapons development issue, we have kept in mind the basic nature of the development process. The development of any new product, whether it be a weapons system or a commercial product, involves the application of the latest technology to something which needs to be done but which has not yet been done. The development process must work at the frontiers of the unknown. There is always a degree of uncertainty in the development of any new product whether it be a simple device for the commercial market or the most complex weapons system. The parameters involved are the performance characteristics of the device, the cost of this development, the cost to produce the product and the time required for the development to be completed and the new product put into production. There are uncertainties in each of these parameters -- uncertainty on whether the desired performance can be achieved; uncertainty on what it will cost to achieve the desired performance; and uncertainty on how long it will take.

2. Trade-offs.

One of the problems we found with many new development programs was that the performance desired was rigidly

specified, the time to complete the development and put the proposed new product into production was rigidly specified, and the cost was rigidly specified, often through a so-called total package procurement procedure. After careful consideration, we concluded that a satisfactory balance between performance, cost, and time to operational capability is possible only if the people who manage major new weapons development programs are willing and able to make trade-offs. This also requires the utilization of the appropriate form of contract for the development.

3. Complete Development Before Production.

Almost without exception the programs in trouble had been structured so that production had been started before development was complete. This was often, if not almost always, preordained at the outset of the program. It was next to impossible to open up an on-going program so that the development could in fact be completed before a production was started. Very often one of the pressures which kept this concurrency between development and production built into a particular program was the insistence by the military department that it must have this new product operational in the forces by a specific date. Having made the case for this date in the beginning, the military department

was very reluctant to admit later that a delay could be accepted. On most on-going programs there was a considerable investment in production effort when trouble began to show up. It was generally too costly to stop all the production work while the remaining development problems were worked out. Costly rework and back-fitting seemed to be the only solution when trouble showed up on on-going programs. The only satisfactory answer is to start the programs out right in the beginning.

Of all the major programs which we examined, there was hardly even one which kept to the original schedule. In every case if more time had been taken to complete the development before production was started, the new weapon would in fact have been available to the forces just as soon but with fewer problems and at a lower cost.

Beginning in 1969, we began to apply in a limited way, this important concept of separating the development from production on programs already in progress. We found it difficult to change an on-going program so the new F-15 and B-1 programs were the first major programs to which these principles were applied in what we considered the proper way. The S-3A program, although underway, was modified by a six-month stretch to reduce the

concurrency between development and production. There was great reluctance on the part of the Navy to do even this much. It was only done by our insistence and it has turned out that the six months stretch was the minimum necessary to avoid serious problems with this program. A 12-month stretch would, in fact, have been better. The F-14 contract, which had been signed a few days before we took office, was reviewed but no major changes made. It is now clear that had we applied to this project the basic principle that development must be completed before the start of production, the problems which are beginning to show up in the F-14 program would have been minimized or eliminated. It is too late to restructure the entire F-14 program but further modifications will probably be necessary.

4. Better Testing

One very important question in this fly before you buy approach is how to determine whether development is complete and the proposed new weapon is indeed satisfactory before it is put into production. This involves a question of what kind of testing should be done and who should do that testing. We have given considerable attention to this problem and have taken steps which will provide for more testing, including operational testing. In addition,

the testing will be done with more independence from the people who are responsible for the development of the weapon. A new section in DDR&E has been established with the responsibility to examine each new program to make sure that adequate plans for testing are included as part of the program. We have asked each Service Secretary to arrange it so that the organization responsible for doing the testing reports to him through a channel independent from the channel used by the people responsible for doing the development.

At the OSD level, even though the group responsible for over-seeing these testing procedures is part of DDR&E, arrangements have been made so that the head of the testing group reports independently to the DSARC and the Secretary. We believe these steps will provide reasonable assurance that the testing of each new product under development is both adequate and objective in the future.

5. Improving the General Management.

While the things ~~described~~ described thus far have been directed at problems which have been troublesome, even on programs which are otherwise well managed, we concluded that there

was room to improve the general management of almost all new weapons development programs. One of the simplest yet most fundamental ways to improve management is to put a better man in charge. Time and again in our consideration of this matter during the past three years, we found the expected high correlation between good managers and good management and between poor managers and poor management. We have, therefore, given considerable attention to the question of how better people can be assigned to these programs. In order to assure that there will be more good managers in the future we have also taken steps for better training and better motivation. Once a good man is selected he must be given authority commensurate with his responsibility and left on the job long enough to be effective. Motivation must provide rewards for good performance and penalties for those who perform poorly. All of the military departments have taken important steps to select, train, and motivate more good people for project management and to keep them on the job. We have established a new school at Fort Belvoir for the training of project managers which with continued attention and support can become an outstanding academy of good management. There are many more good people assigned to major new weapons development programs

today than there were in 1969. Equally important, these people have been given more responsibility, more authority, and more support from the top levels of each of the three military departments than was the case in 1969. The channels of communication to and from important project managers in all three military departments with both the Chiefs and Secretaries and with top officials in the OSD offices has been greatly improved. There is already increasing recognition that project management is an important profession, not just another two year tour of duty.

6. Organization Structure.

Good management is difficult to achieve even with good people unless they can work in an appropriate organizational structure and in a motivating and rewarding environment. While some improvements have been made in the reporting relationship and the organizational structure for some specific project managers, there are changes and improvements yet to be made in the organizational structure of the military departments. This fact has been recognized at a high enough level in each Department so that some action toward change is underway, but much yet needs to be done.

7. Excess Paper Work.

Over the past decade there has been a great proliferation of paper work generated in the course of a major weapons system development. We have concluded that a great deal of this paper work is not only unnecessary but is counter-productive to the efficient management of these important programs. Some of the paper work is in the form of instructions written in the greatest detail on the way the job is to be done. Many of these instructions do little more than divert useful time and attention to unproductive work and often these detailed instructions reduce the likelihood that any intelligence or judgment will be applied to the job.

Much of the paper work is in the nature of reports made to inform people at a higher echelon about the status or the progress of the project. Often these progress reports are reviewed and modified in echelon after echelon as they move upward in the system, and they tend to tell people what someone thinks they will be pleased to hear about the project rather than what in fact is actually going on. Many of these reports are not only wasteful of time and effort but in some aspects are counter-productive to good management of the program. In numerous cases it has been possible to learn more about a program from a few minutes discussion with the

project manager than from a formal briefing which probably required hundreds of man hours to prepare and review. Very substantial reductions in the amount of paper work have been made at all levels and efforts to keep paper work to the minimum level required should be continued on an urgent basis.

8. Clarifying Responsibilities.

As problems began to show up on many programs in years just prior to 1969, they were in fact receiving considerable attention from various OSD offices. In some cases these offices were getting into the projects in too much detail and making decisions the project people in the military departments were supposed to be making. Even though the various OSD offices had considerable competence, the things they got into were not always in their area of competence. This procedure resulted either in great effort within the military department to justify its position or an abdication of the responsibility because the people in the military department felt they would be over-ridden anyway by people in OSD.

As we looked at this entire problem, it became apparent that the only way a better job could be done was for the military departments to improve their management of the programs, not

for the OSD offices to try to manage the programs for the military departments.

To straighten out this situation, several specific steps have been taken. First, we clarified the responsibilities of the various OSD offices with respect to the development and procurement process. Second, we continually restrained OSD people from getting involved in a project except (1) at certain designated milestone check points; or (2) when clear evidence of trouble became apparent. The Defense Systems Acquisition Review Council was established to monitor programs to make sure the improved procedures were in fact being applied to each major project at all stages and to assure that programs were ready to move into production or the next stage of development. The military departments were encouraged to accept the responsibility on the basis that they would not be bothered by OSD staff interference as long as the project was being managed well. This approach has greatly improved the attitude of the military departments and their performance as well. Close attention will be necessary on a continuing basis to hold the considerable improvement that this clarification of responsibilities has brought about.

C. Cost Growth

Historically, cost growth has been normal for virtually all DoD weapons procurement programs. There are several reasons for this. One reason has been the inflation in prices and cost in the entire economy and an inflation at somewhat high rates in certain portions of the defense industry. However, the major reason for cost growth for major weapons systems procurement has been the way the Defense Department and the contractors have done business.

The normal characteristic of the weapons systems acquisition process is that the industry is asked to do something that has not been done before. For just this reason it is clear that neither the Department nor industry can reasonably expect to know what a new weapon system will cost before it is developed. The contractors have bid on these proposals, frequently recognizing that the failure to win a given contract could affect the continued existence of a portion or perhaps their entire company. This has resulted in realistically low bids. Prior to the time we came into office, contractors were seldom required to perform at the original bid price. They were able to increase their prices by mutual agreement or by changes which called for re-pricing. The magnitude of the

under-bidding on some of the major contracts could have been and often was predicted at the time the contract was signed. As an example, parametric cost estimates, which can predict costs within 10% or so, predicted that both the F-111 and the C-5A contract bids were much below what the costs were likely to be. These analytical estimates, using parametric techniques, predicted the actual cost of both of these programs within about 10% of what it turned out to be. Even though the DoD knew or could reasonably have known that the bids were unrealistically low, the Department accepted the contractor's bid and made no effort to determine whether or how the contractor would be able to cover estimated and probable costs that were clearly going to be in excess of bids. As a result of this, we implicitly agreed to either see companies go into bankruptcy or else that we would cover the increased cost through one device or another in the future.

The problem of cost growth has not gone away. Inflation and low bidding are still with us. However, the changes we have made in contracting procedures, together with an increased use of parametric costing, will assist in reducing the magnitude and the frequency of this problem.

D. Defense Industry

When we came into office, the Defense industry was already beginning to get into trouble and the situation got progressively worse. By 1969 the industry was coming to the end of a period when there had been heavy procurement of weapons and equipment in support of Southeast Asia. The industry was still making optimistic estimates of future business levels and assumed continued high defense budgets. During the past three years the industry problems have become severe with a substantial reduction in workload and employment, and a substantial increase in overhead costs for the programs that remain. In looking to the future, we see little chance of a substantial increase in business for the Defense industry; rather, it appears that we have reached a plateau and policies and operations must accommodate to it.

One of the major improvements that we have introduced in our relationships with Defense industry has been a change in the type of contracts reached with industry. Our basic approach has been to recommend that the contract type be selected to accommodate to the degree of risk and the number of unknowns.

This will result in more cost-type contracts for the development stage and firm fixed-price contracts for production after development is finished. This approach is in marked

contrast to the contract types that we found on arrival. Certainly the most extreme example of the earlier contract type is total package procurement. The defects in this contractual approach have been evident from sad experience. It is clear that we should not contract for unknown technology at a firm fixed price. These conclusions can be drawn from the F-14 contract which has concurrency between development and production under a fixed-price contract with a ceiling which the contractor cannot meet and he probably knew he could not stay within the bid when he took the contract.

We have given attention to the subject of industry profits, both the level and manner in which they are determined. Initially, we were concerned about the high level of progress payments outstanding in the Department of Defense. It was clear that these progress payments took DoD funds early in the production cycle -- at the same time the industry which required the progress payments obviously lacked the capital to support their own production. These industries were unable to increase the amount of capital in their company, because their profit levels were lower than other less risky business investments. If we are to reduce the level

of government financing, both progress payments and equipment provided to the defense industry, it will be necessary to afford this industry competitive profit levels which recognize the unusual risks characteristic of DoD business.

We have approached the profit problem in two ways: First, in public comments we have attempted to demonstrate that defense industry profits, contrary to the general public impressions, are in fact, low. This judgment has been supported not only by our internal studies but also by the GAO. The second thing that we have done is to take measures to increase profits and to recognize capital investment in determining profit levels. One of the steps in increasing profits has been a policy change which permits contractors to receive interest on claims when they are settled in favor of the contractor. The second major change just being introduced is a procedure which will permit us to recognize the contractor's capital investment.

The defense industry is a vital component of national security. The worst of this industry's transition problems are behind it. It now faces a relatively even but lower level of business for the foreseeable future. We can anticipate that additional defense companies will have financial

trouble but many can regain their health at lower business levels or else diversify into fields outside of defense. It is important that future procurement policies assure reasonable profits for the defense industry. Only with adequate capital strength, which can come only from profits, can we have a strong defense industry able to supply the best weapons for our forces at the lowest cost to the government.

Are Weapons Becoming Too Expensive?

Underlying the criticism of cost growth and what can be done about it is the general feeling that the new weapons for the Defense Department are becoming too expensive. Is there a better way to obtain what we need for national security at a lower cost. The actions we have undertaken during these past three years can improve the efficiency of the development-procurement process for our weapons for the future and these new policies will be helpful. By far the most important factor driving the cost up is the capability we ask for in new weapons.

Let's look at the case of new fighter aircraft. The cost of a fighter is very closely related to its weight. A 40,000 pound airplane will cost about twice as much as a 20,000 pound airplane.

If we are willing to settle for fighters at 20,000 pounds instead of 40,000 pounds, we could have twice as many for the same cost or about the same number for half the cost. Which way to go must be determined by what we propose to do with these fighters. A 20,000-pound plane operating 400 miles from home base is a poor match for a 20,000-pound plane operating over home base. If we want to operate 400 miles from home against 20,000 pound aircraft, we can do much better with 40,000-pound fighters. The question, then, is not whether we should have X number of 40,000-pound fighters or 2X number of 20,000-pound fighters. If we want to have the capability of fighting forward of home base, we need larger and more expensive aircraft. This is, of course, a generalized example, but this is the problem of too expensive weapons.

If we want attack submarines that operate only close to the shores of North America, they can be smaller and less expensive than submarines that can operate anywhere in the oceans of the world. If we want to have aircraft carriers that can roam the Indian Ocean for extended periods without refueling to project American power by being able to fight there if necessary, we better build large nuclear-powered carriers which will be very

expensive. If we want aircraft carriers only to convoy ships across the Atlantic, they can be smaller and less expensive.

What our future forces will cost is determined by what we want those forces to do. Once we decide on the capability we want, it is wrong to try to cut corners. If we are going to do a job, let's do it right. It won't cost much more to do it right than to have not quite enough. In national security, not quite enough is something the United States cannot afford.

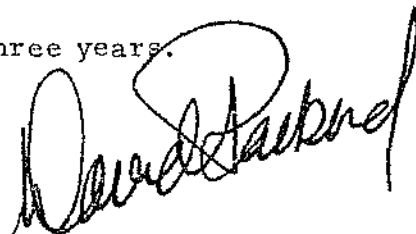
Whether the cost of new weapons for our future forces can be kept within our available resources will be determined by the military capability we need for the future security of our country and to support our foreign policy. Better management will at best buy us 10-20% more for our money and, of course, better management should be pursued with great vigor. The important question is can we support the foreign policy we are pursuing with the military capability we are buying? Here there are only two ways to go -- buy what we need and don't cut corners or reduce what we need by reducing our worldwide commitments.

During these past three years we have reduced our worldwide commitments and this has allowed us to make some reduction

in defense expenditures. We have taken steps which will buy more military capability for our money but not enough to support present commitments at lower budget levels. Our present policies have a much larger element of realism than the policies we found in the Department in 1969. These new policies should be supported with vigor.

Participatory Management

In addition to the many specific steps which have been described, we have also achieved the one thing which is most important. The people in the OSD and in the Military Departments are working together in a much more cooperative, effective way today than they were in 1969. This has been the result of some of the specific steps, clarifying responsibilities, etc., but it is also a matter of attitude. Participatory management has in fact made people feel they are part of the team. Human Goals has emphasized that good management is recognizing the abilities and the aspirations of people. If this spirit, this attitude, can be preserved and strengthened and made a permanent characteristic of the Department of Defense, we can have the satisfaction that there has indeed been real and substantial progress during these past three years.



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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

22 APR 1969

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Review of World-Wide Reconnaissance Programs (U)

Following the EC-121 shootdown, reconnaissance flights into the Sea of Japan, the Sea of Okhotsk and along the Communist China coast were suspended. At my direction, the Joint Chiefs of Staff have requested the Commander-in-Chief, Pacific (CINCPAC) to submit for approval a plan for reconnaissance flights within inter-cept range of North Korean and Communist China fighter aircraft. This plan will include:

- An outline of the reconnaissance activity required to meet our intelligence needs in those areas within the range of North Korean and Red Chinese forces.
- An outline of the procedures and protection that will be provided reconnaissance flights, with the understanding every reasonable effort will be made to provide adequate protection.
- An estimate of the probabilities of successfully protecting US forces, including support elements for the reconnaissance vehicle, involved in reconnaissance activity.
- An estimate of the intelligence degradation involved if the level of effort for which adequate protection can be provided is less than that required to meet intelligence needs.
- An outline of the rules of engagement issued to US protection elements.

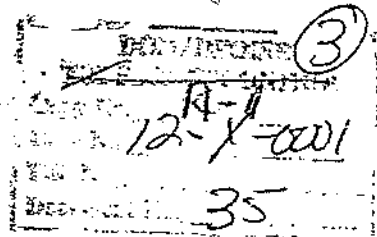
Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 14 SEP 2012 Authority: EO 13526
Declassify: Deny in Full:
Reason: 3.3(4)(1)
MDR: 12-M-0708

Downgraded to Secret
Date: 04 MAR 2011
Chief, Declassification Division, WHS

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A requirement has been placed on all commanders of unified and specified commands, the Director, National Security Agency and the Director, Defense Intelligence Agency to forward by April 30, 1969, the results of a review of the world-wide reconnaissance program with particular emphasis on:

- . The necessity for the intelligence sought, reassessment of the frequency and number of missions required to satisfy the intelligence requirements, and required protection for reconnaissance platforms.
- . The degradation of intelligence "take" that would result from a reduction in frequency of reconnaissance flights and from tracks less exposed to enemy interception. Justification, and a statement of priority, are being requested for each mission.

In connection with proposed protection efforts, detailed plans from CINCPAC are under review. In conducting this review, certain factors are being borne in mind:

- . Providing escort for reconnaissance platforms, both air and surface, may deter some enemy attacks on them.
- . Escort will attain some attrition of the enemy in retribution for attacks against the reconnaissance platforms.
- . An escort force of reasonable size cannot guarantee full protection since the attacking force may choose the time, place, conditions and size of attack and can destroy an escorted reconnaissance platform if determined to do so.
- . A reasonable objective in such a program is to deter those enemy attacks which could otherwise be carried out with little cost, and to exact an immediate cost from enemy forces in attacks which are not deterred.
- . Crucial to the success of protection efforts are the rules of engagement by which protecting forces operate. Under current rules, had the lost EC-121 been under

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escort, no counter-action could have been taken until a hostile act had been committed. I am asking for a delineation of the rules of engagement along with suggested changes to those rules which will allow us to meet the objective of protecting our forces.

OSD 3.3(b)(1)

- Shifting reconnaissance resources from Southeast Asia to Korea is not presently anticipated. However, CINCPAC may need to move some combat support and/or tanker resources from Southeast Asia to the Korean area. I have issued instructions that under no circumstances are we to transfer assets which are critical to the operations in Southeast Asia.

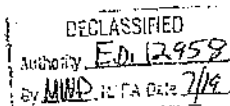
Two exceptions have been made to the suspension of reconnaissance operations: [REDACTED] flights have been authorized to transit South Korea south of the DMZ. These aircraft are under positive radar control at all times and protective fighter aircraft are maintained on alert for immediate take-off; and (2) reconnaissance flights in support of the Navy task Force (TF 71) are operating in the Sea of Japan, south of 38 degrees.



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Date: SEP 19 2012

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THE WHITE HOUSE
WASHINGTON

October 11, 1969

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National Security Decision Memorandum 27

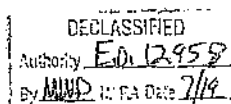
TO: The Vice President
The Secretary of State
The Secretary of Defense
The Director of the Office of Emergency Preparedness
The Director of Central Intelligence
The Director of the Bureau of the Budget

SUBJECT: U.S. Military Posture

As a result of the National Security Council meeting on September 10, 1969 the President has directed that Worldwide Strategy 2, as described in National Security Study Memorandum 3, U.S. Military Posture and the Balance of Power, General Purpose Forces Section, dated September 5, 1969, will constitute the approved United States strategy for general purpose forces.

The President has further directed that the general budget guidelines for the next five fiscal years contained in Table 1 will be used for planning purposes.

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TABLE 1
BUDGET OUTLAYS ^{a/}
(Billions)

<u>Vietnam</u> <u>Assumption</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>
A. U.S. Combat Involvement ceases after 1 July 1970 (NSSM 3 assumption)	\$73	\$71	\$72	\$75	\$76
B. Phase down to about 260,000 troops by 30 June 1971, con- tinue combat through 30 June 1973, no combat involvement thereafter.	\$76	\$76	\$75	\$75	\$76

^{a/} These figures are in current dollars as in NSSM 3 (i.e. including projected inflation and pay raises). The cost of appropriate assistance to allies is included.

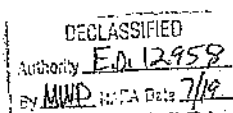
Budget outlays should be adjusted in accordance with actual Vietnam requirements.

The President has directed that the following be accomplished:

-- The Department of Defense will develop a five year force and program plan -- including overseas deployments and NATO-committed forces -- consistent with the approved strategy and budget guidelines, together with an explanation and rationale for the forces in each major force category and the logistics guidance.

-- The Department of State, in coordination with the Department of Defense, will develop a diplomatic scenario consistent with implementation of the approved strategy.

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-- The Department of Defense, in coordination with the Department of State and the White House Office of Congressional Liaison, will develop a plan for presenting the approved strategy and budget guidelines to the Congress and to the public.

Each of these tasks should be completed and a written report submitted to the Defense Program Review Committee by January 15, 1970.

The President emphasized that he will approve revisions to the strategy and budget guidelines and the five year force and program plan as required to maintain the security of the United States and its allies.

The President has directed that once each year, on September 15, the Secretary of Defense will submit to the Defense Program Review Committee his recommended five year force and program plan, together with its rationale, for the five fiscal years beginning the following July 1. This plan should be consistent with approved strategy and budget guidance and should note significant changes from the previous plan.

The President has further directed that proposals for significant changes in the approved five year force and program plan or in the strategy and budget guidelines be reviewed by the Defense Program Review Committee prior to consideration by the President and the National Security Council.

NSC 5904/1 - U.S. Policy in the Event of War - is hereby rescinded.

cc: The Chairman, Joint Chiefs of Staff
The Chairman, Council of Economic Advisors

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

January 9, 1970

MEMORANDUM FOR: Director, Defense Intelligence Agency

SUBJECT: Communications between DoD and National Security Council (NSC)
Staff Elements

Secretary Laird established the policy, shortly after assuming office as Secretary of Defense, that official communications between DoD and NSC staff elements would be processed through the Secretary's office. The purpose of the procedure was (a) to minimize the potential for multiple communications channels which could act to obstruct efficiency and top-quality staff actions, and (b) to protect the staff elements, especially in DoD, from inopportune requests.

Mr. Laird has reaffirmed the above-stated policy on many occasions. Dr. Kissinger agrees with and fully supports the policy as well. The Secretary asked that I provide you with a copy of his January 22, 1969, memorandum on the subject. If you should be confronted with problems or delicate situations vis a vis the NSC staff, Secretary Laird asks that you inform him. He will be able to assist in resolving such matters.

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 10 JAN 20 12 Authority: EO 13526
Declassify: X Deny in Full: _____
Declassify in Part: _____
Reason: _____
MDR: 12-M-2-104

Robert E. Pursley
Robert E. Pursley
Colonel, USAF
Military Assistant

Attachment

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div. WHS
Date: JAN 10 2012

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ASCM

15/69

SYSTEMS ANALYSIS

MEMORANDUM FOR SECRETARY OF DEFENSE

SUBJECT: Adequacy of the FY 70 Budget for Support of Operations in Southeast Asia (U)

In developing the FY 70 Budget in support of operations in Southeast Asia (SEA) two explicit assumptions were made. First, the presently approved forces in SEA (Program #6) would be maintained indefinitely. Second, air and ground operational activity would decline during FY 70 from the average 1968 post-Tet levels to the levels believed to be occurring in the fourth quarter; this projected decline in activity was expected to result in decreased operating costs and ammunition expenditures. For air operations, it was assumed that operating costs would drop about 20% and bomb consumption about 10%. For ground operations it was assumed that the variable part of operating costs would drop about 20% and ammunition expenditures about 10%.

Implicitly the Secretary and Deputy Secretary assumed that U.S. troop reductions would probably begin and the Paris negotiations would lead to some diminution in the level of violence during FY 70. For various reasons, including the concern that assumptions regarding reduced U.S. troop strength would harm the peace talks, these implicit assumptions were not stated in writing. As the situation now stands, however, the explicit assumption on which the budget was reduced, namely reduced activity levels, is unlikely to result in the estimated savings for three reasons: (1) friendly ground operations were not in fact significantly lower than average (in terms relevant to operating costs) in the fourth quarter of 1968; (2) ground ammunition consumption depends mainly on enemy activity and on our own artillery firing practices. Based on past patterns and current evidence, we believe consumption is unlikely to remain as low as the fourth quarter of 1968; and (3) no action has been taken to reduce the level of air sorties; if the current sortie level continues, neither the projected bomb production nor operating budget will be adequate.

If U.S. troop levels, tactical air forces, and naval forces are maintained in SEA through FY 70 at our currently estimated activity levels, more funds (\$700 million at a minimum) will be needed to support the war. The alternatives to requesting added funds from the Congress would be to: direct the field commanders to hold down consumption of ground ammunition and spare parts and reduce the level of air operations; reprogram funds from non-SEA programs; or make selective reductions in SEA forces, beginning with marginal units.

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Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 05 Jan 70 Authority: EO 13526
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Reason: ☐

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Table 1 summarizes the funds provided to support the war in FY 69 and FY 70 according to the President's Budget, compared with two alternative estimates that assume maintenance of present US troop levels and continued combat at the levels of CY 1968, post-Tet.

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Authority: EO 13526

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Date:

JAN 05 2012

TABLE 1.

DEFENSE BUDGET FOR SEA
(NOA in Billions)

	President's FY 70 Budget		FY 70 Alternatives	
	FY 69	FY 70	Probable	Pessimistic
Military Personnel	5.7	5.7	5.7	5.7
Operations & Maintenance	9.7	8.8	9.3	9.5
Ammunition	6.2	5.0	5.2	5.6
Aircraft Attrition	1.5	1.2	1.2	1.2
Equipment & Spares	3.5	1.7	1.7	1.8
Military Construction	.3	-	-	-
Research & Development	.8	.6	.6	.6
Total	27.6	23.0	23.7	24.4

Air Operations The FY 70 Budget assumes reductions in the number of B-52 and tactical air sorties during CY 1969 and 1970.

Funding for air ordnance was reduced to 110,000 tons per month from the average of 125,000 tons per month for CY 1968. Of this 15,000 ton/month reduction, about 6,000 tons per month is accounted for by a reduction in the B-52 sortie rate which has already been directed (although not agreed to by the JCS). The remaining reduction of 9,000 tons per month was based on an assumed cut of about 13% in the number of tactical air sorties.

Funding for operating costs was based on assumed reduction of about 20% in tactical air sorties and on additional reduction of 10% in B-52 sorties (over and above the B-52 reduction already directed).

Table 2 shows the past trend of sorties, and the projections underlying the FY 70 Budget.

TABLE 2

SOUTHEAST ASIA AIR OPERATIONS
(Monthly Average)

	CY 1968				FY 70 Budget	
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	CSM ^{a/} Funded	Ordnance ^{b/} Funded
Sorties						
Attack	32.5	34.4	35.0	31.7	26.5	28.0
B-52	1.4	1.8	1.8	1.8	1.4	1.6
Ordnance Consumption(000)	110	129	127	124	105	110

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a/ Based on funds provided for Air Force, Navy and Marine aircraft in CSM Budget request.

b/ Ordnance funded in FY 70. 43 Greater consumption is feasible by

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As indicated in the above table, the reductions underlying the budget are not likely to occur unless the field commanders are directed to hold down sorties, or some of the forces are withdrawn. The assumed tactical air sortie rates for FY 70 are about 12.5% below the number we would expect based on past sortie rates. Sorties and ordnance consumption were somewhat lower than usual in October and November, but returned to normal levels in December (32,000 attack sorties, and 133,000 tons of ordnance consumed) and the January totals will be similar.

The deficit in ordnance production could be met by foregoing increases in worldwide inventories; the worldwide air ordnance inventory is increasing during CY 1969 and thus will greatly improve our ability to meet contingencies outside SEA (e.g., Europe or Korea). If we are willing to forego this improvement in capabilities, we could avoid increasing the assumed FY 70 ordnance funding by drawing down our inventories to the current (Jan 1969) level.

The projected savings in operating costs, amounting to about \$300 million, cannot be realized however, without a directed reduction in sortie rates or a selective withdrawal of forces.

Aside from political considerations, we believe it would be preferable to withdraw forces rather than limit the sortie rate while keeping deployments constant. If nine tactical air squadrons (162 aircraft) were withdrawn from SEA, sorties and ordnance consumption would be reduced to about the levels assumed for FY 70 in the Budget, and added savings of about \$300 million would result.

We believe such a reduction could be made without significantly reducing combat effectiveness. The present air campaign in Laos includes large numbers of jet sorties (about 14,000 per month) that have a small payoff in terms of enemy materiel destroyed or effective disruption of his logistics system. Jet aircraft are poorly suited for this type of mission because they lack the maneuverability and loiter time required to find and destroy fleeting targets. Therefore, most jet sorties are used against chokepoints and fixed targets in Laos. Such strikes have little real impact as the roads can be repaired quickly, and adequate bypass roads are available to avoid the interdiction points. A cut in tactical air sorties in South Vietnam (SVN) could also be made with only a minor impact on combat effectiveness. Only about 20% of the sorties are in support of ground forces in contact with the enemy.

Ground Operations The budget assumes a reduction in ground combat operations during FY 70 to approximate the "lower operational levels" experienced during the fourth quarter of CY 1968. Reductions of \$300 million in operating fund and \$300 million in ground ammunition were made based on this assumption. Our analysis raises serious question as to the basis of these cuts.

Consumption of ground ammunition is determined mainly by the level of combat intensity and the number of contacts with the enemy, and secondarily by our own firing policy for artillery. Operating costs, however, are determined mainly by our own operational activity. Selected data on these factors are shown in Table 3.

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TABLE 3

ENEMY OPERATIONS - Q4 1968
(Monthly Averages)

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	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
VC/NVA Attacks	512	422	198	174
US KIA	1616	1575	982	682
Friendly Bn. Days of Operations	6199	7520	8264	8890
Friendly Large Operations	369	583	669	639
Friendly Small Unit Opns (OOO)	99	182	184	205
Army/USMC Helicopter Flying Hours (OOO)	195	191	200	193
Ground Ammunition Consumption (OOO tons)	117	112	101	91
Friendly Force Strength (OOO)	1384	1507	1588	1606

Source: OSD(C) SEA Statistical Summary.

OASD(SA) SEA Statistical Tables.

We believe it is unlikely that consumption of ground ammunition will remain at the low level of the fourth quarter of 1968. Instead, the evidence suggests that combat intensity will probably continue at average 1968 post-Tet rates if US force levels in Vietnam remain unchanged. First, the VC/NVA have sufficient military capability to continue the 1968 post-Tet levels of combat for at least several years. There are about as many enemy combat forces in South Vietnam today as a year ago, and they are at least as well armed and supplied as last year. Second, the enemy still retains the tactical initiative in Vietnam and can control the level of combat within a wide range (note the close correlation between enemy attacks and US KIA as shown on Table 3). If the VC/NVA want to fight, they have the ability to rapidly escalate the conflict. Finally, recent intelligence indicates the enemy is actually planning to sustain a high level of combat activity. Troop infiltration from North Vietnam continues at high levels, truck traffic through Laos is almost identical to last year's pre-Tet build-up, and all-source intelligence indicates current preparations for a renewed offensive in South Vietnam.

If combat intensity remains at the average for 1968 post-Tet, about \$200 million of additional ammunition would be required. (This takes into account the projected saving due to a more restrained policy on artillery fire.) As in the case of air ordnance, this deficit could be met by drawing down on worldwide inventories, but this would hurt our capability to meet contingencies in Europe, Korea and elsewhere.

In addition, it is unlikely that the projected \$300 million saving in operating costs will occur, regardless of combat intensity. The principal US strategy continues to be one of combat attrition (find, fix, and destroy the enemy), and US forces will undoubtedly search aggressively for the enemy. For example, while the level of violence during the fourth quarter was clearly lower (US/KIA was down 30% from the third quarter and ammunition consumption

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down 9%), operational activities (offensive sweeps, patrols, helicopter flights, etc.) did not decline. In fact, activity levels actually increased as shown in Table 3. Therefore, even if combat intensity remains low, US operations will continue at average 1968 rates and an additional \$200 million in O&M funds will be required; if combat intensity increases about \$300 million will be needed.

Naval Operations Reductions in naval operating funds and ammunition procurement were made during the development of the FY 70 Budget assuming reduced activity in FY 70. However, like air operations, naval operations (including gunfire support) vary only moderately as the pace of combat changes. Therefore, assuming ship deployments remain comparable to CY 1968 levels, it is likely that a minimum of \$10 million in additional gun ammunition and \$15 million in operating funds will be required.

Areas Where Funds Appear Adequate

FY 70 funds budgeted for pay, allowances, and direct support of SEA personnel should be adequate as long as the present manpower ceilings in SVN, Thailand and other areas of WESTPAC are maintained. Each added man deployed to Vietnam costs about \$30,000 per year and each additional man elsewhere in the Western Pacific costs about \$20,000.

The FY 70 Budget assumed a sharp drop in aircraft losses, reflecting the decision to stop bombing NVN and reduced the excessively high attrition forecasts made shortly after Tet. Aircraft losses are running near or below the projections used as the basis for the FY 70 Budget as shown below. Barring a resumption of the bombing of NVN or a series of large scale Tet-type attacks on our air bases in SVN, we should not need additional funds for aircraft procurement in FY 1970.

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TOTAL AIRCRAFT LOSSES IN SEA (Nov 68 - Jan 69)

	<u>Projected</u>	<u>Actual</u>
Fighter/Attack	83	79
Rece	9	7
Helicopters	265	201
Other Fixed Wing	59	36
Total	416	323

Possible Reductions in South Vietnam Cost

There are several ways to reduce the cost of the Vietnam conflict. Some small savings could be made without reducing the combat forces deployed in Southeast Asia; e.g., cuts in SVN overhead and support (headquarters, engineer, and logistic personnel), a phasedown of construction forces in Thailand, and withdrawal of naval gunfire vessels used against North Vietnam.

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coastal targets prior to the November 1 bombing halt. However, any substantial reduction in the cost of the conflict requires reductions in troops in South Vietnam, Thailand, or the Naval forces offshore. A number of possible actions are shown below.

<u>ACTIONS TO REDUCE THE COST OF THE WAR</u>			
	<u>Personnel (OOO)</u>		<u>Annual Savings</u>
	<u>SVN</u>	<u>Other</u>	<u>(\$ Millions)</u>
<u>Minor Reductions</u>			
Overhead/Support	15	-	300
Thailand Construction	-	1	20
Naval Gunfire	-	2	96
<u>Tactical Air Reductions</u>			
162 Jet attack aircraft ^{a/}	2	8	700
1 Carrier Task Force ^{c/}	-	5	57
<u>Ground Force Reductions</u>			
Army Div and Support ^{b/}	48	-	940
Marine Div and Support ^{b/}	34	-	735
Equipment Turnover to RVNAF	11	-	230

^{a/} Includes closing two air bases.

^{b/} Includes slice of tactical air support.

^{c/} Assumes no overall reduction in carrier based sorties would result if one carrier is withdrawn; therefore, no aircraft operation attrition or ordnance costs are included.

A reduction in tactical air operations was discussed previously. If nine jet squadrons were returned from SEA, we doubt that the impact would be significant. One of the three attack carriers normally flying missions off Vietnam could also be withdrawn without a major impact on sorties as the Navy sortie rates have dropped sharply since the halt in the bombing of NVN (from about 1700 to 1300 attack sorties per carrier per month). In fact, I understand that the Navy has recently proposed this to avoid slipping the carrier overhaul schedule.

We could begin reducing US ground combat forces in SEA during FY '70. Some US troops could be withdrawn this summer as their equipment (helicopters, river boats and artillery pieces) are turned over to the Vietnamese troops. In addition, as RVNAF combat capability continues to improve, other US combat units could be redeployed without reducing the total Allied combat capability in Southeast Asia. Vietnamese forces should provide the equivalent of 30 US maneuver battalions (about three divisions) of added combat capability in 1969. Each US division and its support that is redeployed saves from \$750 million to nearly \$1 billion a year.

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Key Factors Affecting the Cost of the SEA Conflict

The cost of the Southeast Asia conflict is determined largely by three factors: the number of troops deployed; the number of deployed tactical aircraft and the intensity of the ground war. The number of troops and tactical aircraft deployed in Southeast Asia are matters under our control; decisions can be made and the cost of the war changed accordingly. The ground operative activity level is only partially under our control as the level of violence is largely determined by the enemy. When the Viet Cong/North Vietnamese forces are unwilling to stand and fight, combat intensity drops. During periods when he is willing to attack or to react to our sweep operations, combat intensity increases and war costs increase.

Costs respond radically to changes in troop strength and aircraft strength because of the high costs associated with keeping men and aircraft in the field. Combat intensity is a lesser determinant, because of the low variable-to-fixed cost ratio associated with combat operations. The costs that actually vary with changes in combat intensity play a surprisingly small role in total war costs. Nevertheless a cease fire would result in sizeable savings as ordnance consumption (\$6 billion a year) and a major part of the other variable operational expenses would drop to about zero.

Troop Deployments

Each man deployed to South Vietnam costs \$25,000 to \$35,000 per year, depending on whether he is a support or combat man. These costs include pay and allowances, food, clothing, training costs, rotation costs, ammunition and maintenance costs. If 100,000 personnel were deployed to or removed from South Vietnam, the cost of the war would change about \$3 billion per year.

The approved deployment program to Southeast Asia (Program #6 through Change 39) authorizes a force of 549,500 US troops in South Vietnam, 48,000 in Thailand, and approximately 167,000 elsewhere in the off-shore Vietnam fleet and the WESTPAC area (ie Okinawa, Japan, Taiwan, Guam and the Philippines). Significant changes in these forces are planned for FY1970, and no further change should be necessary. On the other hand, if any meaningful reductions in the cost are to be made it will require withdrawals of troops.

Tactical Aircraft Deployments. Air operations cost about \$6.0 billion per year. Present programs call for about 1150 US fighter and attack aircraft deployed in Southeast Asia, 650 in SVN, 300 in Thailand, and 200 aboard the three carriers that operate offshore in the Tonkin Gulf. In addition, 105 B-52s and 150 Vietnamese and Australian fighter aircraft support the war. Three elements of cost relate directly to aircraft strength: (1) air ordnance consumption; (2) air operations and maintenance costs; (3) aircraft attrition.

1. Air ordnance consumption. Air ordnance expenditures are directly related to the number of sorties flown. Further, the number of sorties appear to be largely a function of the number of aircraft deployed. Since mid-1967, US tactical aircraft in SEA fly about 28 sorties per month per aircraft. This sortie rate has remained constant throughout the period of our involvement in

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A minor variable in ordnance consumption is the size bomb loads carried by the tactical aircraft. The average load per sortie has tended to increase over time as aircraft capable of carrying heavier loads enter the forces. In 1966 the average tactical sortie carried 1.4 tons. This rose to 1.7 in 1967 and presently is about 1.9 tons. Load sizes can, of course, be changed if the commanders wish. But, in the absence of such direction, the average loads will probably continue to increase slowly.

2. Air operations and maintenance costs. Fuel, supplies, transportation, maintenance and communications are the main elements of air operations and maintenance (O&M) cost. A large residual fixed cost component representing about 60% of total air O&M is determined by the size and number of air bases utilized; this, in turn, is a direct function of the number of aircraft deployed. Base supplies & maintenance, communications and transportation are the main fixed costs. The variable costs (40%) comprise mostly fuel and aircraft maintenance, which vary directly with the number of sorties flown. Since the sort rate itself is a function of aircraft population, then the reasonable conclusion is that all primary air O&M costs are tied directly to the number of aircraft deployed.

3. Aircraft attrition. Aircraft losses are a function of the number of sorties and the locations of the targets. Losses were heavier during a period of bombing of North Vietnam (NV) than at present. Assuming that the present bombing halt will continue indefinitely, then attrition is solely a factor of sortie rate and, thus, the number of aircraft deployed. Loss rates in both SV and Laos have been stable for several years; in SVN, we lose about .5 aircraft per 1000 attack sorties and in Laos the rate is slightly higher, about .6 per 1000 sorties.

Ground War Costs - In addition to the costs that are dependent on the personnel associated with ground forces, there are two other major cost elements, ammunition and operations and maintenance costs.

1. Ground ammunition. Our analysis indicates that the major portion of ammunition consumption is determined by the numbers of rifles, mortars and artillery pieces that are deployed in the combat zone. The fixed cost component of total ground ammunition consumption is about 78,000 tons per month, roughly 75% of total consumption. The balance of ground ammunition consumption appears to be directly related to enemy activity.

GROUND ACTIVITY - CY 1968
(Monthly Average)

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Enemy Attacks (Index)	512 (1)	422 (.82)	198 (.39)	174 (.34)
Fixed Ammo Exp (Tons-OCO)	78	78	78	78
Variable ammo Exp (Index)	39 (1)	33 (.85)	22 (.57)	13 (.34)
Total Ammo Exp	117	111	100	91

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rate will be 90,000 tons, about the level experienced during fourth quarter 1968. About \$300 million was cut from the budget based on the assumption that ground combat intensity will hold at the fourth quarter 1968 level throughout 1969 and 1970. During the fourth quarter 1968, only 2 VC/NVA battalion-sized attacks were reported, the lowest number since 1964. There were fewer total attacks than in any quarter since Jan-Mar 1967, and enemy incidents were the lowest since the second quarter of 1965. A budget based on this level of combat activity implicitly assumes that the enemy will return to their 1964-65 combat activity levels. It is questionable whether this low level of combat activity will, in fact, continue. Our analysis indicates the intensity of the fighting in FY 1970 will probably be close to 1968 post-Tet for three principal reasons.

First, there has been no significant decrease in the VC/NVA combat troops in South Vietnam despite heavy casualties. MACV estimates about 162,000 combat troops were in SVN in December 1968, better armed and equipped than in 1967.

Second, the enemy has the tactical initiative in Vietnam and can control the intensity of combat within a wide range. The combat "lull" during the fourth quarter 1968 was probably used to prepare for a new offensive. In fact, during January 1969 the pace of combat may be increasing over the level during Oct-Dec 1968, following a pattern similar to last year. A total of 1600 US/Free World troops were killed in January compared to a monthly average of only 1470 in the last quarter 1968. Enemy troop infiltration and truck traffic in Laos are substantially above the Oct-Dec 1968 levels.

Finally, it is unlikely combat intensity will decline significantly in FY 1970 because the principal US strategy continues to be one of combat attrition (find, fix, and destroy the enemy in large numbers). Our combat units will undoubtedly continue to aggressively pursue the enemy wherever possible, and unless the VC/NVA continuously avoid combat, activity levels will approximate 1968.

2. Ground Operations Maintenance. Ground O&M costs are determined only in small part by variations in ground combat intensity for two reasons.

First, there is a high relative incidence of fixed cost determined by the requirement to support the field forces regardless of whether they are in combat. Most supplies are in this category, along with civilian personnel costs, contractor services costs, base operations, and communications.

Second, the variable ground O&M costs (including equipment maintenance, transportation, medical and combat related supplies) are determined by the level of friendly operations not combat intensity. The following table shows that allied field activity is practically independent of the level of combat intensity.

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QY 1968 QUARTERLY AVERAGES

	<u>1st Qtr.</u>	<u>2nd Qtr.</u>	<u>3rd Qtr.</u>	<u>4th Qtr.</u>
I. Factors Reflecting Combat Intensity				
VC/NVA Attacks	512	422	198	174
US KIA	1016	1575	982	682
II. Friendly Operations				
Friendly Bn. Days of Cpn.	6199	7520	8264	8890
Friendly Large Operations	369	583	669	639
Friendly Small Unit Ops (OOO)	99	182	184	205
Army/USMC Helo Flying Hrs (OOO)	195	191	200	193

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Paragraph Transcriptions from document: Richard M. Nixon Presidential Library, National Security Council Files, Folder Haig Chron Feb 1-15, 1969, Box 955, Haig Chron Files. Secret. 5 February 1969.

- 1) **“If U.S. troop levels, tactical air forces, and naval forces** are maintained in SEA through FY 70 at our currently estimated activity levels, more funds (\$700 million at minimum) will be needed to support the war. The alternatives to requesting added funds from the Congress would be to: direct the field commanders to hold down consumption of ground ammunition and spare parts and reduce the level of air operations; reprogram funds from non-SEA programs; or make selective reductions in SEA forces, beginning with marginal units.” [Click here to return to the document]
- 2) **“Table 1 summarizes the funds provided to support the war in FY 69 and FY 70 according to the President’s Budget, compared with two alternative estimates that assume maintenance of present US troop levels and continued combat at the levels of CY 1968, post-Tet”** [Click here to return to the document]
- 3) **“Ordinance funded in FY 70. Greater consumption is feasible by [last line unavailable]”** [Click here to return to the document]
- 4) **“As indicated in the above table, the reductions underlying the budget are not likely to occur unless the field commanders are directed to hold down sorties, or some of the forces are withdrawn. The assumed tactical air sortie rates for FY 70 are about 12.5% below the number we would expect based on past sortie rates. Sorties and ordnance consumption were somewhat lower than usual in October and November, but returned to normal levels in December (32,000 attack sorties, and 131,000 tons of ordnance consumed) and the January totals will be similar.”** [Click here to return to the document]
- 5) **“Consumption of ground ammunition** is determined mainly by the level of combat intensity and the number of contacts with the enemy, and secondarily by our own firing policy for artillery. Operating costs, however, are determined mainly by our own operational activity. Selected data on these **factors are shown in Table 3.”** [Click here to return to the document]
- 6) **“down 9%), operational activities (offensive sweeps, patrols, helicopter flights, etc.) did not decline. In fact, activity levels actually increased as shown in Table 3. Therefore, even if combat intensity remains low, US operations will continue at average 1968 rates and an additional \$200 million in O&M funds will be required; if combat intensity increases about \$300 million will be needed.”** [Click here to return to the document]
- 7) **“Coastal targets prior to the November 1 bombing halt. However, any substantial reduction in the cost of the conflict requires reductions in troops in South Vietnam, Thailand, or the Naval forces offshore. A number of possible actions are shown below.”** [Click here to return to the document]
- 8) **“The cost of the Southeast Asian conflict is determined largely by three factors: the number of troops deployed; the number of deployed tactical aircraft and the intensity of the ground war. The number of troops and tactical aircraft deployed in Southeast Asia are**

matters under our control; decisions can be made and the cost of the war changed accordingly. The ground operation activity level is only partially under our control as the level of violence is largely determined by the enemy. When the Viet Cong/North Vietnamese forces are unwilling to stand and fight, combat intensity drops. During periods when he is willing to attack or to react to our sweep operations, combat intensity **increases and war costs increase.**" [Click here to return to the document]

- 9) **"A minor variable in ordnance consumption is the size bomb loads carried by the tactical aircraft.** The average load per sortie has tended to increase over time as aircraft capable of carrying heavier loads enter the forces. In 1966 the average tactical sortie carried 1.4 tons. This rose to 1.7 in 1967 and presently is about 1.9 tons. Load sizes can, of course, be changed if the commanders wish. But, in the absence of such direction, the average loads will probably continue to **increase slowly.**" [Click here to return to the document]
- 10) **"[First line unavailable] rate will be 900,000 tons, about the level experienced during fourth quarter 196[last digit unavailable].** About \$300 million was cut from the budget based on the assumption that ground combat intensity will hold at the fourth quarter 1968 level throughout 1969 and 1970. During the fourth quarter 1968, only 2 VC/NVA battalion-size attacks were reported, the lowest number since 1964. There were fewer total attacks than in any quarter since Jan-Mar 1967, and enemy incidents were the lowest since the second quarter of 1965. A budget based on this level of combat activity implicitly assumes that the enemy will return to their 1964-65 combat activity levels. It is questionable whether this low level of combat activity will, in fact, continue. Our analysis indicates the intensity of the fighting in FY 1970 will probably be close to 1968 post-Tet **for three principal reasons.**" [Click here to return to the document]

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14 Feb 1969

GENERAL POLICY GUIDANCE
FOR THE REVIEW OF THE FY 1969 SUPPLEMENTAL AND FY 1970 BUDGET

The FY 1969-70 budget review has now reached the point where Secretary Laird and I believe it would be desirable to state more explicitly some of the policy objectives towards which we believe we should move, pending the completion of the overall reevaluation of our national security policies, plans and programs which is now in progress. From what we have seen thus far, it is quite apparent that our predecessors, Mr. Clifford and Mr. Nitze, have done a very thorough job in preparing the Defense programs and budgets now before the Congress. We differ in some respects, however, in our assessment of the world situation and in the relative emphasis which should be given to various aspects of the Defense program. And, we do have the benefit of a "second look" based on more recent data.

Accordingly, we believe the current program and budget review should be guided by the following considerations:

1. Southeast Asia Requirements

As long as U.S. military forces are engaged in combat operations in Southeast Asia, their essential needs must be met without exception. Furthermore, we must at all times be prepared for a sudden surge of combat operations in that area -- e.g., another "Tet" offensive. At the same time we should take fully into account, in computing our requirements, the latest experience data -- activity, consumption and attrition

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rates; stock levels in Southeast Asia and worldwide; the rapid expansibility of production from a "hot" base; etc. With the Korean war experience in mind, we must be particularly careful at this stage of the conflict in Southeast Asia to avoid overstocking and to draw down or redistribute the excesses which have already accumulated there.

We should also review the composition of our forces in Southeast Asia in the light of the changing character of the conflict. For example, there seems to be an imbalance at the present time between numbers of attack sorties (and attack aircraft) and projected air ordnance consumption. A similar imbalance appears to exist between the number of gun ships available offshore and the consumption of naval gun ammunition.

2. Non-SEA General Purpose Force Requirements

The overriding priority given to the needs of our forces in Southeast Asia during the last 3-1/2 years has apparently caused some significant distortions in the overall balance of our General Purpose Forces. Although it is highly unlikely that these imbalances can be fully rectified until the conclusion of the conflict in Southeast Asia, we should explore the possibilities of doing more to correct some of them during the FY 1970 Budget period, particularly in our forces in Europe and the Mediterranean.

With regard to the Navy shipbuilding and conversion program, it is clear that the Department has, for some years, been pushing the modernization problem into the future. The FY 1970-74 program, while quite

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reasonable in its parts, does not appear to be very practical as a whole; it peaks at a very high level in 1971, and then declines to a relatively low level by FY 1974. Although this is a longer range problem, it has some important FY 1970 implications, particularly with regard to multi-year programs and advance procurement for ships to be started in FY 1971. It would seem that the program must be projected over a considerably longer period than five years if we are to meet the need for fleet modernization within acceptable financial limits.

3. Strategic Forces Requirements

The rapid buildup of Soviet strategic forces during the last two or three years -- e.g., ICBMs, new SAMs and interceptors, and the projected increase in SLBMs -- is causing increasing concern with regard to the overall strategic balance between the U.S. and the Soviet Union. Similarly, the potential Chinese Communist ICBM capability is introducing a new element in the strategic threat to the U.S. Accordingly, special attention must be given during the current budget review to the adequacy of our own strategic forces, over both the near term and the longer term.

For the near term, we should consider the desirability of retaining selected elements of the strategic forces now scheduled to be phased out during the next two to three years. For the longer term, we should reexamine both our deployment and R&D programs so as to ensure that the strategic balance remains favorable to the U.S. over the next five to ten years. In this connection we should critically reexamine the

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relative cost/effectiveness of the various competing weapon systems planned for our strategic forces over the longer term, and this will require consideration of deletions from as well as additions to the forces.

In evaluating the adequacy of our strategic forces we must be sure that they will in fact perform as planned if they are needed. Our confidence, particularly in the missile systems which can not be frequently exercised in training, must be supported by adequate and realistic operational testing to the fullest extent feasible. We must also be sure that our missiles can transit a nuclear environment without degradation of their performance, during both the boost and the terminal phases.

With regard to strategic defense, the most pressing near term problem is the role of the SENTINEL system. Given the latest assessment of the strategic threat through the mid-1970s and pending the outcome of prospective talks with the Soviet Union on strategic force limitations, we believe we should move forward with the deployment of the SENTINEL system. However, both the siting plan and the deployment schedule should be reexamined.

It is clear that the siting of the SPARTAN missile launchers in heavily populated areas is causing intense opposition from the people in the localities involved. Accordingly, it would seem advisable to reconsider the presently planned deployment pattern and examine alternative arrangements which would permit the siting of the missile launchers themselves in outlying areas.

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In the light of delays already entailed by the siting problem and the additional delays which may be involved in redesigning the deployment plan, it would appear that a rephasing of the entire SENTINEL program is now necessary. Although we believe the SENTINEL system should be deployed, we see no reason why it should not be planned on an orderly basis, even if the initial and full operational capability dates have to be slipped to some extent.

Attention should also be given to the bomber defense forces, particularly the balance among the three major components of the planned modernized force -- F-106X, AWACS and OTH radars. The manner and pace at which the old elements of the force are to be phased out should also be reexamined to ensure that a maximum amount of defense is being obtained from the resources allocated to these elements in the FY 1970 Budget and the Five Year Defense Program.

4. Airlift/Sealift Requirements

Our requirements for airlift and sealift forces are closely related to our contingency war plans, which, in turn, are directly derived from our national security policies. Inasmuch as our national security policies are now undergoing a comprehensive reassessment by the new Administration, it may be prudent to defer any new commitments in this area pending the completion of that task. This approach would be particularly relevant to the FDL program, which is scheduled to be initiated in the FY 1970 Budget. It may also have some relevance to the

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procurement of the fourth squadron of C-5As. However, we would have to consider the additional cost which would be involved in delaying the procurement of that squadron, as well as the impact on the financial position of the principal contractor.

Further study should also be given to the tactical airlift requirements, about which there appear to be some important differences of opinion within the Defense Department. In this connection, the role of the reserve components in both the tactical and strategic airlift should be reexamined.

5. Readiness for Production

Our preliminary review of the Defense Program and Budget reinforces our earlier impression that many of the serious problems encountered in production -- delays, cost overruns and failure to meet performance specifications -- could largely be avoided if more time were taken to complete development, test and evaluation of major subsystems and components. In fact, the tendency to rush into large scale production before development has been completed may well cost more time and money over the long run than a more systematic and orderly approach. While each case must be judged on its own merit, taking into account the state-of-the-art and the urgency of the requirement, it would appear that as a general rule we would be better off from every point of view with more realistic scheduling. Accordingly, we should review each new major weapon systems program reflected in the FY 1969-70 Budgets so as to ensure that the development and production schedules proposed

are truly attainable, not only in terms of time, but of cost and performance as well.

6. The Volunteer Force

President Nixon has directed the Defense Department to study the possibilities of moving to an all-volunteer force after the conflict in Southeast Asia is terminated. It is our conclusion that the logical first step towards that objective would be the modernization of the military compensation system, a matter which has been under study in the Defense Department for the last three years. We believe that the plan developed by our predecessors can, with appropriate modifications, serve as a useful starting point in the Congressional consideration of this problem.

A preliminary costing indicates that the enactment of this plan, with an effective date of July 1, 1969, would add about \$1.2 billion to the FY 1970 Budget, over and above the \$1.8 billion already included in that Budget for the July 1, 1969 pay raise authorized by existing legislation. Under the proposed plan, some part of the \$1.2 billion in additional Defense Department expenditures would be returned to the Treasury in the form of additional tax revenues. Nevertheless, the pay reform would add a significant amount to the cost of national defense in FY 1970 and particularly in subsequent years. Accordingly, we must take advantage of every possibility for savings in the utilization of military manpower which the pay reform promises to provide, such as lower training requirements, greater manpower proficiency, etc.

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7. Economy and Efficiency

In view of the potentially dangerous economic and fiscal situation in which the Nation now finds itself, all demands on the Federal Budget must be matched against a strict set of national priorities. Since the proposed pay reform will further increase Defense expenditures and we will no doubt wish to add to certain programs included in the FY 1970 Budget transmitted to the Congress by the preceding Administration in January, we must also search out every area for potential reduction:

a. Full account must be taken of more recent experience data and other changes which have occurred since the original FY 1969 Supplemental and FY 1970 budget requests were prepared last December.

b. Programs and activities which contribute only marginally to our defense posture must be eliminated.

c. The on-going R&D program must be carefully reviewed and all projects which no longer look promising or do not now appear to be worth their cost, or the need for which is now less certain, must be ruthlessly eliminated so that the resources thus freed can be redirected to more urgent needs.

d. Although the present Administration will probably support the previous Administration's request for relief from the civilian personnel reductions imposed by the Revenue and Expenditure Control Act of 1968, the Defense Department on its own initiative should undertake a vigorous program to reduce civilian employment. Particular attention should be given to overhead activities. The buildup for the Vietnam

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conflict has been completed and it should now be possible to shake down the organization and eliminate activities which are no longer needed.

e. The Defense Department, particularly over the last three years, has accumulated a substantial backlog of needed military construction projects, and several years will be needed to work it off in a reasonable manner. It is therefore imperative that all unneeded or marginal installations be closed or their activities consolidated at other needed installations. Accordingly, a "base closing list" should be promptly prepared and the expected savings reflected in the proposed amendments to the FY 1970 Budget. In this connection, all uncommitted Southeast Asia military construction funds should be reviewed and all funds not required in FY 1969-70 should be identified so that they can either be applied to more urgent needs or eliminated from the FY 1970 budget request.

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THE SECRETARY OF DEFENSE
WASHINGTON

Date: 12 Jan 2012 Authority: EO 13526

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Reason: _____

MDR: Z-M-2410

7 MAR 1969

Honorable Robert P. Mayo
Director, Bureau of the Budget

Dear Bob:

In response to your letter of January 24, 1969, a comprehensive review has been made of the 1969 and 1970 budget proposals which were transmitted to the Congress in January.

The attached schedules summarize the adjustments which I recommend for consideration at this time. The effect of these adjustments is to reduce the FY 1969 Supplemental estimate of budget authority from \$3,011,900,000 to \$2,885,000,000 and reduce the FY 1970 estimate of budget authority from \$80,645,197,000 to \$78,453,147,000.

As a result of information developed during the review of the budget, several significant cost overruns have been revealed. In order to develop the full scope of cost overruns that currently exist or are projected against presently approved programs, Secretary Laird has directed the Secretaries of the Military Departments and Directors of Defense Agencies to make a report of all such overruns to him by March 8, 1969. These reports will be evaluated and may result in revisions to the budget adjustments as contained in the attached statements. You will be advised of any such changes at the earliest possible date.

These amounts do not include provision for the Uniformed Services Pay Reform Act of 1969 which will require approximately \$1.2 billion additional NOA in FY 1970 above the amounts presently included in the government-wide contingency for pay raises. It is understood that the added cost of the Pay Reform Act will be included in a revised government-wide contingency for pay raises. While Defense outlays will increase by about \$1.2 billion in FY 1970 as a result of the proposed military pay reform, because of the conversion to a salary system, governmental tax receipts will increase by about \$1.0 billion (assuming continuation of the tax surcharge). Thus, the net outlays from the Treasury as a result of the pay reform will be a little less than \$200 million. Under Secretary Charles E. Walker of the Treasury has agreed that these estimates are reasonable and that income tax revenues should be increased accordingly.

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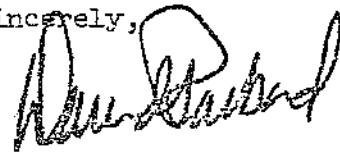
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Our review included a reappraisal of outlay forecasts based upon these adjustments and to take into account refinements due to experience since the estimates were submitted in January. While adjustments to FY 1969 programs would indicate possible reduced outlays of about \$130 million, the late date of the changes and current outlay experience mitigate against any revision of the current estimate of \$78.4 billion for FY 1969. The current FY 1970 estimate of outlays is \$79.0 billion. The presently identified program changes would result in outlay reductions of about \$668 million. Because of certain assumptions made in reaching the \$79.0 billion estimate, it is believed that a more reasonable reduction to be anticipated is about \$500 million; revising FY 1970 Defense outlays to \$78.5 billion.

Our review was conducted jointly with representatives of your staff and they are familiar with the details and basis for each adjustment proposed. We are available, however, to provide such additional information you may require.

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Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: JAN 10 2012

Sincerely,



Enclosures

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THE SECRETARY OF DEFENSE
WASHINGTON

27 MAR 1969

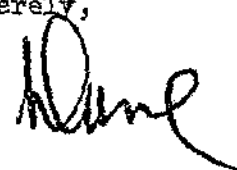
Honorable Robert P. Mayo
Director, Bureau of the Budget

Dear Bob:

As indicated in my letter of March 26th, we have taken the necessary action to identify further reductions in fiscal year 1970 budget authority and outlays. The attached lists identify those areas where decisions have been made, to date, to further reduce Defense programs. These listings total \$929 million in budget authority and \$613 million in outlays for total revisions to Defense fiscal year 1970 programs to date as follows:

	Budget Authority (\$ millions)	Outlays (\$ millions)
Reductions submitted on March 14, 1969	2,170	500
Additional reductions as of March 27, 1969	854 929	613
Totals	3,024 3,099	1,113

Sincerely,



Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 25 Jan 2012 Authority: EO 13526

Declassify: 7 Deny in Full:

Enclosures Declassify in Part:
Reason: MDR: 12-M-0413

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Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: JAN 05 2012

12-M-0413
OSR DOC 3-4

1584

~~CONFIDENTIAL~~

Summary
FY 1970 Additional Budget Revisions
Department of Defense

(\$ millions)

	<u>Budget Authority</u>	<u>Outlays</u>
Army	144 219	122
Navy and Marine Corps	127	113
Air Force	580	375
Defense Agencies	<u>3</u>	<u>3</u>
Total	929 854	613

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Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: JAN 05 2012

March 27, 1969

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~~CONFIDENTIAL~~

FY 1970 Additional Budget Revisions
Department of Defense

(\$ millions)

	<u>Budget Authority</u>	<u>Outlays</u>
<u>Army</u>		
SEA Munitions: PEMA	80 ✓	35
Cancellation of TNT Prod. Fac. PEMA	15 ✓	40 ← stays
NIKE X Adv. Development RDT&E	34 ✓	17
Civilian Personnel MY Reduction O&MA	<u>30</u> ✓	<u>30</u>
Army Total	219	122

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Date: JAN 05 2012

March 27, 1969

~~CONFIDENTIAL~~
FY 1970 Additional Budget Revisions
Department of Defense

DECLASSIFIED IN FULL

Authority: EO 13526

Chief, Records & Declass Div, WHS

Date:

JAN 05 2012

(\$ millions)

	<u>Budget</u> <u>Authority</u>	<u>Outlays</u>
<u>Navy and Marine Corps</u>		
Research and Development		
DSSV		
Oceanography		
NMCS Support		
Ocean Exploration	13	7
Reduce Ship Gun Ammunition		
OPN	30	29
Product Improvement Projects		
O&MN	15	13
Decommission 2 CB Battalions		
O&MN (2.9) OPN (4.2)	7	7
Reduce flying hours and associated a/c reworks incidental to reducing number of CVAs deployed to WESTPAC from 5 to 4		
O&MN	5	4
Reduce second destination trans- portation based on reductions in SEA operations		
O&MN	12	10
Delete FY 70 MBND program		
O&MN	2	1
Cancel construction of program gas plant, NAS Meridian, Miss.		
Mil Con	.1	.1
Place 1 P-2 Squadron in reduced operational status for 3/4 year		
O&MN	.7	.6
Ship inactivations (8 DD/DE, 4 DER, 1 AE, 2 AFB, 2 SS, 1 AF)		
MPN	12	12
O&MN	7	6
Civilian Personnel MY Reduction		
O&MN	23	23
Navy and Marine Corps Totals	127	113

~~CONFIDENTIAL~~
March 27, 1969

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FY 1970 Additional Budget Revisions
Department of Defense

(\$ millions)

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Authority: EO 13526

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Date:

JAN 05 2012

Air Force

Drop procurement option on SRAM.

MPAF

153 ✓

70

APAF

160 ✓

89

RDT&E

+17 ✓

+10

Program 949

RDT&E

2 ✓

1

MPAF

36 ✓

11

OPAF

12 ✓

4

Hold B-52 Sorties to 1600

O&MAF

50 ✓

44

Air Munitions

OPAF

94 ✓

94

Special Projects

MPAF

10 ✓

10

APAF

5 ✓

5

RDT&E

10 ✓

10

Military Construction

5 ✓

5

AWACS

RDT&E

15 ✓

9

MOL

RDT&E

31 ✓

19

Civilian Personnel MY Reduction

O&MAF

14 ✓

14

Air Force Total

580

375

March 27, 1969

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FY 1970 Additional Budget Revisions
Department of Defense

DECLASSIFIED IN FULL

(\$ millions)

Authority: EO 13526

Chief, Records & Declass Div, WHS

Date: JAN 05 2012

Budget
Authority

Outlays

Defense Agencies

Civilian Personnel MY Reduction
O&M Defense Agencies

3 ✓

3

March 27, 1969

~~CONFIDENTIAL~~

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

APR 23 1969

Honorable Melvin R. Laird
Secretary of Defense
Washington, D. C. 20301

Dear Mr. Secretary:

The President in a memorandum dated March 24, 1969, a copy of which was sent to you on March 28, stressed the need for decisive and substantive actions to reduce the size of the budget by several billion dollars and to keep full-time employment in fiscal year 1970 to the estimated June 1969 level shown in the 1970 budget.

The current budgetary review has been conducted to meet these goals. This has required reducing or eliminating certain low priority activities and redirecting other programs toward the objectives of this Administration.

The President has approved the following 1969 and 1970 allowances for budget authority and outlays for your Department as set forth below.

	<u>1969</u>	<u>1970</u>
	Total	Ceilings for programs covered by P.L. 90-364 Limitations
Budget authority	\$76,345,425,000	\$48,865,125,000
Outlays	77,790,000,000	48,977,863,000
		77,358,000,000

The Government-wide limitations on 1969 outlays and budget authority established by sections 202 and 203 of the Revenue and Expenditure Control Act (Public Law 90-364) are legally controlling. Your agency's activities must be adjusted as necessary to remain within the ceilings for 1969 under Public Law 90-364 as shown above.

8579

The allowances for 1969 and 1970 budget authority and outlays supersede, and are to be substituted for, the amounts in the allowance letter of January 15. The Bureau of the Budget will advise your staff of the more specific details which support these allowances. The amounts shown are net of applicable offsetting receipts, on the same basis as the previous allowances. For 1969, pay increases effective in July 1968 are included; for 1970, pay increases effective in July 1969 are not included.

It is imperative that you plan your operations so as to stay within the new 1970 allowances. Since this Administration will be most reluctant to consider recurring supplemental appropriations in the pattern of the preceding Administration, any additional requirements for Southeast Asia should be offset by reductions in non-SEA-related programs. Further, it is essential that you manage your activities so that you can adjust to such lower limits as may be required by congressional action, including any overall limitations which may be later established by the Congress.

Employment for the remainder of fiscal year 1969 will be reduced in accordance with the guidelines set forth in the President's memorandum of February 17 and my memorandum of February 18. Employment levels must always be within the appointment limitations permissible under the provisions of section 201 of the Revenue and Expenditure Control Act (Public Law 90-364).

Consistent with the President's memorandum of March 24, employment ceilings are established for your Department for June 1970 as follows:

June
1970

Total employment, excluding disadvantaged summer youth	1,255,000
Full-time employment in permanent positions	1,215,000

Except for the program to employ disadvantaged summer youth, the above ceilings cover all employment of your Department, including employment legally exempted from the limitations of section 201 of P.L. 90-364. However, if the Congress fails to repeal the limitations prescribed by section 201 of Public Law 90-364, the employment allowances set forth above will not be controlling. Lower employment levels generally will be required, since the legal limitation on appointments would continue in effect.

The ceilings cover employment under reimbursable arrangements and allocations. If reimbursements and allocations do not materialize as estimated, you should hold your employment down accordingly. If

additional employment is needed because of an unexpected growth in the volume of such outside funding, you should arrange with the other agency concerned to reduce its ceiling by a number at least equal to the increase needed in yours. Requests for adjustments in ceilings from both agencies should be submitted concurrently to the Bureau of the Budget for approval.

Thank you for your assistance and cooperation on this budget review. It has been most helpful.

Sincerely,

A handwritten signature in cursive script that reads "Robert P. Mayo". The signature is written in dark ink and is positioned above the typed name and title.

Robert P. Mayo
Director

Office of the Secretary of Defense Personal File, Box D17, Top Secret.

Chief, RDD, ESD, WHS

Date: 21 DEC 2011 Authority: EO 13526Declassify: X Deny in Full: _____

Declassify in Part: _____

Reason: _____

ADR: 12-M-0414~~TOP SECRET~~

THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

DECLASSIFIED IN FULL

Authority: EO 13526

Chief, Records & Declass Div, WHS

Date: DEC 21 2011

11 February 1969

MEMORANDUM FOR DR. KISSINGER

SUBJECT: Inquiry Regarding the Short Term Conduct of our
Military Operations in Vietnam

I appreciate your sending me a copy of the memorandum from the President concerning our military operations in South Vietnam. As I have already mentioned to you, I think that we must be very careful about the way in which this kind of matter is handled.

As a substantive matter, I would hope that the President will be assured that everything possible is being done with our present resources to apply military pressure on the enemy in South Vietnam. Indeed, the increase in recent weeks in the number of Americans killed in action, to nearly 200 per week, is largely attributable to our intensive efforts to gain contact with major enemy units. Although these efforts have been largely unsuccessful, they necessarily entail continuing casualties. I believe we must be sensitive to the incremental and total costs involved in our operations as well as to the marginal benefits.

While we have been successful, in the main, in deterring further enemy offensives of major proportions over the past few months, we should not assume that we can absolutely prevent widespread attacks. There is always the possibility that the North Vietnamese and Viet Cong forces may attempt to launch some further offensive at some point in time. If they do so, General Abrams is confident that their attacks will be repulsed with heavy losses. At the same time, it should be recognized that continued application of maximum military pressure in South Vietnam cannot be expected to produce any significant change in the military situation over any short run period of time.

Downgraded by Sector
Date: 04 FEB 2011
Chief, Declassification Division, WHS


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OSR DOC 4-1

12-M-0414 r-1

WASHINGTON D. C. 20301

4 MAR 1969

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Possible Responses to Enemy Activity in South Vietnam

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Authority: EO 13526

Chief, Records & Declass Div. WHS

Date: MAR 19 2012

The General Situation

Our military commanders believe that the enemy has the capability, and is likely, to sustain for some time a campaign of attacks by fire and by ground assaults against allied military installations and selected civilian targets. The enemy has not yet committed many main force units to ground actions. It is possible, therefore, that intense fighting could develop during the next few weeks, particularly in I Corps near the DMZ and Danang, and in III Corps around Saigon.

Our commanders are confident that they can deal effectively with the military aspect of this campaign. At the same time, all concerned recognize that the enemy's principal aim in this campaign is almost certainly psychological -- to raise the level of US casualties, to increase the level of dissent against the war here, to demonstrate their continued military capability, and to dramatize the inability of allied forces to prevent them from striking targets of their choice. While they have succeeded in their objective of increasing US casualties, the degree of success in attaining other objectives is as yet unclear.

The Joint Chiefs of Staff believe that the field commanders are doing everything possible in South Vietnam within the limits of their resources to spoil and to counter the enemy's military activity. I concur generally in this judgment, though it is a point I shall want to discuss with General Wheeler and General Abrams during my forthcoming trip to South Vietnam.

In assessing our military activities in South Vietnam (and, perhaps, in evaluating some of the reasons for the enemy's current campaign) it is pertinent to remember that General Abrams has been operating under instructions to apply maximum possible pressure against enemy forces. The following table illustrates the high level of effort being directed against the enemy in South Vietnam.

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Date 04/12/2011
Chief, Declassification Division, WHS

CSD Rev No. 2

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2

	<u>Jan 66</u>	<u>Jan 67</u>	<u>Jan 68</u>	<u>Jan 69</u>
Strength (000)				
Allied Forces	909.0	1216.3	1359.8	1641.4
(US Forces)	196.4	403.4	492.9	542.1
(VC/NVA Forces)	235.7	284.7	249.3	231.6
Weekly Average				
Bn Days of Opn	445	1119	1270	2136
Combat Deaths				
US	64	117	271	179
RVNAF	204	206	327	230
VC/NVA	598	1369	3436	2485
Sorties in SVN				
Attack	2743	3459	4035	3964
B-52	NA	134	152	178
Consumption of				
Munitions (000 Tons)				
Air	9.2	16.0	20.7	29.3
Ground	5.6	14.3	28.4	23.9

I do not know at this time whether there are new military initiatives which we might take in South Vietnam to cause the enemy to reduce the intensity of his attacks. That, too, is an issue I shall discuss in South Vietnam. (We shall, in this regard, continue to analyze the more recent patterns of military activity vis a vis those of 1968. We have furnished some comparative data to Dr. Kissinger's staff and will provide more as it becomes available.)

As I see the matter now, I do not believe we can prevent the enemy from initiating attacks if he believes it furthers his objectives to do so. We can make, and have made, difficult and expensive his preparing for and executing the attacks. It seems possible that a near-term reduction in the level of hostilities and casualties in Vietnam may result only from a mutual de-escalation, arrived at either in Paris or de facto on the ground. The latter is an alternative I will explore during my visit to Vietnam.

Alternatives

There are several actions which we could take in response to the increasing enemy initiated attacks in the South which, while having nominal military importance, would have a psychological impact.

We could take actions that would signal to the North Vietnamese potential preparations for military action against North Vietnam.

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Such "indicator" actions could range from unmistakable signals such as moving naval gun ships or a carrier task force into the Gulf of Tonkin to ambiguous actions such as increasing the level of our manned reconnaissance effort or changing the pattern of our tanker orbits. On February 27th I asked the Joint Chiefs of Staff to provide me their views on a broad range of such actions. The objective would be to elicit from the North Vietnamese a diminution of combat activity in South Vietnam, while still keeping our actual operational activity below a resumption of attacks against North Vietnamese territory.

The Joint Chiefs of Staff are concerned with the increased threat against allied forces near the DMZ. The Joint Chiefs have requested, therefore, that COMUSMACV be given authority to take such action in the southern portion of the DMZ as he deems necessary to protect our forces south of the DMZ. (MACV now has the authority to strike with air or artillery any observed enemy targets in the southern part of the DMZ, to respond to enemy fire directed against ground forces from any point in the DMZ or North Vietnam, to conduct squad size ground patrols in the DMZ with authority to reinforce to platoon size, and to conduct operations in the southern portion of the DMZ if necessary for the preservation of allied forces.) I have asked the Joint Chiefs of Staff for additional information on the imminence and magnitude of the military threat and for their suggestions as to the various ways in which the threat might be met.

The intensity of fighting in northern I Corps has diminished greatly since the bombing halt and the related "understandings." I believe that is to our benefit. We do not keep separate statistics in Washington for casualties associated with operations in northern I Corps, but since November 1st, casualties in all of I Corps, which used to account for about 60% of all US combat deaths, now account for only about 38%. This differential would almost certainly be greater if we could delineate casualties along the DMZ only. I am most reluctant to re-initiate large-scale activities in and around the DMZ because I fear that doing so not only will increase the level of fighting and resulting casualties there but also will produce intense pressure to resume bombing in North Vietnam, at least in those areas immediately north of the demarcation line. Resumption of ground activity on our part up to the demarcation line might also be just the excuse the enemy is looking for to move in force across the DMZ. That could put our troops in greater jeopardy and/or force redeployment of our units.

Ambassador Bunker, General Abrams, and Admiral McCain (CINCPAC) concurred in recommending a 96-hour air and naval campaign against North Vietnam south of 19° in response to the early days of the enemy offensive. The Joint Chiefs of Staff had previously taken a position in support of a military response to enemy attacks on civilian population centers. I am impressed with a [REDACTED] judgment that Hanoi may well be attempting to provoke a US retaliation "disproportionate to the provocation," resulting in "domestic and international criticism of the US Government and pressures

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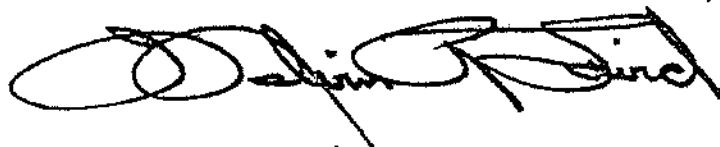
for an early settlement." Additionally, [REDACTED] suggests that "North Vietnam would be likely to suspend the Paris talks. Its objective would not be to break them off permanently, but to use the suspension as an instrument of pressure for a renewal of negotiations in conditions more favorable to them." I believe we should continue to take an extremely cautious attitude toward any resumption of hostilities against the territory of North Vietnam and that any such action should be thoroughly discussed with Paris and Saigon, as well as here in Washington before it is undertaken.

Recommendations

I am leaving for Vietnam on Wednesday morning, March 5. I am hopeful that after my discussions with Ambassador Bunker and General Abrams I will be in a better position to make specific recommendations to you regarding actions to be taken in Vietnam. I will be especially interested in pursuing whether any of the suggested alternatives - or any new alternatives - might accomplish the purpose of deterring the enemy's present campaign, and more importantly, what impact they might have in terms of the Paris negotiations.

Based on some preliminary doubts of the efficacy of the various military alternatives considered to date, I believe that our efforts and our thinking should focus once again on Paris negotiations. This should take place at the highest levels. I note that neither the NSC Review Group nor the NSC, itself, has Vietnam on its agenda for the next nine weeks. I believe that staff work on the key aspects of our negotiating posture in Paris should be begun on a priority basis, and that the Review Group and the NSC should meet as soon as possible to review the appropriate papers.

Until we can instruct our negotiators in Paris of our positions on the most critical elements, specifically our position on withdrawals, it seems to me that we are not in a position to press ahead with the discussions in Paris.



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Chief, Records & Declass Div, WHS
Date: MAR 19 2012

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2

I believe this is best done by making an early announcement of the withdrawal of a modest number of troops (20,000-25,000) and then carefully weighing the situation, to include various reactions (NVN, SVN, US), before making the next move. If this announcement is made in early June, withdrawal of this initial increment could begin in July and be completed in August.

The reaction to such a move could be favorable to us in several ways:

-- The North Vietnamese would be very hard pressed to counter it. Our military position would still be strong. Together with our allies, we would have high confidence of being able to put down an enemy offensive. Such a posture should produce a most desirable and widespread psychological impact.

-- The South Vietnamese would have further opportunity to understand that we are indeed serious about Vietnamizing the war. At the same time, they would not be likely to feel that we were rejecting our commitment. A successful defense against an enemy offensive could help to condition them for succeeding incremental withdrawals.

-- Those Americans who have been most vocal against the war probably would not be silenced by this action, but important elements of the US public would be encouraged.

If this assessment of initial reactions proves to be correct, you could then decide to withdraw a second increment later in the year. A decision in early August would permit redeployment to begin in September and, depending on size and composition, be completed in October or November. If conditions were favorable, a decision on a third increment could be made in October or November for additional withdrawals to begin before the end of the year and be completed in early 1970.

1969 Redeployments

There are several alternatives as to the over-all size and composition of the forces which might be withdrawn from South Vietnam this year. Five of the alternative packages that I consider feasible for implementation in 1969 are:

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Date: DEC 21 2011

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1969 REDEPLOYMENT ALTERNATIVES - SVN a/
(Strength 000)

Element

Alternative A

50,000 troops	1 Marine Division, Aviation Units & Support	26.8
mainly combat	1 Army Division and Support	19.6
2 divisions	Air Force Elements	1.3
	Navy Elements	2.3
		<u>50.0</u>

Alternative B

50,000 troops	1 Marine Division, Aviation Units & Support	26.8
1 Div plus	Support Elements, All Services	23.2
support slice		<u>50.0</u>

Alternative B' b/

50,000 troops	Combat forces (2 Regiments/Brigades from I Corps and 2 Brigades from III/IV Corps)	22.0
4 Rgmt/Brgd plus support	Support Elements, All Services	28.0
		<u>50.0</u>

Alternative C (Revised)

85,000 troops	1 Marine Division	22.5
2 Divisions	1 US Army Division	18.7
plus support	Division Support Trains	25.0 <u>c/</u>
	1 Marine Air Group	1.5
	Hq & Logistics & Other Support Forces not Associated with Divisional Support	17.3
		<u>85.0</u>

Alternative D

100,000 troops	1 Marine Division, Aviation Units & Support	27.7
2 Divisions	1 Army Division and Support	19.6 <u>c/</u>
and Support	Support Elements, All Services	52.7
		<u>100.0</u>

a/ Alternatives A, B and D correspond to those in the JCS plan. Alternative C (3-1/3 Division) of the JCS plan is not recommended; a revised C has been substituted. Within each alternative the actual mix of units may vary somewhat in final implementation.

b/ Alternative B' is in Appendix C of the JCS plan.

c/ Support spaces have been removed from each Army support slice to provide support to RVNAF.

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DATE: DEC 21 2000

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The South Vietnamese are prepared for A, B, or B'. Alternative C (Revised) probably would be acceptable if adequately explained, although both it and D exceed their expectations in terms of quantitative reductions in US strength this year.

In the United States, Alternative D, closely followed by C (Revised) probably would best mitigate pressures to curtail our involvement in the war. Alternatives A, B, or B' are probably about what the US public expect. It should be recognized that an enemy offensive which caused heavy American casualties during implementation of any alternative -- particularly C or D -- could result in seriously adverse public reaction.

Alternatives B, B', C (Revised) and D withdraw mixed packages of combat and support personnel. The JCS consider the support units should remain in Vietnam to support RVNAF and the subsequent withdrawal of additional US forces. However, in these more balanced packages, the support forces to be withdrawn will be carefully selected from among those which will have minimum impact on RVNAF effectiveness.

Longer Term Plans

The outline plan of enclosure 1 considers tentative timetables to Vietnamize the War during the period 1970-1972. They redeploy US forces over alternative periods of time and leave residual American troops in South Vietnam ranging from 260,000 to 306,000. Although it appears feasible mechanically to withdraw up to 290,000 US forces from South Vietnam by the end of 1972, even this 42 month timetable would probably result in an interruption in pacification progress. The interruption might range from only temporary reductions to a long-term degradation. To withdraw much faster (such as by the end of 1970), in the absence of some North Vietnamese withdrawals, could result in serious setbacks to the pacification program, a significant decline in allied military capability, and the possibility of a ~~CVN~~ collapse.

Non-original
markings

Recommendations

I believe we should stay as flexible as possible in our planning. I do not believe it is advisable to adopt a firm plan now to redeploy beyond the first increment of 20,000-25,000. Rather, I believe we should take the initial step, assess the situation fully, and then

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decide on the size and timing of the next step. In the meantime, and in concert with other agencies of the government, we will exert a major effort to expand, train, and modernize the RVNAF, and do whatever else may be required to transfer progressively to the South Vietnamese greatly increased responsibility for all aspects of the war. In summary:

-- A first increment of about 20,000 to 25,000 troops should be withdrawn, starting in July 1969.

-- The composition of the first increment should be determined by the JCS in coordination with CINCPAC, MACV, the US Mission, and the GVN.

-- The size, composition, and timing of a second increment in 1969 should be based on a careful evaluation of the reaction to the withdrawal of the first increment.

-- Current planning should be based on not more than 50,000 troops being withdrawn in 1969, as recommended by the JCS, unless an early agreement is reached with North Vietnam on mutual withdrawals.

-- Planning should stay as flexible as possible, so that rapid and appropriate additional responses can be made to further RVNAF improvement, the negotiations situation in Paris, and the military situation in Southeast Asia.



Enclosures

1. JCS initial report on Vietnamizing the war
2. Views of SecState

NOTE: The Plan attached to this memorandum is the same as that attached to JCS Memo for SecDef of 31 May, "Vietnamizing the War," SecDef Contr Nr X-2924, except that the OSD views footnoted in the latter have been incorporated into the text or dropped. The Plan is therefore again not reproduced.

Note added later by OSD Historical Office

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Authority: 25-13526
Class: Records & Declass Div. WHS
Date: DEC 21 2011

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Office of the Secretary of Defense
Chief, RDD, ESD, WHS

~~TOP SECRET SENSITIVE~~

5-294

Date: 05 Jan 2012 Authority: EO 13526

Declassify: X Deny in Full: _____

Declassify in Part: _____

Reason: _____ MDR: 12-M-0417

THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

12 DEC 1969

MEMORANDUM FOR: Assistant to the President for National Security Affairs

SUBJECT: Force Planning

I earlier asked the Joint Chiefs of Staff to address at least two options involving troop redeployments from South Vietnam. The two options were:

- a. Reduction to an in-country authorization of 434,000 by mid-March or mid-April 1970, i.e., 50,000 below the current authorization.
- b. Reduction to an in-country authorization of 384,000 by mid-July 1970, i.e., 100,000 below the current authorization.

The Joint Chiefs' of Staff response is attached. The Chiefs make the following recommendations:

- a. Redeployment increment number 3 should be deferred.
- b. If a redeployment must be announced, it should not exceed 35,000.
- c. Any further redeployment should be initiated as late as possible in the period 15 December 1969-15 April 1970.
- d. The GVN should be consulted before any redeployment decision is reached.
- e. A decision be reached as soon as possible, thereby abetting planning continuity.
- f. If the enemy escalates military operations in South Vietnam, any announced troop redeployments be cancelled, and, if necessary, reversed.
- g. Also, if the enemy escalates military operations in South Vietnam, a U.S. air and naval campaign against North Vietnam should be initiated.

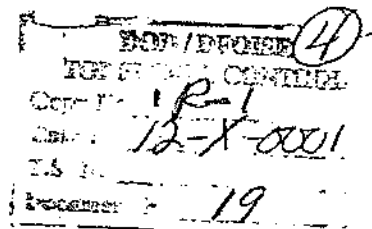
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Date: 04 NOV 2011
Chief, Declassification Division WHS

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Date: JAN 05 2012



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While the Chiefs note appropriate reasons for concern about enemy intentions and capabilities, they make an equally valid case for drawing conclusions somewhat different than those stated above. I should like to treat each of the Chiefs' recommendations in turn.

- a. Redeployment Increment 3. The Chiefs stress the enemy's capability of initiating a major offensive on short notice. This, and the historical winter-spring enemy combat patterns, are the major premises on which the Chiefs recommend against further redeployments now. However, the Chiefs also note:

- . The enemy's inability to sustain an attack over an extended time period.
- . The recent increase in enemy combat losses and Hoi Chanh (defector) rates.
- . Enemy strengths in and adjacent to South Vietnam about 15 percent lower than at the beginning of 1969.
- . Continued progress in pacification and Vietnamization.
- . RVNAF improvement and modernization are generally on or ahead of schedule.

The Chiefs make a valid case, in effect, for going ahead with the third increment.

- b. Size of Redeployment Increment. The Chiefs believe the next increment, if necessary, should not exceed 35,000. However, no reasons are offered to distinguish between the suggested 35,000 and the 50,000 increment outlined by the JCS for the 18-month or 24-month programs in their last NSSM 36 submission. I believe, in the absence of compelling arguments against such a move, we should stay with a 50,000 increment as the next step.

- c. Postpone Increment 3 As Long As Possible. The intent of Vietnamization is to provide self-determination to the South Vietnamese. Progress in Vietnamization begets further progress. Conversely, to halt or impede the momentum on Vietnamization could readily beget further delays or impediments to progress. Given the positive trends cited by the Chiefs, I believe we should continue redeployments

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without interruption. There are risks involved; but the problems, to include those potentially incurred among the United States people, in not maintaining redeployment momentum are almost certain to be more severe.

- d. SVN Consultations. In a broad sense GVN consultations are proceeding on a continuing basis. Also, in a broad sense, there is general GVN acquiescence to the 18-month redeployment schedule, as evidenced by remarks by both President Thieu and Vice President Ky. Despite these general patterns, there is the issue of protocol involved. I believe notification of the GVN of the third redeployment increment a few days before the announcement is satisfactory.
- e. Decision Timing. I agree with the Chiefs that a prompt decision and announcement has widespread salutary effects.
- f. Possible Enemy Military Escalation. The Chiefs raise a potent and valid issue in asking what the U.S. reaction should be if the enemy escalates military activity. If we are to proceed positively towards resolution of the conflict in Southeast Asia, we should make careful and sustained assessments before increasing military activity -- at least in the absence of unusual and prolonged enemy escalation. As the CIA has noted, the enemy would have to increase infiltration to about 20,000 men per month just to keep its force levels constant in South Vietnam. It is not clear they have started that infiltration rate yet. Furthermore, the enemy would have to maintain an unusually high infiltration rate of about 30,000 men per month for some 3-4 months just to get back to his main force unit levels of early 1969. In view of this situation, I believe we should, in the absence of unique provocation or threat, proceed with Vietnamization and our redeployment schedule.
- g. Campaign Against North Vietnam. I should like to reserve comment on this suggestion of the Chiefs to a separate paper. I would note, however, there has been, to my knowledge, no clear relationship demonstrated between a U.S. air/naval campaign against North Vietnam and a


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reduction in the latter's military capabilities. The costs to North Vietnam's suppliers could be increased, inconveniences to North Vietnam would be incited, and effects (positive and/or negative) on Hanoi's will could be produced. But there is no analysis that I have seen which would demonstrate any decisive results from an air/naval campaign against North Vietnam. To the contrary, for marginal gains we could sustain high and perhaps politically decisive costs. Furthermore, the use of a U.S. air/naval campaign against North Vietnam "... to preserve the progress being made in the overall Vietnamization program ..." may be a contradiction in terms.



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Paragraph transcriptions from document: Richard M. Nixon Library, National Security Council Files, Folder DoD vol.5, Box 223, Agency Files. Top Secret. Sensitive.

- 1) "c. Postpone Increment 3 as long as possible. The Intent of Vietnamization is to provide self-determination to the South Vietnamese. Progress to Vietnamization begets further progress. Conversely, to halt or impede the momentum on Vietnamization could readily beget further delays or impediments to progress. Given the positive trends cited by the Chiefs, I believe we should continue redeployments."

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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

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Authority: EO 13526

Chief, Records & Declass Div, WHS

Date:

JAN 12 2012

20 DEC 1969

MEMORANDUM FOR THE PRESIDENT

SUBJECT: FY71 Budget Strategy for Vietnam

Our Defense budget for FY71 is currently based on the assumption of a phasedown to 260,000 men in Vietnam by the end of June 1971. (This is the assumption in NSDM-27.) The question is how to present and justify the budget without revealing, directly or indirectly, our timetable for Vietnamization.

I believe it is possible to avoid revealing our timetable in the budget process. This will not, of course, solve the problem of possible leaks, but at least we can avoid confirming the leaks by the budget.

Our recommended budget strategy can be summarized as follows:

Type of Information Provided	Recommended Budget Strategy		
	Public Budget and Posture Statement, Unclassified Testimony	Classified Budget and Posture Statement	Classified Testimony -- Key Committees
End Strength of Services	Yes	Yes	Yes
Army/Marine Corps Force Structure	No	No	No <u>a/</u>
SEA/Non-SEA Cost Breakdown	No	No	Yes
Vietnam Strength in FY71	No	No	No

a/ If pressed, we would give this data to the key committees on a close-hold basis.

Under this plan, the only information available publicly which might give an indication of planned Vietnam reductions would be the end strength of the Services. The Army end strength is the most important number, since the Army has by far the largest share of the manpower in Vietnam.

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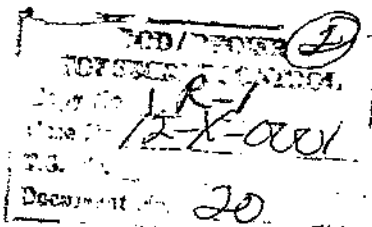
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Page 1 of 2 Pages

Def Cont Nr. X

OSR DOC 4-5

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Date: 04 MAR 2011
Chief, Declassification Division, WHS



Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 12 JAN 2012 Authority: EO 13526
Declassify: X Deny in Full: ---
Reason: MDR: 12-M-0418

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However, there are a large number of men in the Army whose units and missions are not easily identified to the outside observer; thus the end strength alone would not reveal the Vietnam assumption. The paper at Enclosure 1 provides more details on this and concludes that the uncertainty of an outside observer estimating June 1971 strength in Vietnam is between 174,000 to 260,000 (compared to an actual planned strength of 205,000). In summary, the end strength figure would indicate that we were assuming some Vietnam reduction, but it would not make clear how much or how fast.

As for our rationale, we would essentially stick to what we said in testimony this year -- we have a Vietnamization plan and have assumed further reductions in the budget, but we are not revealing the specific timetable for the reasons stated in your November 3 speech. In addition, we would say that the budget is flexible enough to support a variable timetable, depending on your specific decisions at the time. Finally, we would point out that the end strength reductions in the budget are a result of many factors besides Vietnam reductions, including tightening up of headquarters and bases, allowances for transients and turbulence and so on.

This approach will undoubtedly generate pressure and criticism both in Congress and the public, for lack of specifics, but this problem has been within manageable proportions until now. Furthermore, the problem tends to disappear fairly rapidly, since by March or April we will probably have announced at least Phase IV, which will bring Army Vietnam strength to within about 50,000 of the budgeted end FY71 strength.

We might have to give additional data, probably including the planned Army/Marine Corps force structure, to the key committees on a close-hold basis, without, however, giving an explicit redeployment timetable. The force structure information would give a fair idea to the committees of our approximate timetable. We would of course say that the budget assumptions were subject to change in either direction depending on circumstances. While we cannot entirely exclude the possibility of a leak from the committee, despite the classification of the information, the lack of specific figures and the ample flexibility of the end strength figures would not lend much credence to a leak of this kind.

In summary, I recommend that we base the budget on the 260,000 figure, and adopt the above strategy for presenting and justifying it.

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JAN 12 2012

Enclosure

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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Authority: EO 13526
Chief, Records & Declass Div, WHS
Date:

27 February 1970

JAN 12 2012

MEMORANDUM FOR THE PRESIDENT

SUBJECT: FY 1970-71 Budget Situation for Vietnam

Our budgets for supporting military operations in Southeast Asia for FY 1970 and FY 1971 are tight by any reasonable standard. As I indicated to you in an October 6, 1969 memorandum on B-52 sorties and again on February 3, 1970, in a memorandum on operational contingencies for Southeast Asia, (a) we have had to cut back on some operational support (such as B-52 sorties) in FY 1970, and (b) we shall have to be increasingly mindful of costs throughout the remainder of this fiscal year and throughout the next. I should like to highlight the nature of the problem for you.

The dollar amounts and activity rates being postulated would, perhaps, be illuminating. The following table outlines, in brief, selected activity and funding indicators:

	FY 1970	FY 1971
<u>Southeast Asia Incremental</u>		
(Costs by Budget Title Millions-TOA)		
Military Personnel	\$ 5,367	\$ 4,074
Operations and Maintenance	5,322	3,470
Procurement	3,861	2,509
Research & Development	133	104
Military Construction	34	77
Combat Readiness, SVN Forces	--	300
Sub-Total	\$14,717	\$10,534
<u>Budgeted Amounts Selected Items</u>		
(\$Millions-TOA)		
Supplies and Material (O&M financed)	\$ 2,263	\$ 1,501
Ground Munitions	1,868	1,106
Air Munitions	1,304	903
Aircraft Procurement	1,284	807
<u>Tactical Air Operating Rates</u>		
Attack Sorties per month	26,800	18,800
B-52 Sorties per month	1,400	1,200

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 12/11/2001 Authority: EO 13526
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Downgraded to Secret
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Chief, Declassification Division, WHS

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The most obvious point in the data shown is that Defense funds and activity levels for Southeast Asia are large in absolute terms, but are diminishing. The resources available to our forces will become fewer rather than more. Current budget plans should be adequate to support our objectives, but the choices involved in allocating the increasingly scarce resources will become harder and harder.

Another point -- and one which is not so obvious -- is that resource problems can develop as our forces in Southeast Asia respond to changing combat situations. During January 1970, for example, our tactical air forces increased their sortie levels and ordnance expenditures to, or above, programmed levels. Total attack sorties increased to 27,600, after having declined to 23,700 in October 1969. The consistent increase since November reflected the tempo of activity in Laos. Attack sorties in that country increased from 10,500 to 14,200 during the period from October 1969 through January 1970, respectively. Furthermore, air ordnance consumption during January totaled 117,000 tons, well above the anticipated 100,000 tons expenditure. This may be construed as a one-time surge in operations; but it may require the reprogramming of \$100 million in FY 1971 funds to insure maintenance of adequate air munitions stocks. As is evident from the FY 1971 budget data, such reprogramming will not be an easy chore.

Non-original markings

As we proceed with the Vietnamization program, US combat and combat support efforts will continue to be reduced. As you know, we anticipated, during the development of the FY 1971 budget, that further significant reductions in both our deployment and activity rates would be feasible. This anticipation permitted further sizeable cuts in the defense budget now before Congress. BUT these reductions also impose financial constraints that restrict to a considerable degree our ability to impose added operations, especially any high unit-cost or sustained operations, on the programmed operations rates.

To preserve adequate levels of flexibility, I have asked the Joint Chiefs of Staff and the field commanders to be mindful of the budget and resource situation. I have asked them, too, to be thinking of potential trade-offs. In a January 28, 1970 memorandum to the Chairman, Joint Chiefs of Staff, I noted:

"It is clear ... that if we are to consider seriously increases in one type of support, we must be willing to identify the trade-offs involved and specify what we shall give up in other areas to fund the increased activity."

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During my recent visit to South Vietnam, I emphasized the desirability of considering trade-offs within our Southeast Asia budget, if and when added operations are considered. We have already drawn down the baseline (peacetime) force to support activities in Southeast Asia.

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The total FY 1971 budget, when expressed in terms of FY 1964 dollars, is only \$3.8 billion higher in outlays than FY 1964. Southeast Asia incremental support costs during FY 1971, expressed in FY 1964 dollars, total \$9.4 billion. Accordingly, funds in the amount of \$5.6 billion, in terms of 1964 dollars, will have to be diverted from support of the FY 1964 baseline (peacetime) force level to support of Southeast Asia. Further reductions in baseline force support would be necessary to finance any increases in Southeast Asia activity levels or forces during FY 1971 and would have a significant adverse impact. Any such reductions would have to be at the expense of readiness levels necessary to support NATO and other non-Southeast Asia commitments.

In thinking about Southeast Asia operations, especially any contemplated new operations, we should be aware of the generally tight budget situation. This situation will continue to constrain our operational options, and with increasing restrictiveness. When new operations are postulated, our first consideration must be the source of the resources.

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JAN 12 2012

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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301Richard M. Nixon Presidential Library, National Security
Council Files, Folder DoD vol.7, Box 224, Agency Files. Top
Secret. 30 May 1970.

30 May 70

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Defense Budget - Fiscal Year 1971 and Beyond

In order to make any discussion of what we plan to do in Southeast Asia more meaningful, it is most essential that we consider first the severe fiscal problems we face both in FY 71 and FY 72. Not only must we live within the planned budget constraints for FY 71, but we must anticipate another \$18 reduction in the FY 71 defense budget by the Congress.

On the basis of the latest projections of the economy and the federal budget for the next five years, it is clear to me that you may be forced to look to defense for reductions below what we had previously estimated. Non-defense expenditures and decisions already approved make these circumstances almost a certainty. Lower levels of defense spending will reduce our military capabilities and require reductions in U.S. commitments; at this point in our planning I can only estimate possible consequences. In addition to the following summary of the fiscal situation, I plan to provide you a more detailed report by early July on some of the major decisions we must face on our strategy and commitments.

Since last fall, our planning in the Defense Department has been based on the strategy and financial guidance in National Security Decision Memorandum (NSDM) 27 (issued October 11, 1969). Based on the projections of federal revenues and expenditures shown below, it seems clear that the NSDM-27 levels of defense spending are high.

Projected Federal Budgets for FY 72-76
(Outlays in Then-Year \$ Billions)

	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>
Defense					
NSDM-27 Defense Budgets	76	75	75	76	77
Increased Inflation	1	2	3	4	5
Volunteer Service	2	3	3	3	3
Repriced NSDM-27 Budgets	<u>79</u>	<u>80</u>	<u>81</u>	<u>83</u>	<u>85</u>
Non-Defense Programs	154	162	172	182	194
Total Federal Budget	<u>233</u>	<u>242</u>	<u>253</u>	<u>265</u>	<u>279</u>
Total Federal Revenues	215	234	251	266	283
Margin	<u>-18</u>	<u>-8</u>	<u>-2</u>	<u>+1</u>	<u>+4</u>

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GROUP-4
OWNGRADED AT 3 YEAR INTERVALS;

The deficits shown are understated for two reasons. First, no new Presidential initiatives beyond FY 71 are included. Second, some domestic programs may still be underestimated. A "normal" amount of Presidential initiatives together with cost overruns on domestic programs, I predict, will widen the gap by \$3-5 billion in FY 72, and by much larger amounts in later years. For example, your new initiatives in FY 71, after Congressional adjustments, are expected to grow from about \$3 billion in FY 71 to about \$11 billion in FY 72. Thus, the table above should not be interpreted to mean that we face only a one year problem in FY 72.

A budget deficit of even \$18 billion in FY 72 would cause severe economic problems. The rate of inflation would rise again, unemployment would decline somewhat, government borrowing would increase the already high demand for savings, holding interest rates at high levels and holding down housing starts. Further pressures on thinly capitalized industries could cause failures and resulting severe economic dislocations.

A 10% surcharge on personal and corporate income taxes would increase revenues only \$13 billion, not enough to close the gap.

I agree that we must take steps now to reduce planned federal expenditures. However, the figure that some are using in BOB and CEA as a defense expenditure rate for Fiscal Year 1972 of \$69 billion is completely unrealistic. I realize that we in defense must face up to these fiscal problems but the maximum effort we can make would require an expenditure rate of at least \$73 billion for Fiscal Year 1972. As a result the following are steps I presently contemplate:

	FY 72	FY 73	FY 74	FY 75	FY 76
Current defense totals	79	80	81	83	85
Reduction	-6	-7	-7	-8	-9
Revised defense planning level	73	73	74	75	76

These revised budgets will cause severe reductions in our military capabilities and will require some reductions in U.S. commitments. The following changes from FY 71 budget levels are illustrative of changes that I will have to initiate:

- retirement of 3-4 attack carriers, 1-2 fewer on forward station
- inactivation of 2 Army divisions, at least one withdrawn from Korea
- reduction of 4 Air Force fighter/attack wings
- retirement of all 4 anti-submarine warfare carriers
- reduction of 130-140 of our oldest B-52 bombers
- large reductions in continental air defense forces
- reduction of about 800,000 military and civilian personnel
- cancellation of some major procurement programs

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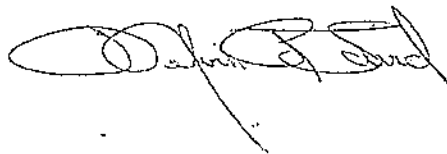
These reductions will have to be started in FY 71 to help our FY 71 budget problem and to maximize the savings we get from them in FY 72. Indeed, our force reductions can be held to these illustrative levels only if we meet our current budget planning assumptions for Southeast Asia deployments and sortie levels:

End-Year Deployments and FY Average Sortie Rates

	as of 6/30/70	Approved Budget FY 71	Suggested Budget FY 72	Suggested Budget FY 73
deployments: South Vietnam	424,000	260,000	152,000	43,000
Thailand	42,000	34,000	20,000	4,000
fighter/attack sorties	20,700/mo	14,600/mo	10,200/mo	3,400/mo
B-52 sorties	1,400/mo	1,200/mo	900/mo	300/mo

Less rapid withdrawals or higher sortie levels will cause reductions in the forces not deployed in SEA and seriously affect our NATO commitments. For example, an increase of 3,000 fighter attack and 200 B-52 sorties per month for one year would cost \$500 million. Slowing the rate of redeployments to only 60,000 prior to February 1971 would cost \$400 million and require an increase of 30,000 draft calls. If offsets of this magnitude had to be found, in addition to the reductions shown above, we would have to withdraw a division force from Europe and inactivate it and reduce tactical air forces in Europe or our carrier forces in the Mediterranean.

The changes in forces, commitments and Vietnam levels shown above must be faced. We must pay for increases in one area with decreases in another. Therefore, unless I hear from you to the contrary I intend to base our defense program on the revised defense budget levels and on the Southeast Asia assumptions shown above. We will keep you informed of necessary changes in our strategy and commitments as our planning proceeds.



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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

ACTION

TOP SECRET

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *HK*

SUBJECT: The Defense Budget - FY 1971 and Beyond

In line with our discussion yesterday of Secretary Laird's memorandum to you on the Defense budget (Tab C), I have prepared an interim response to Secretary Laird (Tab A) and a directive to the Defense Program Review Committee (DPRC) (Tab B). These memoranda refer the issues raised by Secretary Laird to immediate study by the Defense Program Review Committee (DPRC) and ask for submission of a report by July 1, 1970 to the full National Security Council.

Recommendation:

That you sign the memorandum at Tab A to the Secretary of Defense and approve the memorandum at Tab B from the Chairman of the Defense Program Review Committee (DPRC) initiating the study.

Attachments

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under provisions of E.O. 12958 *SM*

THE WHITE HOUSE
WASHINGTON

June 2, 1970

~~TOP SECRET~~

MEMORANDUM FOR


THE SECRETARY OF DEFENSE

SUBJECT: Secretary of Defense Memorandum
forwarded to the President on
May 31, 1970, Entitled: The Defense
Budget - Fiscal Year 1971 and Beyond

Thank you for providing me with your memorandum outlining the fiscal problems we face in FY 1971 and FY 1972, prior to yesterday's discussion on Southeast Asia.

I want this matter considered by the National Security Council, following careful study by the Defense Program Review Committee (DPRC). I have, therefore, issued the attached directive to the Chairman of the Defense Program Review Committee.

Pending completion of this action, please defer further decisions on our overall defense program, including those based on the Southeast Asia assumptions contained in your memorandum.



Enclosure

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THE WHITE HOUSE
WASHINGTON

June 2, 1970

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MEMORANDUM FOR

THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
DIRECTOR OF CENTRAL INTELLIGENCE
ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS (CHAIRMAN)

SUBJECT: The Defense Budget - FY 1971 and Beyond

I want the Defense Program Review Committee to consider urgently the full implications of the enclosed memorandum from the Secretary of Defense. Based on its review, the DPRC is to prepare a report for early consideration by the National Security Council. I have asked the Secretary of Defense to withhold decisions on the FY 1971 defense budget and beyond, pending completion of this action.

The Defense Program Review Committee (DPRC) report is to be ready for consideration by the National Security Council not later than July 15, 1970.



Enclosure

cc: Director, Bureau of the Budget
Chairman, Council of Economic Advisers
Chairman, Joint Chiefs of Staff

~~TOP SECRET/EYES ONLY~~

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August 20, 1970

MEMORANDUM FOR HENRY A. KISSINGER

FROM: Al Haig

SUBJECT: Southeast Asia Redeployments

Larry Lynn only has a copy of the attached memorandum and is analyzing it. As you can see it is extremely sensitive. As you can also see it is patently dishonest in several respects. First, the troop ceilings outlined on page 2 are purported to be the recommendations of MACV, CINCPAC, and JCS. They are anything but. The facts are that these are the recommendations to meet a given set of manpower and dollar constraints imposed on the command, the Services and JCS. They are recommended as the optimum solution under the circumstances with a very strong statement that they pose serious risks.

I am unaware of where the additional \$1.2 billion slash came from but I assume you are aware of this. I can only state that it is an equal disaster.

I believe the sensitivity of this memorandum suggests we should have some guidance from you on how to present it to the President. Laird has neatly laid the bomb in your corner and it is no longer a matter that we can fret about but one that we must act on.

Attachment

AMH:feg:8/20/70

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DECLASSIFIED
E.O. 12958, Sect. 3.6

By KW NARA, Date 01/10/01

Richard M. Nixon Presidential Library,
National Security Council Files, Folder Haig
Chron Aug 17-21 1970 [1 of 2], Box 970, Haig
Chron Files. Secret. Sensitive.

~~CONFIDENTIAL~~
THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

20 AUG 1970

MEMORANDUM FOR: Assistant to the President for
National Security Affairs

SUBJECT: Southeast Asia Redeployments

While urgent efforts are being made to stay within the FY 1971 approved budget levels for Southeast Asia, we continue to be tightly constrained by that budget at the levels approved in the request now before Congress. As you may recall, the FY 1971 budget, as approved, and submitted to Congress, would fund the following US manpower authorizations for Southeast Asia:

FY 71 Budget

July 1, 1970	410,000
Oct 15, 1970	367,000
Dec 31, 1970	335,000
May 1, 1971	284,000
June 30, 1971	260,000

Already in FY 1971, we know that the fourth redeployment increment of 50,000 will not bring our authorized manning down to the budget request levels. For example, the October 15 level assumed in the budget is 367,000. The announced troop ceiling for that date is 384,000, some 17,000 troops higher.

While the alternative of supplemental appropriations might seem to have appeal in a technical sense, there is no practical chance that supplemental funds could be obtained. The very act of making a supplemental request would, in fact, open the door for Congressional actions which could prove inimical to our interests in Southeast Asia. Therefore, I have informed appropriate individuals in the Defense Department there can be no supplemental budget requests in FY 1971 for US forces in Southeast Asia.

As you may also know, the Office of Management and Budget has asked the Defense Department to make every effort to reduce DoD outlays \$1.2 billion below the FY 1971 budget request. I have not passed this request formally to the Service Secretaries or to the Joint Chiefs of Staff. In fact, I have asked George Shultz not to make the request of DoD in a formal manner -- although I shall, of course, try to cooperate in meeting expenditures targets. In my judgment, any reference now to FY 1971 DoD spending reductions runs the serious risk of giving the Congress cause to reduce our FY 1971 authorizations and appropriations, thereby further reducing our flexibility in the national security area.

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E.O. 12958, Sect. 3.6

By KW NARA, Date 10/10/01

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The Department of Defense currently faces, therefore, the dual prospect of (a) an approved FY 1971 budget request which would provide funds for lower force levels in Southeast Asia than are now in prospect and (b) pressures to reduce outlays even below the approved level of the FY 1971 budget request. Concomitant with these dual prospects, MACV, CINCPAC, and the JCS have recommended to me the following troop ceilings and redeployment program to meet the President's approved May 1, 1971 troop ceiling:

	JCS Recommended Troop Authorizations	FY 71 Budget
July 1, 1970	434,000	410,000
Oct 15, 1970	384,000	367,000
Dec 31, 1970	344,000	335,000
May 1, 1971	284,000	284,000

I included the FY 1971 budget troop assumptions to show that the JCS request still involves troop levels larger than those for which funds can be anticipated in the FY 1971 budget.

I am inclined to accept the JCS recommendations on troop ceilings and ancillary redeployments through May 1, 1971. Though the budgetary pressures will be exceedingly tight, we can, with the utmost discretion, manage funds to allow for the higher troop levels outlined in the JCS recommendations. In my discussions with the President, I mentioned that no announcement would be made and that no papers would be circulated within the Government regarding this troop ceiling and redeployment plan. I believe it important that the President have the option of making the announcement at the time and place of his choice. I have, however, informed the Joint Chiefs of Staff, CINCPAC, and MACV that their recommended troop ceiling and redeployment plan through May 1, 1971 is approved for planning.

[Handwritten signature]

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R. Laird Papers, Folder Vietnam
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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

17 SEP 1970

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Authority: EO 13526

Classify: X Deny in Full: _____

Classify in Part: _____

Reason: _____

DR: 12-M-0420

MEMORANDUM FOR: The Assistant to the President
for National Security Affairs

SUBJECT: Southeast Asia Redeployments (U)

I consider the deployment schedule forwarded by my memorandum of August 20 to be the best balance between military requirements and manpower and budgetary constraints. The Joint Chiefs of Staff (JCS) concur in this judgment. The JCS rationale is explained in JCSM-438-70, 11 September 1970. A copy of that JCS Memorandum is attached.

As my earlier memorandum indicated, the pace of our redeployment has been somewhat slower than the schedule approved by the President in the budget decisions last December. The President approved that schedule, although the Joint Chiefs of Staff and I expressed concern at that time. Actual redeployments have been slower than programmed in the approved FY 70 and FY 71 budget levels, even though the military situation, pacification progress, and the enemy threat are all much more favorable than we projected a year ago. The table below compares the Budget Plan, my August 20 proposal (which the JCS recommended) and the JCS low risk redeployment schedule.

U.S. TROOPS IN SVN

	<u>FY 71 Budget</u>	<u>JCS Recommended</u>	<u>JCS Low Risk</u>
July 1, 1970	410,000	434,000	434,000
Oct. 15, 1970	367,000	384,000	384,000
Dec. 31, 1970	335,000	344,000	374,000
May 1, 1971	284,000	284,000	284,000

I do not see a significant difference in the risk associated with the slower schedule noted in your memorandum and the one I have proposed. The slower pace would leave an average of 19,000 more U.S.

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12-R-0001

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12-M-0420

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troops in South Vietnam (about 5% of our present strength) during the period between October 15 and May 1. The largest difference would be during the early weeks of 1971 when 30,000 more troops would be available. (The combat effectiveness of these added troops would be degraded since they would be preparing to redeploy shortly after February 15.) Such small differences in the numbers of U.S. troops are most unlikely to have a measurable impact on the situation, because we will still have a 300,000 - 400,000 man U.S. force in South Vietnam as part of an allied force which totals about 1.5 million men.

The Joint Chiefs of Staff state in JCSM-438-70 that the redeployment schedule cited in your memorandum would have permitted us to reduce our force levels and activities in Southeast Asia "without excessive risk to U.S. objectives or undue hazard to the remaining forces." They further state that they endorse the schedule proposed in my August 20 memorandum, given present manpower and financial constraints. In their view, this schedule does pose additional risks, because it affords the enemy greater freedom of movement and reduces the U.S. forces available to back up the RVNAF should the VC/NVA mount a major new combat effort.

We estimate that the added dollar cost of the slower schedule would be about \$400 million. As I indicated above, the present redeployment pace is somewhat slower than that used in developing the FY 71 Budget. As a result, the Services have already been forced to absorb about \$200 million (annual rate) of added Southeast Asia costs. The impact is to reduce military programs designed to support our many other commitments and interests. Absorbing another \$400 million would be difficult, especially since we must anticipate that the Congress will press for budget reductions. The result would inevitably further weaken our world-wide posture. The only alternative would be to request a Supplemental Appropriation; but, as your memorandum notes, the President agrees this is not feasible.

The rapid phasedown of military manpower also poses major obstacles to following a slower redeployment schedule than that which I indicated in my August 20 memorandum. As you know, the financial and manpower programs contained in the President's FY 71 Budget dictate sharp reductions in active duty manpower. As a result, we have cut back sharply on draft calls during 1970. The real manpower squeeze, however, comes not from the reduced draft calls but rather from reduced manpower deliveries -- including those from Selective Service, new enlistments, and re-enlistments. The resultant manpower squeeze seriously limits our flexibility to slow our redeployment pace further.

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Since the men to be drafted in October will not be available for duty in Vietnam until next spring, the most likely source of trained manpower would be our units in Europe and units maintained in the U.S. for deployment to Europe, or for contingencies. Budget and manpower constraints have reduced many of these forces below their normal strengths. Meeting the greater demands for forces in South Vietnam would mean further reductions (largely in Army forces) of 20,000 to 30,000 men.

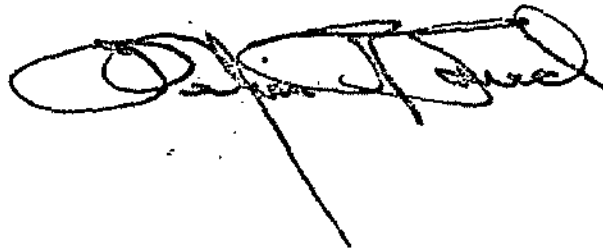
As the JCS memorandum notes, the impact of such manpower diversion on readiness would be substantial and, in my judgment, unacceptable. The only other option would be to extend the duty tours of our troops in Vietnam beyond the present 12 month standard. In my view, this should be considered only under grave circumstances.

For the reasons outlined above, I reaffirm my recommendations of August 20. The schedule which redeploys about 40,000 men between October 15 and December 31 and 60,000 more prior to May 1 can be supported with available manpower and the funds we now expect to get from the Congress. I have approved that schedule for planning purposes and have informed all DoD elements accordingly. The added risk of such a schedule is minimal, particularly when viewed in context of the progress of pacification and Vietnamization.

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Attachment X-5071

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THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

CM-3957-69
20 February 1969

MEMORANDUM FOR DR. KISSINGER

SUBJECT: B-52 Strikes

Non-original markings

1. You will recall that during our conference with Secretary Laird on Tuesday morning that you asked me to prepare two or three cover stories for B-52 strikes resulting from error. Attached is a map and two copies of three possible cover stories.

2. Please note that all three cover stories are based upon B-52 strikes scheduled to take place against three target areas contiguous to the Cambodian border. As the map shows, the scheme would be to direct 18 sorties against three target boxes along the border with South Vietnam. The remaining 42 sorties would be directed against the target area.

Non-original markings

3. Secretary Laird and I have reviewed these cover stories and the scheme and believe that they are in consonance with the paper prepared by you which Colonel Haig showed us yesterday afternoon. However, we agree that no one of the stories will stand up, at least at this time, in view of Ambassador Bunker's message to state. Therefore, any one of the stories could be used only at a later time and probably in conjunction with an actual attack by enemy forces across the border in substantial force.

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Chief, RDD, ESD, WHS
Date: 25 JAN 2012 Authority: EO 13526
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Reason: _____
MDR: 17-M-0421

Earle G. Wheeler

EARLE G. WHEELER
Chairman
Joint Chiefs of Staff

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Chief, Records & Declass Div WHS
Date:

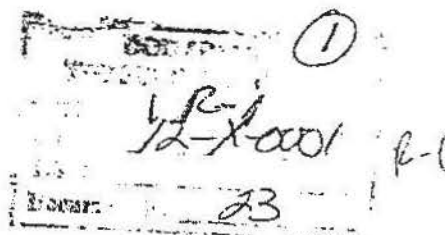
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Downgraded to Secret
Date: 24 NOV 2011
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OSR DOC 5-3

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~~TOP SECRET SENSITIVE~~THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

Office of the Secretary of Defense

Chief, RDD, ESD, WHS

Date: 12 JAN 2012 Authority: EO 13526Declassify: 2 Deny in Full: _____

Declassify in Part: _____

Reason: _____

MDR: 12-M-4722

March 24, 1970

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Assessment of MENU Operations

GENERAL

Since March 18, 1969 a major interdiction program has been conducted against six (6) base camps used by the North Vietnamese and Viet Cong in Cambodia. The strikes were intermittent from March through early August 1969. Since that time, however, there have been weekly strikes with an average intensity of about 86 sorties per week. The most intensive period was from mid-September through early October when, during a three week period, 431 sorties were flown. For the nearly one year period, from March 18, 1969 through March 9, 1970, the cumulative effort was as follows:

Total sorties flown: 3,191

Total tonnage of munitions dropped: 91,363

Base areas struck: 6

To provide a frame of reference, the B-52 effort to date against the Cambodian base areas is nearly one-fifth the tonnage dropped by U.S. forces in the Pacific theater during all of World War II.

Non-original
markings

As you would presume, I have asked the Joint Chiefs of Staff for periodic assessments of the MENU operations. I made such a request on September 30, 1969, on January 27, 1970, and, again, on March 9, 1970. The Chiefs, based substantially on information received from the field, have responded privately to each of my requests. More recently, on March 20, 1970, I have asked for still another assessment, this time with emphasis on photographic evidence of results and the risks for any Cambodian troops which might be in the proximity of target areas. A response to the March 20 request is still outstanding.

SPECIFIC RESULTS AND OBSERVATIONS

In each report provided to me by the Chiefs of Staff and MACV, there has been a strong affirmation about the value of the strikes.

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In the February and March reports, for example, the Chiefs said:

- MENU strikes continue to produce outstanding results. By this, the Chiefs mean that extensive damage and destruction of facilities have resulted, with concomitant -- but unspecified -- losses to the enemy of troops and material. Conclusive evidence is sparse, but reconnaissance and enemy combat patterns seem to substantiate the claimed favorable results.
- Enemy reactions to MENU strikes indicate that NVA/VC activity levels have decreased in the immediate strike area. Supplies have been dispersed over a greater area and into more densely covered unstruck areas. Storage areas have been abandoned and reestablished, the Chiefs believe, in unstruck areas. However, MENU operations are shifted to strike supplies in new locations (within broad general base areas) and to destroy underground facilities. The use of cyclic target times and diversification of strike areas are effective counter-measures, according to the Chiefs, to enemy actions.
- MENU operations serve, according to military judgment, as an essential and logical ingredient in the overall interdiction campaign applied against the enemy. Enemy personnel and materiel, which would otherwise be available for use in South Vietnam, are denied. Significantly, the Chiefs note "the successful destruction of enemy supplies by MENU strikes ... may well be reflected in the current logistical crash program of resupply being conducted through the Laotian panhandle." Such a conclusion suggests that, despite the logistical flows through Laos, the total availability of supplies to the enemy may be less today than in prior comparable periods.
- MENU operations have pre-empted and reduced enemy operations. MACV attributes in part to the MENU strikes (a) the enemy's withdrawal from the Ben Het/Dak To area in May-June 1969, (b) the failure of an enemy assault to materialize in Phuoc Long and Binh Long Provinces in August 1969, and (c) the subsequent enemy failures against the Bu Prang and Duc Lap CIDG camps. Furthermore, MACV believes

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- . MENU strikes along the III Corps tactical zone periphery have been an essential element in reducing the enemy threat to the broad geographic area around Saigon, and, in effect, "maintaining Saigon as a no risk area."
- . MENU operations have a direct bearing, according to MACV, on the success of Vietnamization. Since the start of MENU a year ago, MACV notes the enemy's potential for major offensives has progressively deteriorated. This deterioration "has been a prime factor in creating the situation which has permitted a reduction of U.S. forces." A logical corollary to MACV's judgment would be that as long as MENU operations continue, further redeployments are reasonably safe.
- . MENU operations may have played a significant role in the recent political changes in Cambodia. While such an assessment on MACV's and the Joint Chiefs' part is speculative, it is undoubtedly true that MENU pressure against NVA/VC sanctuaries along the South Vietnam/Cambodian borders has put new pressure on the enemy. He could go no deeper into Cambodia, without creating even more intense Cambodian reaction. He was denied sanctuary in the base areas by virtue of MENU strikes. He could not move into South Vietnam without encountering friendly (US/GVN) forces. This squeeze has been gradually increasing in intensity over the past year. MACV believes "the Cambodians have been aware of these developments, probably more so than the Free World side. They have seen the VC control of the base areas deteriorate. At the same time, they have seen NVA moving in throughout all Cambodia, even to the base areas 704 and 709, opposite the South Vietnamese Delta."
- . The costs and risks of the MENU operations are, in the military judgment, sustainable. Through March 9, 1970, the direct operating costs for the strikes have been about \$125 million. The operational risks are minimal because of the location of the MENU targets. The political risks are a continuing factor which must be kept in mind. To an extent they are a function of visibility. Major efforts have been taken, as you know, to keep the operations, and the fact of such operations, secure. The number of personnel involved in MENU

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and the disclosure of MENU data are highly restricted. All message traffic is by special security channels, with limited distribution. Target coordinates are hand-carried to ground control sites just prior to strikes. Reporting of events and sightings that could be related to MENU is controlled to avoid inadvertent disclosure. Current security measures are considered adequate and effective. Nonetheless, given the massive areas of destruction and the unique patterns which aerial bombardment provide, it is not unreasonable to assume that disclosure of the strikes could come. We should think about a public affairs policy if such a disclosure were to break.

SUMMARY COMMENTS

In each evaluation provided to me, the Chiefs and MACV have concluded that MENU operations have been effective and can continue to be so with acceptable risks. From an operational standpoint, I see no alternative but to accept that judgment. Both Ambassador Bunker and General Abrams told me during my recent visit to Saigon that MENU has been one of the most telling operations in the entire war.

There are, of course, continuing political risks. We must be mindful of those as the total extent of damage and the sensitivity of the U.S. populace to war expansion grow. On balance, however, I support the Chiefs' conclusion that "the balance of risk versus value remains ... in our favor."

MELVIN R. LAIRD

Prepd: BGen Pursley/ts
24 March 1970

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Office of the Secretary of Defense

Chief, RDD, ESD, WHS

Date: 12 MAR 1970 Authority: EO 13526

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Reason: ☐

MDR: 12-M-0423

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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Auth: EO 13526

Chief, Records & Declass Div, WHS

Date: 1 JAN 10 2012

31 MAR 1970

Honorable William P. Rogers
Secretary of State
Department of State
Washington, D. C. 20520

Dear Bill:

I am concerned that we may not be taking all the steps that we could or should to prevent the Cambodian situation from developing in a way which we would wish to avoid. It would obviously seriously undermine our position in Vietnam if the present government were overthrown and a Communist-oriented government were to replace it; on the other hand, we will be in a difficult position if Cambodia asks the U. S. Government to become militarily involved in that country. There may be no way to control events there, but I think it may be possible to take steps which would strengthen the present government while being consistent with maintenance of its neutrality. These would be designed to do three things:

- make evident to the people of Cambodia the success of their government and therefore provide a basis for its popular support;
- relieve military forces which formerly were committed because of threats from Thailand and the Republic of Vietnam, and
- provide military assistance which may be required without U. S. forces becoming involved.

Set forth below are possible courses of action which should be studied with these purposes in mind.

To provide a basis for popular support the following actions might be considered:

- the GVN could relinquish their claim to the \$25 million now in a blocked account in Paris and jointly claimed by the GVN and RKG, thus enabling its use for pressing RKG needs;
- the GVN might propose to the RKG that discussions be initiated on any one of their current border disputes, indicating GVN willingness to resolve the dispute in favor of the RKG;
- a similar course of action could be followed with regard to the current GVN-RKG dispute concerning territorial jurisdiction over several small off-shore islands;

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- as an alternative to these proposals, the GVN could make a general statement to the effect that: they recognized the sovereignty of the territory within the RKG borders and were prepared to begin discussion designed to resolve these ancient disputes.

To reduce military threats and, hence, relieve military forces, the following might be considered:

- the RTG could offer to remove some of their troops from the border of Cambodia thereby reassuring the RKG that there would be little danger to them in shifting their own forces from these border areas for the more urgent use of controlling their country or confronting the VC and NVA.

To provide military advice and a conduit for any military assistance which may be required, the Australians should be encouraged to take an active role. I understand that relations between the two countries have been particularly good and we might encourage Australia to send in some military advisers as a first step. Australian support might also be expanded in the economic field.

These are by no means the only actions which we should consider. I believe it important that we take positive actions and not let things develop haphazardly. To enable us to react quickly and have accurate and timely assessments of the situation we should improve our communications without delay. I believe this best could be achieved by establishing a CAS station with its integral communication capability. I strongly favor this action, regardless of other steps which may be taken.

Sincerely,



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Office of the Secretary of Defense

Chief, RDD, ESD, WHS

Date: 10 JAN 2012 Authority: EO 13526

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Reason: _____

MDR: 12-M-2727

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

25 SEP 1969

MEMORANDUM FOR: Assistant to the President for National Security Affairs

SUBJECT: Laos Support and Operations

The attached cable from CINCPAC to the JCS illustrates in my judgment many of the uncertainties and contradictions in the Laos situation and, in particular, U.S. policy with respect to that situation. On the one hand, the cable contains some candid and astute observations. On the other hand, the cable also contains some inconsistent conclusions. With all due respect to the CINCPAC staff, the inconsistencies undoubtedly reflect a combination of CINCPAC's desire to be forthcoming, but in a situation fraught with all manner of uncertainties and complexities.

The message I get from CINCPAC's views is that we should proceed in matters pertinent to Laos with caution and the utmost deliberation. Note, for example, that CINCPAC maintains:

1. Our objectives in Laos are not well defined, and by inference, are limited. The U.S. has no commitment, in any event, to employ its own forces to prevent a Communist takeover in Laos.

At the same time, CINCPAC recommends (a) resident U.S. military representation in Laos (at the Colonel level) to direct the combat effort; (b) the provision of more than \$140M of hardware and assistance to RLG forces in FY 1970; and (c) continued air support, both actual and on a contingency basis, by U.S. forces for RLG forces.

2. The RLG should be provided with extensive amounts of new military hardware.

But CINCPAC also notes the need for reorganization and re-training of RLG forces before the regular forces could be assumed to be able to use the hardware effectively.

3. The Thais should be encouraged to put troops and equipment in Laos.

But despite the desirability of "Asianizing" the conflict, CINCPAC wants the U.S. involvement (people, control, hardware and air activity) to increase.

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Page 1 of 2 pages

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Date: JAN 10 2012

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Date: JAN 10 2012

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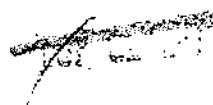
4. All of the above recommendations, CINCPAC feels, constitute urgent U.S. actions.

Yet CINCPAC says "Our best estimates for some time have conceded the PL/NVA forces in Laos the capability of taking complete control of Laos at any time they decide to do so." CINCPAC does not indicate how, if at all, the actions he recommends would alter that ominous conclusion.

5. For the present, it appears that, with the advent of the dry season, the situation may again revert to the normal dry-wet season of ebb and flow.

CINCPAC, as indicated above, does not make the case for a military resolution of the Laos conflict through the added U.S. involvement recommended. One wonders, then, what we might stand to gain. I thought you might like to reflect on this problem, and I want to discuss it with you further.

Attachment



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WASHINGTON, D. C. 20301

16 January 1971

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 13 Jan 2012 Authority: EO 13526

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Reason: _____

MDR: 12-M-0425

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Trip to Paris, Bangkok, South Vietnam, and CINCPAC
January 5-15, 1971

At your request, I have, during the past week and a half visited Paris, Bangkok, the Republic of Vietnam (RVN), and CINCPAC headquarters in Honolulu. The purpose of the trip was to review and assess the principal issues concerning the United States' involvement in South-east Asia. I was accompanied by Admiral Moorer and a small select group of assistants who have concentrated heavily or even exclusively over the past two years on Southeast Asia.

As you will recall, you asked me to make trips to South Vietnam in March 1969 and February 1970. In my judgment those trips were valuable, each in a unique way.

The emphasis in 1969 was on the military situation, the status of U.S. forces, and the effectiveness of the Republic of Vietnam Armed Forces (RVNAF). Based at least partially on the findings of that trip, policies were adopted to increase the RVNAF's capabilities consistent with U.S. objectives. You approved the concept of Vietnamization. Planning for the redeployment of U.S. forces was initiated. Despite a continuing substantial enemy military threat, Vietnamization looked promising enough in the early stages to allow your historic Midway decision in June 1969. U.S. troop redeployments started shortly thereafter.

During the trip in early 1970, I reviewed again the military situation and the progress in military Vietnamization. Progress in the latter area had been impressive. It was possible to broaden the scope and perspective of the visit. The result was an emphasis during the 1970 trip on the South Vietnamese economic situation. During the past year, it has been gratifying to me, as I hope it has been to you, to witness some improvement in RVN economic prospects as well as continued RVNAF military progress.

By virtue of those gains, it was possible in January 1971 to contemplate broadening again the scope and perspective of our interests in Southeast Asia. It seemed logical, then, to plan the trip not only around a review of the RVN military and economic situation, but also to assess the diplomatic and political aspects.

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With the mid-point in your first term approaching, it also seemed logical to look ahead at least two years. To do that, I wanted to follow closely the guidelines you have so convincingly established. Those guidelines include the three fundamental points of Strength, Partnership, and Willingness to Negotiate.

To review the three fundamentals as they apply to our Southeast Asia involvement involves not only military and economic activities in South Vietnam, but also negotiations and the relationships of all of these factors to the other Southeast Asia nations. The assessment you asked me to make suggested therefore, stops in Paris and Bangkok as well as South Vietnam and CINCPAC headquarters in Honolulu. Other members of my party visited Cambodia and Laos. During the trip we had the opportunity to talk with the U.S. and South Vietnamese negotiating teams; to hold discussions with the senior U.S. diplomatic and military leaders, as well as the top host government officials, in each of the countries visited; and to visit briefly U.S. and RVNAF units in the field.

In this report, I shall first make some general observations. Thereafter, I shall review in somewhat more detail:

- a. The current military assessment
- b. The economic situation in South Vietnam
- c. The RVN political outlook
- d. Selected aspects of Regional Security in Southeast Asia
- e. The diplomatic situation and negotiating opportunities
- f. Implications for U.S. policy
- g. Prisoner of War issues

Finally, I shall draw some conclusions and make some recommendations. I have also attached a memorandum outlining my discussion with President Thieu. I believe you may find that discussion interesting in its own right.

GENERAL OBSERVATIONS

I reported to you in March 1969 that our fighting men in Southeast Asia, under the superb leadership of General Abrams, had

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the resources to accomplish their assigned tasks with maximum safety and security. But the assigned tasks, as of that time, were not consistent with the expressed goal of South Vietnamese self-determination. The U.S. forces were carrying the main part of the military burden. There were no indications of a program adequate to bring about self-reliance of the RVNAF, of developing South Vietnamese forces which would handle the prospective long-term internal and external military threat, or of bringing about significant reductions or changes in the U.S. military contribution to South Vietnam.

Under your guidance, all that was changed. You stated clearly in May 1969 that our fundamental objectives of South Vietnamese self-determination would be met but that in doing so, we would rule out attempting to impose a purely military solution on the battlefield. That policy presaged a change in the MACV mission. We turned the U.S. efforts forcefully to helping the South Vietnamese military forces build a capability adequate to deal with the expected external as well as internal threat. A true Vietnamization program was created. After more than ten years of a U.S. buildup, more than \$100 billion of direct outlays, and more than 30,000 U.S. combat deaths, U.S. redeployments from Southeast Asia began.

In retrospect, your decisions in 1969 constituted a true watershed. The security situation has improved and continues to improve. The South Vietnamese armed forces have improved and continue to improve. Substantial U.S. troop redeployments have been made and are programmed to continue. The Republic of Vietnam is closer to realizing self-determination today than it was in early 1969.

It is unfortunate, however, that the progress made towards the Free World goals in South Vietnam has had to come principally through added military strength in the Republic of Vietnam. It is regrettable that Hanoi continues to maintain a persistent and sizeable military threat against the Republic of Vietnam, Cambodia, and Laos. It is likewise regrettable that Hanoi has seen fit not to respond to your diplomatic overtures or those of the GVN and Laos for truly productive negotiations. In May 1969 and on numerous other occasions you have outlined reasonable, forthcoming, and comprehensive negotiation proposals. Based on my recent discussions in Paris with both the U.S. and South Vietnamese negotiators, as well as on subsequent talks in Saigon with the U.S. and GVN leadership, I believe there is little prospect for any immediate or substantial negotiating progress. That is not to suggest, however, that there is not room for improvement in our negotiating posture or that there are no additional options to pursue in the diplomatic area. I believe there are. Some of the potential options deserve, in my judgment, careful and immediate attention. I shall develop that thought later in the memorandum.

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While it is clear 1969 was a watershed year for U.S. policy and military progress in Southeast Asia, 1970 was significant as well. The military aspects of Vietnamization continued to proceed satisfactorily. Perhaps equally importantly, positive steps were taken by the South Vietnamese to correct the glaring, and potentially critical, deficiencies in the economic situation on which I reported last February. The economic situation appears less grave today than it did one year ago. Serious problems remain, however. Prime Minister Khiem told me in Saigon he expects economic issues to be the principal theme of the forthcoming elections, though President Thieu felt the security aspects would rate above those of economics.

We have come along way in less than two years. This trip confirmed for me again that we are pursuing a proper objective in pressing for self-determination in South Vietnam. The Nixon Doctrine has taken form. Major, if not virtually incredible, progress has been made in strengthening the RVNAF. The non-military dimensions of RVN self-determination are being addressed in a progressive and productive way. While the bonds of partnership among the Free World Southeast Asia nations are growing increasingly strong, the direct U.S. involvement, especially in manpower presence, is diminishing. In Cambodia and Laos, as in South Vietnam, one senses a growing resolve by the leaders and the people to help themselves and to make the requisite sacrifices for their own security.

There is still a long way to go to attain U.S. objectives in Southeast Asia and to give true credence to the Nixon Doctrine. Despite two years of progress in the military aspects of Vietnamization, the job ahead remains one of monumental proportions. The same is true for the economic facets of Vietnamization. The ties of partnership in the security field among South Vietnam, Cambodia, and Laos urgently need development and strengthening to make effective the resources we have provided. Imagination and care need to be exercised in the presentation of our negotiating position to be sure we are gaining all the benefits possible in the diplomatic arena. It is not clear we have thought through sufficiently the intimate relationships among the military, economic, political, and diplomatic facets of the Indochina situation and planned accordingly for the next two years.

That we have so much work remaining detracts in no way from the outstanding jobs Ambassador Bunker, General Abrams, Ambassadors Bruce and Habib, the South Vietnamese, and the Cambodians have done so far. As we have discussed before, the enormity of the remaining job is rather a reflection of an increasingly complex Southeast Asia situation, the persistence of the threat from Hanoi, and the scope and type of the U.S. involvement over the past few years.

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I am pleased to report that at every turn those entrusted with advancing Free World objectives in Indochina express confidence and optimism. If our objectives are to be met, there will have to be both ability and willingness to pursue the requisite policies. We have been and are providing the resources consistent with provision of the requisite ability. The will must come from the leaders and people of the free nations in Southeast Asia. There are favorable signs that, with the possible exception of Thailand, the necessary will now exists.

MILITARY SITUATION IN SOUTHEAST ASIA

The war in South Vietnam has wound down to a point well below the levels of recent years. For example, during 1970:

- . Slightly over 30 percent of the U.S. forces were redeployed, leaving current U.S. strength at about 330,000 men, the lowest point in over four years. The cumulative redeployment actions look as follows:

REDEPLOYMENT OF U.S. MILITARY PERSONNEL
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	<u>July 1, 1969</u>	<u>Dec 17, 1970</u>
SVN	538.7	339.2
Thailand	47.9	37.4
Off-shore	<u>35.0</u>	<u>18.3</u>
TOTAL	621.6	394.9

- . U.S. deaths declined to about 4,200 -- the lowest level since 1965 -- and more than 70 percent below the peak 1968 total of 14,600.
- . Total air attack sorties per month in South Vietnam decreased more than 50 percent and by the end of the year were down to about 4,000 per month. That compares with 19,000 attack sorties flown per month during 1968.
- . Pacification progress exceeded all expectations despite reduced U.S. forces and activity. By the end of November 1970, more than 95 percent of the countryside was categorized in the secure or relatively secure ratings under the Hamlet Evaluation System. This contrasted with about 87 percent in December 1969.

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JAN 18 2012 . South Vietnamese military forces gained in capability, equipment, and strength. For example:

- RVNAF personnel strength increased 7 percent (the increase has been 26 percent since Dec 1968).
- Most of the personnel increase has been in the forces necessary for pacification, i.e., the Regional and Popular Forces.

RVNAF STRENGTH
(Add 000)

	<u>Dec 1968</u>	<u>Oct 1970</u>
Regular	427	504
RF/PF	<u>392</u>	<u>528</u>
TOTAL	819	1,032 (26% increase)

- RVNAF forces accounted for about 65 percent of the enemy reported killed.
- The Cambodian operations boosted confidence and improved the security situation in the Southern half of South Vietnam.
- The North Vietnamese continued adherence, in the main, to the 1968 bombing halt understandings. In the DMZ area there was no buildup of enemy forces, and enemy attacks by fire there averaged a comparatively low 3 per month. Major attacks on population centers likewise stayed low, averaging about 3 per month, also. (U.S. reconnaissance over North Vietnam continued without serious confrontation. Since November 1968, there have been over 75,000 sorties flown over, or in conjunction with flights over, North Vietnam. Only 11 aircraft have been lost to hostile fire.)
- While NVA/VC terrorism incidents continued on a substantial and relatively consistent level, the war in South Vietnam has been mainly confined to 10 of the 44 provinces. Those ten provinces include all of the seven provinces in Military Region I, i.e., the northernmost part of South Vietnam.

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In other parts of Indochina, the complexion of the war changed significantly during 1970, but not necessarily in terms of diminished military activity.

In Cambodia, as is well known, the operations during April-June cost the enemy heavily. Since 1 July 1970, moreover, General Abrams estimates the enemy forces in Cambodia have suffered more than 4,000 combat deaths, about 8 percent of the total combat and support force there.

In Laos, the enemy concentrated during the past few months on the logistics corridor. We reacted by shifting the bulk of our tactical air and B-52 effort to that area. As late as 1 Oct 1970, we were flying only 31 percent of our attack sorties in Southern Laos. By January 1971, we were directing 72 percent of our tactical effort to the area. The number of sorties in Cambodia likewise increased. All of that was accomplished without detracting from the security situation in South Vietnam or Northern Laos.

There are other important aspects and trends. Perhaps among the more noteworthy are the following:

- . Enemy force levels and activity are continuing to trend downwards in South Vietnam, although Hanoi has the capability to increase them if it desires to pay the manpower cost.
- . Hanoi's main suppliers -- Soviet Union and Red China -- show no inclination to discontinue or substantially diminish material and political support.
- . Hanoi's efforts are materially complicated by a four-front war (SVN, Cambodia, Southern Laos, and Northern Laos).
- . U.S. troop strength continues downward.
- . U.S. air support continues at a high level. In December 1970, for example, more than 17,000 attack sorties were flown in support of friendly forces in Indochina. The B-52 unit which I visited in Thailand drops more than 50 percent as much ordnance in one year as all U.S. air elements combined dropped in the Pacific theater in World War II.

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- . RVNAF performance continues to improve though leadership and morale problems, including desertions, have not been universally solved. Force expansion and improvement notwithstanding, it is uncertain how RVNAF shortcomings, many still serious, can be remedied. Some weaknesses -- notably those relating to technical skills -- problems are identifiable and manageable. The qualitative weaknesses elude confident measurement. Top RVNAF leaders are aware of the issues. As General Truong, RVNAF commander in the Delta, recently told General Abrams, "If our attitude is right, we can do the job with half the men we now have; if it is wrong, twice the number of men will not be enough."
- . The RVNAF is now structured to shift where needed. If additional strength is desired in Military Regions I or II, for example, forces can be diverted from the Delta.
- . The Cambodian forces show remarkable progress, especially over the past few months. Major problems persist, however, in training, equipping, and leadership.

I believe it is especially important to put in perspective the enemy infiltration activities into RVN, Cambodia, and Laos which have gained notoriety recently. Based on reported enemy personnel movements out of North Vietnam, some press releases conclude the enemy plans major attacks in Cambodia or in the northern provinces of South Vietnam. Admiral McCain's recent assessment from CINCPAC headquarters is instructive:

"Information available here does not support an enemy capability to conduct offensive operations beyond periodic, uncoordinated high points. Rather, it appears that the enemy's manpower availability for operations in RVN and Cambodia by the end of the current dry season will be somewhat worse than it was in March 1970 when he was operating only in RVN.

"The enemy faces a substantially different situation in Southeast Asia now than he did prior to the 1968 TET offensive. He has suffered unusually high casualties due to allied cross-border operations into Cambodia. He has been forced to expand his area of operations in Cambodia. Finally, he has had to expand and employ additional security forces for his Laos LOC in order to replace the line-of-communication through Kompong Som.

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"The estimated . . . arrivals by March 1971 will not offset estimated enemy losses suffered since January 1970 and support increased personnel required for logistics efforts in Cambodia. It is not believed that the enemy will divert infiltrating groups destined for Laos or units now assigned in Laos to Cambodia or the RVN. Therefore, we continue to believe that the enemy will be capable of conducting periodic high-points, particularly in northern RVN MR-1, but not a coordinated RVN/Cambodia offensive by the end of the current dry season."

President Thieu told me, as reported in the attached Memorandum of Conversation, that he expected the enemy to concentrate his military efforts about mid-year. While I did not press Thieu on the intelligence basis for his assessment, it was clear he felt the enemy would try to time his military activity to gain maximum political leverage in the RVN elections. General Abrams observed, as had Admiral McCain, that enemy troop movements introduced an element of uncertainty into the military situation. But Abrams concluded the current and projected NVA troop flow was "not big enough to make any radical change in the situation." General Abrams was insistent that the Laotian panhandle and the northern provinces of South Vietnam comprised the key to the military situation in early to mid-1971. Surprisingly to me, Abrams confided that Lon Nol and the Cambodian leadership did not fully comprehend the military situation in their own country. Lon Nol had, for example, not understood the "throttling" or encirclement operations the NVA/VC were attempting around Phnom Penh. Neither had Lon Nol mentioned Mekong River security to General Weyand, Abrams' deputy, when Weyand visited Phnom Penh on January 8.

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General Abrams, in conjunction with the South Vietnamese and Cambodian forces, has concepts and plans for blunting the enemy's "throttling operations" in central Cambodia. These include the imminent Route 4 and Chup Plantation exercises. Likewise, Abrams asserted the Mekong River security problem could be readily solved by the Cambodians and South Vietnamese. The situation simply needed attention.

The proposed operations which clearly enthused General Abrams, however, were those in Southern Laos. He outlined (a) continuing the extensive air interdiction efforts, (b) launching a substantial RVNAF effort into the Tchepone area, and (c) an ensuing major effort in the Bolovens Plateau area. As an ancillary exercise, friendly units in the northern part of South Vietnam would engage in clearing operations along the Laos border. In waxing enthusiastic about such military activities over the next few months, General Abrams said the proposed actions had the possibility of affecting the war at least as much as the Cambodian operations had last year.

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In response to my queries, Abrams said the proposed military actions in Cambodia and Laos could be executed by the RVNAF, although they would require air and logistics support by the U.S. forces. The RVNAF, he felt, was a much more competent force than it was even six months ago. I told him I would recommend go-ahead decisions, with some modest modifications to his proposals. Chief among those modifications were: (a) no use of B-52 strikes north of the DMZ, and (b) no advance bases in Cambodia or Laos involving U.S. personnel for processing U.S. airlift support. Abrams said both of those modifications could be readily accommodated without affecting the prospects for mission accomplishment.

As far as redeployment planning was concerned, General Abrams recommended staying flexible. The proposed operations in early 1971 can be executed within the 284,000 manpower ceiling to be reached on May 1. I agreed with Abrams that flexibility was a good idea. I cautioned, and even emphasized, however, that: (a) we were working against time in that a de facto withdrawal timetable has been established relative to 1972, and (b) we might need to concentrate seriously on a wide-range of timetables if private talks develop in Paris.

I shall be talking to you about our redeployment schedules for the remainder of 1971 and for at least part of 1972. It is noteworthy, I believe, that President Thieu (our conversation is outlined in the attached memorandum) has thought through various U.S. redeployment options and believes a schedule leading to a U.S. advisory group level in June 1972 is feasible.

THE ECONOMIC SITUATION IN SOUTH VIETNAM

One of the tentatively hopeful signs being pointed to by Vietnam kibitzers, old and new, is the recent improvement in the Vietnamese economy. The stabilization of the piaster which began several months ago under the guidance of Economics Minister Ngoc has gone well so far. Though the prices of some commodities have continued to rise, the relative stability in the economy as compared to earlier periods is encouraging. Major results of recent economic reforms include:

- . The USAID price index rising only 5 percent over the pre-reform levels. There was even a 2 percent decline in November.
- . A decrease in the price of imported goods, resulting from freeing the sale of import licenses.
- . A decline in the black market rate on dollars from a pre-reform level of 434 piasters per dollar to a level around 400 piasters per dollar at the present time.

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- . As of mid-November 1970, an increase in the money supply of only 6.6 percent over the level of December 31, 1969 and an actual decrease of 0.6 percent since January 31, 1970. With the 14 percent increase in money supply in 1969, the total money supply has risen only 21 percent in the last 24 months.
- . Interest rate reforms leading to increased savings in commercial banks of 30 percent in only two months. Intelligent lending policies would make this an important source of credit for expansion of domestic production.
- . The requirement of large advance piaster deposits by importers, a program with the single greatest impact in contracting the quantity of money in circulation and thereby reducing the inflation rate. Unfortunately, this action has only a one-time effect. It does provide a breathing space to implement more persistent reforms.

While the recent economic history gives reason for some encouragement, the favorable results of the reforms accomplished so far could quickly be lost unless the GVN continues to devote major attention to the issues, especially in the near future. The remaining economic problems are large and critical.

President Thieu appreciates the political sensitivities in the timing of fiscal and monetary actions required for economic stability. He is impressed, as is Prime Minister Khiem, with the political importance of achieving sound economic conditions before the October election. Accordingly, they have instructed Minister Ngoc to devise a program of feasible restrictive measures required for stability but to be put in force no later than April. The only economic actions permitted thereafter will be those of an expansionary nature, such as general wage increases.

Members of my staff met at length with Minister Ngoc. They believe he is generally on the right path. With proper encouragement and support, he has a good chance of developing an intelligent economic policy for South Vietnam. In the immediate future, he said he will introduce further fiscal and financial reforms. While he did not disclose the precise nature of these reforms, he apparently will concentrate on an extension of the so-called parallel exchange rates to broader categories of imports and exports, elimination of other dual pricing systems, and the tighter collection of taxes. Ngoc's assessment of the impact of the new program is perhaps best illustrated by the fact he plans to leave the country for a vacation just before the announcement is made.

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Looking further ahead, we need to be sure that the U.S. Embassy and MACV staffs facilitate and not inhibit the positive GVN economic programs. This will require our continued and even more concerted attention. In addition to the persistent problems of price instability, a central issue deserving our, as well as their, best efforts is how to reduce GVN military expenditures over the long-term and, simultaneously, increase the productivity of Vietnamese manpower.

THE RVN POLITICAL OUTLOOK

The observations I have on the RVN political scene are the product principally of discussions with President Thieu, Prime Minister Khieu, Ambassador Bunker, other members of the U.S. Embassy staff, and of my own observations in the military, economic, and political arena. Of primary importance, of course, is the manner in which the RVN political machinations impact on U.S. objectives in Southeast Asia. The simple and most important basic issue is what the U.S. role should be in the forthcoming RVN elections.

Much of what I was told and observed has already been reported to you. In summary, the key points in the current political situation are:

- . President Thieu's clear and explicit decision to seek reelection. He is already actively working toward that goal.
- . The probability that Vice President Ky and General "Big" Minh will be Thieu's principal contenders.
- . The possibility that Ky, who has by all accounts little chance for victory, might withdraw.
- . The added possibility that the three main candidates might, at the urging of the military, make a deal in an effort not to split the all-important military support.
- . "Big" Minh's representing Thieu's greatest challenge.
- . Thieu's appearing to be the stronger candidate at this point. He is attempting to consolidate his influence among the various elements of the government apparatus as well as other candidates -- but this could be eroded by the fluidity of the political situation.

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I was impressed with the apparent competence of the immediate staff supporting Thieu and with the general air of confidence expressed by Thieu and his staff. Nevertheless, the conventional wisdom resulting from the points outlined above is that while Thieu is the strongest candidate currently, he should be given only a slightly better than even chance for victory in 1971. In addressing the key policy question for the U.S. at this time, there are two important premises, viz:

- . The attainment of RVN self-determination, the main U.S. objective, is dependent on continued and even improved stability in South Vietnam and Indochina.
- . The only presidential candidate among the three main contenders who can provide stability is Thieu.

If the two premises are correct, the indicated direction for U.S. policy is support for Thieu. I believe the premises are correct. The resultant question, then, is what form U.S. support should take. The most reasonable options appear to be:

- . Making all phases of the Vietnamization program, especially pacification, more effective.
- . Sensitivity to the SVN election timetable in our redeployment scheduling and announcements.
- . Helping to assure the SVN economy remains fairly stable through at least 1971.
- . Encouraging reasonable reforms and programs in SVN, especially a more rapid implementation of the Land Reform measures.
- . Maintaining close liaison and coordination on diplomatic initiatives and programs in Paris. This would include taking all the appropriate steps to show that the current Saigon administration has exhausted the reasonable possibilities for a just peace through negotiations.
- . Assiduously avoiding public or official intervention in the South Vietnamese electoral process.

While I shall recommend the actions outlined above, I firmly believe we should also take actions to hedge our position. We should, as Ambassador Bunker has noted, be prepared for the contingency of a Thieu defeat.

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SELECTED ASPECTS OF REGIONAL SECURITY IN SOUTHEAST ASIA

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Since the rapid buildup of U.S. involvement in South Vietnam in 1965, there has been a tendency towards preoccupation with that nation. Given the human and material sacrifices made in South Vietnam, it is right and proper that this has been the case. Yet, ^{delete} it is appropriate to recognize the obvious, viz, that (a) U.S. interests in South Vietnam are affected by the situation in neighboring Southeast Asia States apart from their relationship to the Republic of Vietnam.

We are moving now towards implementation of the Nixon Doctrine. It is perhaps a paradox that in the critical 1965 period the Southeast Asia States declined to come to their own, much less their neighbor's, assistance. Now, as the situation has become in many respects more manageable, there appears to be a stronger inclination to act positively in support of their own security interests. To demonstrate your Administration's continuing and vigorous interest in the regional aspects of Southeast Asia security, I visited Thailand as well as the Republic of Vietnam. Others in my party visited Cambodia and Laos.

Most of this memorandum deals with U.S. interests and involvement in South Vietnam. In this section, I shall outline briefly the situation my party found in each of the other Southeast Asia nations.

In Thailand, it was my impression that the Royal Thai Government (RTG) was not focusing clearly on either the developments in Laos, Cambodia, and SVN, or on insurgency activities in Thailand itself. The professed Thai strategy and force composition are directed to the internal Thai insurgency problem, not the external problems of Southeast Asia. Yet, even the insurgency issue is not being met or addressed in the totality of the problem. Thai forces in the main insurgency areas of northern Thailand, for example, remain under strength. Yet, the RTG leadership is giving lip service to (a) support for the Nixon Doctrine and Vietnamization; (b) recognition that Southeast Asia nations must make growing contributions to their own defense, especially in manpower; and (c) determination to assume full responsibility for their defense needs without U.S. troops. Their clearest message is the necessity for continuing U.S. military assistance.

If, in 1971, Prime Minister Thanom is replaced by General Praphat, his Deputy and Minister of Interior, there may be more realism and positive action inserted into Thai security programs. More decisive than Thanom, Praphat is convinced that a viable regional strategy is required and attainable.

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In Laos, as indicated earlier, Hanoi has recently been concentrating on the Southern panhandle. Limited enemy efforts there can be met with regular Laos forces (FAR) and Thai-Lao special guerrilla units (SGUs). However, there is little they could do to stop a concerted NVA drive. On the other hand, in General Abrams' judgment, the insertion of major RVNAF units into southern Laos for the rest of the dry season could have major salutary effects in terms of buying time for both the Cambodians and South Vietnamese. There is enthusiasm not only within the MACV staff, but also the GVN for such operations. The principal reservation is President Thieu's concern about the public justification for such operations and the chance the Laotians may not endorse or support such RVNAF military activities.

In contrast to Laos, my staff contends the situation is brighter in Cambodia, press reports notwithstanding. Their armed forces (FANK) comprise an amateur army with a baffling hodge-podge of equipment. Yet, given the time factor and the confrontation by a battle-experienced foe, they are doing remarkably well. Moreover, the morale of the Khmer people remains high. The members of my party were struck by the fact this is considered by the Cambodians to be a holy war -- the Buddhist Khmer against the Communist Tonkinese invader. High morale and deep resolution do have material limits, however. Tactical reverses at the hands of the North Vietnamese must be expected. Of special concern is General Abrams' assessment that Lon Nol and his key leaders are strangely detached from the implications of the immediate military situation. Overall, though, Embassy Phnom Penh's "cautious optimism" is apparently justified. It may be a touch-and-go spring, however.

Most importantly, there are steps which can be taken to improve the regional ties, especially between Cambodia and South Vietnam. There is general concurrence that the U.S. now plays too great a role in shepherding and integrating the efforts of the Southeast Asian nations. We must, in Ambassador Bunker's and General Abrams' views "provoke" the Southeast Asia states to do more of the job for themselves. General Abrams told me U.S. leadership is currently necessary to bring about regional coordination. Over the longer-haul, both Abrams and Ambassador Bunker feel the RVN, the Laotians, the Cambodians, and the Thais must do the security coordination and integration job on their own. Given the traditional hostilities and wariness, this will not be easy. But it can and must be done. There are sufficiently responsible and competent leaders in each nation to do the job. The U.S. officials should coax, encourage, and facilitate such efforts.

There may be non-military measures by which regionalism can be encouraged as well. Your immediate predecessor proposed in April 1965 a Mekong River development project. He made the proposal,

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however, at a particularly inappropriate time. Dealing from a position of relative weakness, he started in motion in July 1965 major U.S. military deployments to Southeast Asia. The cost in U.S. lives over the ensuing three-and-one-half years was about 75 times what had been experienced in Southeast Asia prior to mid-1965. We are now, however, in a position of greater strength. The partnership, the bid for peaceful development, and the unifying possibilities in something like the Mekong River project are now more reasonable. A major development initiative of that type might be in order.

DIPLOMATIC SITUATION AND NEGOTIATING OPPORTUNITIES

In Paris, I talked with both the principal GVN and the US negotiators. Ambassador Lam, who heads the GVN team, is competent but not aggressive. He has an excellent deputy. However, the GVN negotiators apparently receive little or no guidance from Saigon. They rely for preparations mainly on the US team in Paris. When I mentioned to President Thieu that I had met with his representatives in Paris, he showed little interest.

The US negotiating team is professional and well-informed. I sensed a healthy dialogue and idea-exchange among the team members. There is, however, a general pessimism -- although not hopeless feeling -- about making any substantial negotiating progress under current circumstances.

Most of our discussions centered on the available diplomatic options. Four such options were mentioned, viz:

- . Continue as is.
- . Talk redeployment timetables and start such talks soon.
- . Wait until after mid-1971 to decide on any change in our negotiating posture.
- . Abandon the idea of any positive results from Paris negotiations, although continuing the forum of the talks in Paris.

Our negotiators, as well as those of the GVN, have concluded that the forthcoming RVN elections and a withdrawal timetable are two of the key issues driving the Paris talks. In all probability, the North Vietnamese will wait on the results of the 1971 elections in South Vietnam before taking any steps to modify their negotiating posture. If negotiations are to become substantive, a central point will be withdrawal schedules.

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I pointed out to Ambassadors Bruce and Habib that we do have an exacting redeployment timetable. I reminded them you have assured the American people the war, by which I have always assured you meant US involvement, would be over by the end of 1972. Great progress has been made to that end. The prospects are good. But the remaining time is short. We cannot wait until mid-1972 to take stock and see what else might be done; or might have been done, in the diplomatic or military areas to reach our goal. A 1972 accounting of our actions must show that all possible steps have been taken in a timely manner.

Furthermore, diplomatic initiatives and the assurance that no stone has been left unturned in pursuit of peace could help bolster President Thieu. The peace issue will loom large in the RVN elections of August and October this year.

If we are to move ahead with negotiating initiatives, the time to move is soon. There are other reasons why timing is of the essence. Chief among such reasons is the fact that by May 1, 1971, about 48 percent of the peak troop strength will have been redeployed. The preponderance of our combat strength will have left. If we are to obtain any diplomatic results or quid pro quos for our redeployments, we must proceed expeditiously.

There are other reasons, of course, why we should not give up on negotiations. Among the main reasons are the following:

- . The enemy shows little or no inclination to give up militarily.
- . U.S. war costs are still high, e.g., in excess of \$10 billion incrementally for 1971 alone.
- . Little military help from 3d nations is imminent.
- . Saigon's economic problems intensify as the war goes on.

If we are to make the most of the negotiating possibilities, we should urgently assess the negotiating options. To continue as is risks losing some initiatives that could produce valuable and obvious dividends over the next two years. To wait until late 1971 to review our negotiating posture loses valuable time and obviates many of the advantages to be derived from taking added peace initiatives. To abandon the idea of positive diplomatic results is to lose hope when there is much to be gained from keeping faith.

I shall be submitting separately in the near future a proposal on negotiations. I urge that a small and select group address my proposal, along with any others of substance, on a close-hold, but urgent, basis.

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IMPLICATIONS FOR U.S. POLICY

The most obvious implications for the United States in Southeast Asia are that:

- . Progress to date holds out promise for effecting the Nixon Doctrine.
- . Your pledge to end the war, meaning the direct U.S. combat involvement, has reasonable chances for success without inhibiting the progress towards longer-term regional security.
- . To keep the pledge on reducing direct U.S. involvement implies an action timetable that can be met by both the U.S. and Southeast Asia nations.
- . Nothing begets success like success. The U.S., RVNAF, and Cambodian forces have reaped major dividends from your bold decision last year to move against the enemy sanctuaries in Cambodia.
- . The reduced costs to the U.S. incident to our Southeast Asian involvement are a major blessing in terms of the alternative uses for resources, the reduction in loss of human life, and the diminution in the divisive influence of the war on the American people.
- . The road ahead, both in the near and medium term, is fraught with risks and hazards. To provide insurance that we can meet the challenge requires the best leadership available.
- . As the war winds down, the manifestations among U.S. troops of morale, drugs, race, and other non-operational problems, will become more evident. General Abrams and his subordinate commanders are concentrating with vigor and imagination on these problems. I was amazed, however, when President Thieu told me he had never been approached by U.S. officials about the ready availability of drugs in South Vietnam. (I had earlier mentioned the easy drug access situation.) We should initiate a program with the GVN to rectify insofar as possible that situation.

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- . A painful near-term prospect may be a bruising, free-swinging RVN presidential election that may (a) give the situation in SVN the appearance of chaos, and (b) be magnified by the media to increase doubt when confidence is needed.

I should like to comment briefly on four of the implications: (a) the withdrawal timetable and issues incident thereto; (b) the reduction in costs; (c) the U.S. military leadership; and (d) the public affairs aspects of the Southeast Asia situation.

As indicated throughout this memorandum, I emphasized privately the fact that we do have a withdrawal timetable from Southeast Asia, viz, that by 1972, we must have all but a military assistance group redeployed from South Vietnam. I am pleased to report that this prospect was not only accepted but endorsed as a reasonable and judicious security risk. There is one implication of the redeployment actions which must be carefully watched. That is to avoid inferences that Vietnamization progress and subsequent U.S. withdrawals are based principally on success in Cambodia. I sense a growing body of opinion leaning that way. Vietnamization was conceived on the premise of an enemy threat in South Vietnam with sanctuaries on its borders. Operations in Cambodia have had a salutary effect on Vietnamization. But Vietnamization and U.S. redeployments can proceed even if we have setbacks in Cambodia.

The opportunities afforded by the cost reduction in Southeast Asia are especially impressive. U.S. incremental military expenditures in Southeast Asia were reduced from \$20.2 billion in 1968 to \$12.6 billion in 1970. In the Defense area, the freed resources allow us at least a partial opportunity to regain some of the position we have lost to the Soviet Union over the last few years. The leverage the USSR has enjoyed on us as a result of our Southeast Asian involvement has been significant. While we have been spending \$10-20 billion per year there, the Soviets have provided aid to Hanoi in annual amounts less than \$1 billion. The difference in these commitments has allowed the Soviets the opportunity to erase many of the military advantages we have historically held.

In the area of U.S. military leadership in South Vietnam, we now have the best team we have perhaps ever had. General Abrams and General Weyand, as our top two men, represent a unique blend of military experience, pragmatism, insight, imagination, resolve, and inspiration. If our programs are to succeed, we should retain that team. I am pleased to report General Abrams wants to stay on the job through 1972. That request is one of the most positive indicators possible. It is both the effect and the generator of confidence among U.S. and RVNAF ranks.

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Finally, as we enter two successive election years -- one in Vietnam and one in the U.S. -- and as the complexion of the war changes in terms of geography, the relative force contributions, and the type of U.S. involvement, we shall be confronted with an ever-changing challenge in keeping the U.S. public adequately and appropriately informed. I believe increased attention will be necessary to public affairs issues. Specifically, improved coordination within the Administration will be needed, as well as continued coordination with our elements in the field.

PRISONER OF WAR ISSUES

The Prisoner of War question was discussed in considerable detail during the various meetings in Paris, Saigon and CINCPAC. It is essential that the Administration review all possible alternatives available to achieve the release of American Prisoners of War and to determine officially the fate of those missing in action.

Each succeeding troop withdrawal announcement has increased substantially the anxiety of the families involved. This pattern will undoubtedly continue. Mounting public and Congressional pressure to tie future troop withdrawals to the release of POW's may be expected. A delegation of POW/MIA wives has already requested a meeting with you to discuss just such a proposal.

In my judgment, we should keep the POW issue separated from troop redeployment actions. Our strong suit in terms of a public posture has been Hanoi's failure to comply with the humanitarian provisions of the Geneva Convention on Prisoner of War matters. Compliance with these provisions neither is nor should be the function of a political bargaining process. It is important that we maintain that principle.

The relationship between declining U.S. casualties and declining U.S. force levels is apparent. If we retain forces in the theater as a political bargaining agent for prisoners of war held by the enemy, we risk losing through combat deaths annually many times more officers and men than we are striving to have returned. We should not allow, in my judgment, our forces in South Vietnam to be de facto "hostages" while a political bargaining process is pursued for return of the POWs. While this closes one available option, there are many initiatives and possibilities remaining which can be and should be pursued.

There are some indications that U.S. POWs captured by the Viet Cong in SVN may be located in VC-dominated areas of Cambodia. We should be alert to possible POW rescue opportunities during ongoing ARVN operations in Cambodia. At the same time, search and

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rescue opportunities elsewhere in Southeast Asia should continue under active consideration.

Unilateral release of SVN-held POW's should continue. After many months of prodding and planning, the GVN is now preparing for the imminent release of some 40-50 NVN POWs through the DMZ.

It is recommended that these unilateral initiatives continue. Included should be the release of long-term POWs -- a request we ourselves have made of the North Vietnamese, the Viet Cong, and the Pathet Lao.

As a further effort to encourage momentum on the POW issue, unilateral battlefield releases of Viet Cong POWs held by the GVN should be made elsewhere in SVN.

In amplification of these points, I have asked my staff to prepare a more detailed paper on POW issues. I shall have that memorandum distributed to the officials who are dealing full-time with the POW problem.

CONCLUSIONS AND RECOMMENDATIONS

1. The war is winding down in South Vietnam in significant ways. The military aspects of Vietnamization continue to progress on or ahead of schedule. Despite the expanded geographic aspects of the conflict, the tenuous nature of the Cambodian forces and the possibility for temporary setbacks in selective areas, the general outlook justifies cautious optimism. We should continue to approve those operations which allow opportunities for the RVNAF and Cambodian forces to gain time for continued improvement in the security area.

2. Your pledge to have the U.S. out of military operations in Southeast Asia by 1972 can and will be met. We should continue to plan accordingly, both within our U.S. elements and with the GVN. I shall talk to you about the timetable options: The key periods are May 1 through November 1, 1971; November 1971-mid-1972; and mid-1972 through the end of the year. I conclude that all senior U.S. and GVN officials agree we can meet a schedule which allows the U.S. objectives to be attained. We should encourage and reward these positive attitudes.

3. The GVN and the RVNAF are increasingly gaining in competence and confidence. This results in no small measure from the effective leadership of General Abrams and his team. I recommend Abrams and that team be kept intact through 1972.

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4. Economic stability has improved significantly over the past few months -- in important measure as a result of effective U.S. pressure to adopt a coherent economic strategy. That improvement may, however, deteriorate quickly unless additional reforms are introduced. I recommend, therefore, that appropriate U.S. officials continue to encourage the GVN to make such reforms, especially in the near future. Given the importance of the economic issues to the forthcoming elections, I also recommend the U.S. contribute in every reasonable and practical way to the near-term stability and productivity of South Vietnam.

5. There is a need for a conscious U.S. policy on the RVN elections. The U.S. objective in South Vietnam of self-determination is dependent on continued stability in that nation. The presidential candidate who can contribute most to continued stability is Thieu. I recommend an explicit but discreet program to support Thieu's re-election.

6. There are numerous and serious regional problems involving the Republic of Vietnam, Cambodia, Laos, and Thailand. It is incumbent on those nations to carry the burden in resolving those problems. The senior U.S. diplomatic and military officials in each of the nations, as well as CINCPAC and his staff, should adopt an explicit program of encouraging more direct regional efforts among the senior Southeast Asia government officials. The U.S. should continue to play the role of catalyst in some fields such as major regional economic projects. We should consider appointing a commission to investigate the possibility of major regional economic development projects and initiatives.

7. Based on the principle of preference for diplomatic military action, the influence of a series of forthcoming political events, and a generally improving security situation in Southeast Asia, it is incumbent on the U.S. and the GVN to explore every possible negotiating avenue with the enemy. I am providing separately a proposal and recommendation in this area.

8. As time goes on and U.S. redeployments continue, the POW issues grow more complex. There is need for a conscious policy either linking or treating separately the POW issues and redeployment actions. I recommend we keep them separate, at least for the foreseeable future. I also recommend an aggressive program of actions designed to put pressure on Hanoi to comply with the Geneva Convention on POW Matters and to gain the eventual return of our men.

9. The three pillars of your U.S. foreign policy -- Strength, Partnership, and Willingness to Negotiate -- are serving us well in Southeast Asia. There is much to be done in each area and in relating the three areas. I am confident we can and will, under your leadership, attain our objectives in Southeast Asia.

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Paragraph transcriptions from document: Washington National Records Center, Acc 330-74-1421
Folder 41, Box 4. Top Secret. Sensitive.

- 1) "General Abrams was insistent that the Laotian panhandle and the northern provinces of South Vietnam comprised the key to the military situation in early to mid-1971."

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THE SECRETARY OF DEFENSE

WASHINGTON

5 JUN 1970

MEMORANDUM FOR THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Vietnamization - Consolidated RVNAF Improvement and Modernization Program and Related US Planning

I have reviewed your supplemental report forwarded by JCSM 202-70, as well as your recommendations on US troop redeployment subsequently forwarded by JCSM 266-70. I particularly appreciate the concerted staff effort and the hard choices they represent.

Since JCSM 202-70 was prepared, the events in Cambodia and the serious budget deficits we face have altered in a major way the manner in which we must address RVNAF improvement and modernization and the results we must expect from it. It is abundantly clear now that, on completion of our Cambodian operations, we must accelerate the RVNAF improvement and modernization program in every possible way. This acceleration, as well as the acceleration of US redeployments, relies on GVN capability to assume a much greater responsibility for conduct of the war by the end of FY 1971. The new RVNAF confidence born in the recent cross-border operations must now be translated into specific and definable milestones in RVNAF performance within SVN.

I approve the plan you have presented with the exceptions noted below. I recognize that as we proceed, modifications will be made and I stress again that all funding for Southeast Asia must be met from existing and foreseeable DOD budget ceilings. The political and economic climate, now even more than in March, militates against requesting supplemental funds for FY 1971 except for pay increases. The President has indicated that even the costs of the recent activity surge into Cambodia must be met within current budget levels. Some of these reductions may have to come from SEA activities. Consequently, activities which require funds incremental to the FY 1971 budget for Southeast Asia will have to be financed by compensating reductions in Southeast Asia and/or other defense programs.

My specific guidance and decisions, supplemental to those announced in my memorandum of 13 March and subject to review and final approval by the President, are outlined below.

US and GVN Costs

I do not at this time approve the recommendations to request supplemental funds for the FY 1971 DOD budget. However, I have apprised the President of the defense implications of the severe fiscal problems we face in FY 1971 and FY 1972. I do not expect a reply until at least mid-to late July. Therefore, for planning purposes, assume that all funding for Southeast Asia must continue to be met within existing and foreseeable DOD budget ceilings.

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I approve the validated funding requirements, which are shown in Enclosure. Itemized rationale for these data is available from the ASD(Comptroller) staff. These and the other PACOM program tradeoffs will be specifically addressed in conjunction with the actual allocation of FY 1971 resources during the apportionment review now underway. Any unvalidated SEA tradeoffs will require the closest possible coordination among the Service Secretaries, the Joint Chiefs of Staff, and OSD for quick resolution.

It is essential that we look at forces and levels of activity in FY 1972-73 that can be supported within the DOD budget levels likely to be available. To be realistic we must recognize that the current economic conditions, competing claims for federal resources and the mood of the Congress mean that Defense may well have significantly less funds in the FY 1972-75 time period than we assumed when the 24 March 1970 Fiscal Guidance Memorandum was issued. If you consider that costs for forces and activity levels for FY 1972-73 should be greater than planned in the Fiscal Guidance Memorandum, assume that these funds must be provided through SEA reductions or world-wide tradeoffs. I would like to receive your recommendations for FY 1972 on this matter by 20 July 1970, in order that they may be considered in preparing Program Decision Memoranda (PDM).

With respect to the economic impact of RVNAF Improvement and Modernization on the GVN, recent projections prepared by AID and DOD indicate that, despite serious economic problems, GVN domestic revenues and available US economic assistance may be sufficient through FY 1971 to meet our objectives of sustaining the GVN military effort while controlling inflation. However, by FY 1972, increased GVN military expenditures with a decline in projected GVN dollar earnings will give rise to grave economic problems for the GVN. If such problems are not to destroy the economic and consequently the political viability of South Vietnam, GVN domestic revenues and the system of US support will have to be restructured and direct economic assistance increased, at least in the short run, to provide sufficient resources to enable the GVN to attain a viable and eventually self-sufficient economy.

For our part, DOD must take what actions it can to help keep GVN economic problems within manageable proportions. A requirement may exist to support through Service MASF Budgets a portion of local costs of programs to expand RVNAF capabilities in the logistics, maintenance, and other support areas. The exact programs and funding magnitudes will be identified in conjunction with other US departments and agencies. If DOD funding requirements are identified, I will inform the Service Secretaries of the FY 1972 budget implications.

US In-Country Forces

A US in-country force level of about 260,000 for end FY 1971 should continue to be used for budget planning purposes, recognizing that the option of more rapid redeployments must be retained.

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I have reviewed your proposals in JCSM 266-70 for phasing the 150,000 man redeployment announced by the President in April. I am deferring a decision pending clarification of the Defense Budget levels for FY 1971 and FY 1972-76. In the interim proceed to redeploy 50,000 men by 15 October 1970 as directed by the President. For the period beyond 15 October 1970, you can assume that we will proceed in accordance with the FY 1971 Budget Plan.

Specific units to be deployed and details of timing and movement will be developed by the commanders in the field in coordination with the Services and the JCS; a related public affairs program will be similarly developed in coordination with OSD.

A MAAG structure of about 25,000 spaces for JUSMAAGV and 19,000 spaces for a Supplemental MAAG by end FY 1973 is approved for planning. I repeat my guidance that every effort be made to hold the MAAG strength at or below these figures. I am pleased to note the reduction of about a thousand cryptologic spaces from those recommended in the Tab to Annex A, JCSM 42-70.

Out-of-Country/Offshore Effort

Continue presently authorized air sortie levels of 1,400 B-52, 14,000 USAF tactical fighter and 3,500 USN tactical fighter sorties per month until 15 July 1970. Assume that after 15 July the sortie rates will become not more than those approved in the FY 1971 budget of 1,200 B-52, 10,000 USAF tactical fighter, and 3,600 USN tactical fighter sorties. I realize that you may wish to use the sortie levels recommended in JCSM 202-70 of 1,000 B-52, 10,000 USAF tactical fighter, and 2,700 USN tactical fighter sorties.

I emphasize these are monthly activity rates. If circumstances permit, lower air activity levels during periods of relative enemy inactivity should be used. Not only would such lower air activity levels provide some added operational surge capability when needed, but it would also allow us to signal more readily to the enemy through marked operational sortie rate increases.

A naval gunfire support level in Southeast Asia of three NGFS ships on station is approved for FY 1971.

RVNAF Force Structure

The recommended RVNAF programs, force structures, equipment authorizations and programming for FY 1971-72 are approved, and for FY 1973 are approved for planning, to include the intelligence and logistics spaces recommended

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In the exhibits. The FY 1972 approvals are subject to further review in light of US budget and GVN economic constraints. Final FY 1973 approval is deferred until we have a better long range view of the effects of the Cambodian operations on the enemy situation, Vietnamization, and US troop redeployments, and of the impact of budgetary and economic constraints on the FY 1972 force.

I am convinced that, psychologically, now is not the time to move toward reducing the projected RVNAF ceilings. With economic and political considerations making faster US redeployment and reduced US sortie levels a likelihood, we must not detract from the resolve of the RVNAF to assume greater responsibilities more rapidly. However, with the very real US budgetary and GVN economic problems in the offing, we also would be remiss not to be developing plans to reduce the RVNAF at the earliest moment the situation permits. As an initial step, I request that General Abrams initiate a comprehensive review of the RVNAF force structure with a view to a first incremental reduction in the active forces to a ceiling of not more than 1,000,000. The review should include an assessment of the conditions under which an active force of that size would be adequate and of the considerations involved should achieving that ceiling by end FY 1973 become indicated. I would like your report on the review by 1 December 1970.

It also is important that we use every opportunity to impress upon the GVN the need (1) to use its manpower resources more efficiently, and (2) to reassess on a continuing basis its force structure and strategy. Not only will such continuing review hold the promise for improved security, but it should also help alleviate the intense economic pressures confronting that nation. In the future, MACV is authorized to make field refinements to RVNAF TOEs so long as personnel and equipment changes do not exceed personnel and equipment authorization ceilings.

Leadership, Training and Morale

I continue to place high priority on our efforts to focus GVN effort on those selected programs which will most improve leadership, training and morale. I appreciate the concerted effort being made in these programs by MACV and the GVN, and that the qualitative deficiencies in these areas are among the most difficult to overcome. In view of the interrelationship and the importance to Vietnamization of leadership, training and morale, I would appreciate receiving a CY 1970 year-end progress report on improvement in these qualitative areas.

With respect to the specific proposals for raising RVNAF living standards, the recommendation to provide additional canned meats, fish, and shortening under the Ration/Food Service Program and to provide construction of 20,000 dependent shelters per year for five years is approved. I view the caveat that MACV approve the RVNAF distribution and control plan as an essential element to insure the goals behind this support are realized. Provisions

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must be made, moreover, to attach to this added US support the quid pro quo that increased RVNAF capability will be used for our joint goals of enhanced RVN security. That means principal emphasis on operations in South Vietnam rather than Cambodia.

Communications-Electronics, Logistics and Sensors

Final approval of Exhibit B and of Annex B (Communications-Electronics) to JCSM 42-70 will be forwarded separately in response to the Communications-Electronics Improvement and Modernization Program (CEIMP). I note that the RVNAF signal force structure has not progressed to the point that we can determine the precise requirement for end FY 1971 US signal troops. I would hope that we can resolve this requirement by 1 September 1970.

The recommendations at Exhibit D (Logistics) are approved.

I look forward to seeing the results of the MACV study on an integrated sensor/radar system for the RVNAF.

Special Operations

I question the desirability of US support for an RVNAF special operations capability. The projected results of these operations do not appear to warrant a US investment of \$13.1 million a year and 399 advisors, as well as 2,500 high quality Vietnamese personnel and a drain on critical air assets. In the review of FY 1972 activity levels and tradeoffs, I would like General Abrams to take a particularly hard look at whether this program should be retained. If that review concludes that we should continue to support development of an RVNAF special operations capability, I request determination of how fast we can turn over to them those operations approved in my 21 May 1970 memorandum on "Outline Plan for SALEM HOUSE Operations (C)."

Force Planning, Thailand

The plan to redeploy 7,300 USAF and 2,565 USA authorized personnel to reach an end FY 1971 ceiling of 32,200 is approved with the following exceptions:

- No forces are to be redeployed prior to 15 July 1970, with the exception of the F-102 detachment at Don Muang.
- Actions must be taken to continue to provide a WILD WEASEL/IRON HAND capability in order to reduce risk to ARC LIGHT forces.
- Minimum work to keep Route 223 open as agreed with the RTG must be accomplished via contract or other means after the 809th Engineer Battalion is withdrawn until the Royal Thai Highway Department begins major upgrading in CY 1972.

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Following the precedent set last fall, negotiations with the RTG in Bangkok will precede implementation of these redeployments. No action should be taken which will reveal the size, timing or content of the reduction packages to the RTG except as authorized by the US Mission in Bangkok. It is recognized that exceptions to this policy may be necessary. Exceptions will be the subject of separate State/Defense instructions. Strength authorizations will be changed through the SEA Deployment Adjustment System.

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Enclosure

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ANALYSIS OF FY 1971 REQUIREMENTS TO SUPPORT VIETNAMIZATION -
CONSOLIDATED RVNAF IMPROVEMENT AND MODERNIZATION PROGRAM
AND RELATED US FORCE REQUIREMENTS

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	JCS Proposed Change to FY 71 Budget			OSD Validated Requirements		
	<u>1&M</u>	<u>US Forces</u>	<u>Total</u>	<u>1&M</u>	<u>US Forces</u>	<u>Total</u>
<u>Military Personnel</u>						
Army	48.5	-	48.5	48.5	-	48.5
Navy	-	-	-	-	-	-
Air Force	-	61.2	61.2	-	-	-
<u>O&M</u>						
Army	47.3	-	47.3	73.1	-	73.1
Navy	23.4	50.2	73.6	22.1	-	22.1
Air Force	15.9	176.1	192.0	15.9	-27.6	-11.7
<u>Procurement</u>						
Army	119.1	-	119.1	86.6	-	86.6
PAM, Navy	-	3.0	3.0	-	3.0	3.0
OPN, Navy	16.8	-	16.8	13.5	-	13.5
AP, AF	92.2	27.7	119.9	87.1	-	87.1
OP, AF	2.6	368.2	370.8	2.6	75.0	77.6
<u>Military Construction</u>						
Total	365.8	686.4	1,052.2	349.4	50.4	399.8
Available from CR,SVF				-300.0	-	-300.0
Required Reprogramming				49.4	50.4	99.8
Army	215.0	-	215.0	208.2	-	208.2
Navy/Marine Corps	41.0	53.0	94.0	35.6	3.0	38.6
Air Force	110.0	633.0	743.0	105.6	47.4	153.0
Available from CR,SVN	366.0	686.0	1,052.0	349.4	50.4	399.8
Required Reprogramming				-300.0	-	-300.0
				49.4	50.4	99.8

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

5 APR 1971

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: Improvement and Modernization of the South Vietnamese Armed Forces (RVNAF)

I appreciate your interest in and thoughts on the review of the RVNAF Improvement and Modernization Program as provided by your memorandum of April 1. We have been continuously reviewing the program along lines quite similar to those set forth in your memorandum. In fact, we have underway, at present, three major efforts which should match very well the President's desire for a detailed analysis by 1 May.

- The JCS and Service Secretaries are conducting an overall evaluation of the progress of the current I&M program in order to justify both slippages and programmatic shortfalls.
- The JCS are preparing recommendations on a Vietnamese proposal to accelerate achievement of the FY 73 goal of 1.1 million men during FY 72.
- A major review is underway of the interdiction capability of the RVNAF including alternatives to the highly sophisticated air bombardment programs which we have relied upon.

In proceeding with the analysis desired by the President, I believe the primary focus should be upon functional capabilities. We are already proceeding in terms of RVNAF capability for conducting protracted war, countering the main force threat, interdicting North Vietnamese infiltration of men and materiel, and provision of local security in the countryside. In doing so, our emphasis is upon qualitative improvements rather than quantitative improvements since, as my conversations with President Thieu in January brought out, the problems facing RVNAF are not soluble by increasing strength levels beyond the 1.1 million currently programmed. What the Vietnamese really need is a greater ability to apply their combat capability at the critical points at the critical time. In this regard, the simultaneous conduct of LAMSON 719 and Toan Thang 01/71 already reflects greater mobility, tactical flexibility, and concentration of effort than we originally expected to be feasible at this stage of RVNAF's development.

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I see the analysis we are engaged in as one which requires establishment of reasonable military capabilities within acceptable dollar, piaster and manpower limitations. Furthermore, the program must be related not only to the pace of US withdrawals, but to the allied negotiating posture, the possibility of a cease-fire, the PW situation, and the previous policy statements of the administration.

With these views in mind, I expect no difficulty in providing the President with the desired analysis by 1 May.

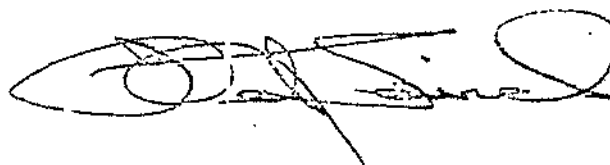
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A handwritten signature in dark ink, appearing to be "J. Edgar Hoover", written over a horizontal line.

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OSD Roy Ho

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THE SECRETARY OF DEFENSE
WASHINGTON D.C. 20301

18 MAY 1971

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Improvement and Modernization of South Vietnamese Armed Forces (RVNAF)

As a result of our conversation 26 March 1971, I am providing the results of our most recent reassessment of the RVNAF Improvement and Modernization Program, which has been conducted in terms of the RVNAF capability to perform the essential functions of countering the main force threat, interdicting North Vietnamese men and materiel, providing local security in the countryside, and conducting protracted war. The major conclusions of the attached assessment are:

- The Improvement and Modernization Program has created the military potential for the South Vietnamese to cope with the VC/NVA threat as currently projected. Whether the Vietnamese can realize this potential will depend on their national will, leadership, and morale.
- Some minor adjustments in the equipment to be provided under the current programs are needed. However, emphasis from here on should be on qualitative improvement rather than further expansion.
- It is apparent that the highly sophisticated US aerial bombardment capability cannot be duplicated in the Vietnamese Air Force just as it is apparent that the US effort cannot be continued indefinitely. For the long haul the full spectrum of interdiction techniques must be relied on, with emphasis on those relatively inexpensive ground and air systems and tactics which can be sustained by the South Vietnamese. Such systems and techniques exist but need continued improvement and added impetus.
- The manpower and economic impact resulting from the size of the RVNAF makes the ultimate reduction of the force structure essential. The bulk of such reductions should come in the regular forces with some of the freed resources shifted to the RF/PF, police, and PSDF to counter the Protracted War threat. The ARVN must improve its ability to deal with the main force threat with improved mobility and flexibility.
- The increased effectiveness of the RVNAF makes the negotiation of an end to hostilities, or reduced US involvement, less risky and potentially more productive. For example, the risk of negotiating a date for total US withdrawals in exchange for actual return of PWs now appears acceptable.

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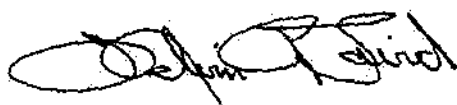
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In the context of our two-pronged strategy of parallel negotiations and Vietnamization, the RVNAF Improvement and Modernization Program has thus far provided the principal impetus to US redeployments. I am confident that the program we have set forth, with only minor adjustments to changing circumstances, will provide the ultimate objective of providing the South Vietnamese the opportunity to defend themselves.

I will continue to keep you advised of progress in this program.



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ASSESSMENT OF THE RVNAF IMPROVEMENT AND MODERNIZATION PROGRAM

INTRODUCTION

As a result of a conversation between the President and the Secretary of Defense on 26 March 1971, a reassessment of the Improvement and Modernization Program for the Republic of Vietnam Armed Forces (RVNAF I&M Program) has been conducted by the Department of Defense. This reassessment has been conducted in terms of four essential functions performed in whole or in part by the RVNAF: countering the main force threat, interdicting North Vietnamese infiltration of men and material, provision of local security, and conducting protracted war. The conclusions which result are:

- The Improvement and Modernization Program has created the military potential for the South Vietnamese to cope with the VC/NVA threat as currently projected. Whether the Vietnamese can realize this potential will depend on their national will, leadership, and morale.
- Some minor adjustments in the equipment to be provided under the current programs are needed. However, emphasis from here on should be on qualitative improvement rather than further expansion.
- It is apparent that the highly sophisticated US aerial bombardment capability cannot be duplicated in the Vietnamese Air Force just as it is apparent that the US effort cannot be continued indefinitely. For the long haul the full spectrum of interdiction techniques must be relied on, with emphasis on those relatively inexpensive ground and air systems and tactics which can be sustained by the South Vietnamese. Such systems and techniques exist but need continued improvement and added impetus.
- The manpower and economic impact resulting from the size of the RVNAF makes the ultimate reduction of the force structure essential. The bulk of such reductions should come in the regular forces with some of the freed resources shifted to the RF/PF, police, and PSDF to counter the Protracted War threat. The ARVN must improve its ability to deal with the main force threat with improved mobility and flexibility.
- The increased effectiveness of the RVNAF makes the negotiation of an end to hostilities, or reduced US involvement, less risky and potentially more productive. For example, the risk of negotiating a date for total US withdrawals in exchange for actual return of PWs now appears acceptable.

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PROGRAM PURPOSES

From the outset, the RVNAF I&M Program was considered the critical element in the Vietnamization program. Although our strategy has been a two-pronged one of negotiations and Vietnamization, the possibility that the intransigence of the other side would prevent a negotiated end to the war has been recognized. Therefore, the reduction of US involvement has been almost exclusively predicated upon improvements in the capabilities of the RVNAF.

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Several other fortuitous circumstances created by the fall of Sihanouk have contributed immeasurably to the improved situation in Southeast Asia. Not only did the loss of Cambodian sanctuaries and LOCs seriously hinder VC/NVA efforts against RVN MRs III and IV, but also expanded hostilities on the flank and rear of enemy forces. The VC/NVA now must continuously defend their LOC through Northeast Cambodia. Some 25-30,000 VC/NVA which in the spring of 1970 were considered targeted solely against RVN are now considered dual-targeted against both Cambodia and South Vietnam. In actuality, these 25-30,000 troops have largely been tied down in Cambodia since April of 1970 mainly in defense of LOCs and base areas in Northeast Cambodia from RVNAF cross-border operations such as TOAN THANG. The effect of this force diversion has been apparent in improved security and increased stability in RVN MRs III and IV and in the net decline of almost 40,000 VC/NVA personnel estimated to be currently targeted against the southern two MRs -- a reduction of 36 percent in the threat to this area.

The continued threat of allied cross-border operations in South Laos has a force diversion effect as seen by an increase of almost 30,000 in NVA force in South Laos prior to, during, and since LAMSON 719. Although approximately 24,000 were deployed from North Vietnam, the threat to RVN MR I was reduced in the DMZ area and a major enemy offensive from base areas in Laos was preempted.

The changes in the strategic initiative coupled with a continued improvement in the security situation have improved the RVNAF's ability to meet the basic objective of the ISM Program -- namely, to achieve the capability to cope successfully with the combined Viet Cong-North Vietnamese threat.

PROGRAM ACCOMPLISHMENT

The March 26 memorandum of the Secretary of Defense summarized statistically the program progress as of the beginning of 1971. Briefly, the extent of the build-up of Vietnamese forces is summarized in the tables attached. All programs are proceeding on schedule and are projected to be completed on or ahead of time. Furthermore, the JCS and Service Secretaries have recently completed a review of the Vietnamese ability to maintain and effectively utilize the materiel which has been provided to them. They have concluded that although technically competent personnel are still in short supply and significant back-up US logistical support is still required, levels of maintenance and utilization rates are within acceptable US limits. All in all, it is possible to report that we are succeeding in achieving or exceeding detailed program objectives, such as unit activations and materiel deliveries.

Our current reassessment of the Improvement and Modernization Program, however, went beyond the review just described to try to determine if the program continues to serve the central objective of Vietnamization: to permit the Vietnamese to satisfactorily defend themselves, thereby facilitating an end to active US involvement in the hostilities in Southeast Asia. To accomplish this assessment, four basic Vietnamese defense capabilities were identified for analysis.

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- Countering the main force threat.
- Interdicting North Vietnamese infiltration of men and materiel.
- Providing local security in the countryside.
- Providing the capability to conduct a protracted war.

COUNTERING THE MAIN FORCE THREAT

The potential for successful defense against the VC/NVA main force threat is available. In the aggregate, the South Vietnamese forces outnumber the VC/NVA significantly. Furthermore, there are significant advantages enjoyed by the RVNAF such as helicopter and fixed-wing air mobility, tactical air and helicopter gunship support, and a more secure and redundant supply system. It is commonplace to view these as US-provided capabilities, and in the past they generally have been. However, as a result of the RVNAF L&M Program, the Vietnamese now have a substantial proportion of the ultimate 532 helicopters and over 700 other tactical aircraft which will give them a continuing superiority in these areas even though it will be far less than that which US forces provided at the time of our peak deployments.

In order to test the adequacy of the force structure programmed for the RVNAF, we have analyzed on a highly aggregated basis the opposing forces by military region under circumstances decidedly disadvantageous to SVN. We have used a recent CIA estimate which we consider maximizes both the size and supportability of possible VC/NVA offensive operations during FY 72. In addition, we have liberally allocated dual-threat forces to a hypothetical offensive against MR I in the course of the 1971-72 dry season. No re-dispositions of ARVN have been assumed. US forces have been reduced to 50,000, while the ROKs have been assumed to accede to a GVN request to remain in MR II until FY 73. Under these generally unfavorable circumstances, the ratio of main force maneuver battalions under low to medium risk conditions would turn out as follows:

	<u>Ratio of RVNAF Main Force Bns to VC/NVA</u>		<u>RVNAF Surplus/Deficit</u>	
	<u>Projected</u>	<u>Desired</u>	<u>Troops</u>	<u>Bns</u>
MR I	0.6	1.1	-26,500	-11
MR II	2.8	2.5	+ 4,700	+ 8
MR III	3.0	2.5	+ 6,500	+11
MR IV	3.7	2.5	+10,100	+17
Reserve			+ 9,100	+12
RVN Total			+ 3,900	+ 4

This aggregate analysis under unfavorable circumstances indicates an overall adequacy of forces although the situation in MR I will almost surely require remedy. A redistribution of forces to adjust to US redeployments is now being studied in Vietnam. Undoubtedly, the GVN must make some difficult decisions in generating additional defensive capability in MR I and to

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a lesser extent in MR II. However, as politically and administratively difficult as the solutions may be for the GVN, there is no reason to believe that a combination of redistribution and temporary reinforcement from the strategic reserve cannot provide the combat capability to cope with the threat. Just as the enemy cannot simultaneously maximize his effort everywhere, neither can the GVN. However, as will be discussed under the capability to wage protracted war, a failure by the GVN to establish reasonable restraints on forces as well as a balance between military requirements and economic sustainability may have a more debilitating effect than enemy operations.

INTERDICTION

The Vietnamese forces need some reasonable capability to impede the flow of men and materiel from North Vietnam to forces in the south. We should not expect the RVNAF to be able to stop the flow; indeed the large and costly US effort was unable to do this or even to reduce the amounts of supplies reaching the south below the basic needs of the VC/NVA. But they should be able to exact some price and complicate the enemy's logistic efforts.

It is apparent that the highly sophisticated US aerial bombardment capability cannot be duplicated in the Vietnamese Air Force just as it is apparent that the US effort cannot be continued indefinitely. Although aerial bombardment in the Lao panhandle has been a principal feature of the US interdiction effort, similar capabilities in magnitude and sophistication cannot be duplicated even from the combined resources of all forces in Southeast Asia including those of Thailand, Laos and Cambodia. Our approach, therefore, has been to analyze the entire interdiction system and to maximize those capabilities which are compatible with indigenous potential.

The VNAF will have a limited air interdiction capability represented by A-1, A-37, and F-5 fighter aircraft (an eventual total of 258 such aircraft by FY 73) plus two squadrons of fixed-wing gunships (1 AC-47, 1 AC-119G). Minor adjustments are being considered such as replacing either the AC-47 gunship squadron or a troop lift squadron with an AC-119K squadron. Either can be accomplished without a serious dilution of the distribution of critically short, technically qualified pilots and maintenance personnel. Further, we are continuing studies of alternative weapon systems of even lesser sophistication and cost which would hopefully provide added capabilities. One such system is a fuel-air explosive weapon (CBU-55) which would allow the A-1 aircraft to approximate one-third of the effectiveness of a B-52 against "soft" personnel type targets. Another concept we are looking at is the "mini-gunship" force, which would combine rapid fire weapons systems with a simple relatively inexpensive light aircraft compatible with Vietnamese flying skills, maintenance and perhaps eventually manufacture.

Since US air interdiction must eventually phase out, the Vietnamese must have the capability to interdict the flow of men and materiel further down the pipeline where the targets become more numerous and dispersed. A variety of techniques for doing this are in being or under development.

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The first element in the interdiction system is the ability to gain intelligence on where and how the interdiction is taking place, with sufficiently "real-time" readout that friendly forces can react and destroy or disrupt the infiltrating element. The Vietnamese special operations THOT NOT and PHU DUNG (formerly Salem House and Prairie Fire, respectively) are principally reconnaissance activities which have limited exploitation capabilities in the form of small scale raids and ambushes. In addition, they can call in air or artillery as appropriate to further inhibit enemy movement.

The South Vietnamese border is currently guarded by 37 Border Base battalions which, by their location and operations astride or proximate to major infiltration corridors, actively interdict NVA infiltration routes as they cross into SVN. These 37 battalions, recently converted to Ranger control from US Special Forces-led Civilian Irregular Defense Groups (CIDG), are showing continued improvement in long-range operations including cross-border reconnaissance missions. Border surveillance units such as these can inhibit but not stop a determined enemy. However, if aggressive and determined ground reconnaissance is coupled with other means such as long-range and limited cross-border exploitation, it can be a valuable part of the total system.

Already underway as supplements to traditional human reconnaissance methods such as those described above are a number of sensor programs. At present, there is no Vietnamese counterpart to the current US IGL00 WHITE sensor system employed in the interdiction role in Laos. However, the RVNAF is currently responsible for approximately 56 percent of the unattended ground sensor population now employed in the border area. Eventually, they will assume managerial responsibilities for the approximately 2,500 active sensors which are expected to be in place by the end of FY 71. Full Vietnamese control of the border sensor system will supplement other surveillance techniques and generate targets for exploitation by air, artillery, or direct troop attack. In furtherance of improved surveillance, the Department is studying the feasibility of designing and employing under Vietnamese auspices a new "strategic read-out system" so that RVNAF can determine the highest threat, most-used ingress routes from Laos into SVN, thereby eliminating dependence on the US IGL00 WHITE operation based in Thailand.

RVNAF capability to conduct moderate size raids into NVA base areas and supply lines exists and can be improved by training, experience and improved leadership. Regional and Popular Forces can have the effect of inhibiting local movement of the VC/NVA forces and preventing them from building up supplies necessary for attacks. Thus, these forces are an active part of the interdiction effort. The expansion of the RF/PF by approximately 50 percent over the past three years has greatly increased coverage of the countryside and, if aggressive patrolling is undertaken, VC/NVA movement will be severely curtailed. Paramilitary programs such as the People's Self-Defense Force, the National Police,

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Phung Hoang, and the offer of bounties and rewards are all underway to expand what could be called "grass roots interdiction." As the population commits itself more to the EVN and feels more secure from VC/NVA harassment, this can be an increasingly important aspect of interdiction.

A specialized case of interdiction is the defense against sea infiltration. The current MARKET TIME operation is a combined sea and air barrier employed off the coast of Vietnam. Principal forces engaged in this operation are US Navy ships and patrol aircraft and Vietnamese craft and ships. Because the Vietnamese Navy could not be developed to the same level as US MARKET TIME forces, a land-based coastal radar system has been designed as a substitute for the long range air patrol capability and to supplement the lack of depth in the surface screen caused by the relative lack of ships in the sea patrol. This radar system, which is scheduled to be operational by January 1972, will give coverage out to approximately 40 miles off-shore, with reaction capability provided by Vietnamese Navy surface vessels and Air force aircraft. If this system performs to expectations, it will in large measure solve the coastal interdiction problem.

Finally, it is necessary to remember that the most effective means of interdiction is to shut off the flow at the source. The loss of Sihanoukville and the Cambodian sanctuaries through political developments did more to degrade VC/NVA capabilities in southern RVN than our bombing campaign ever could have. Continued efforts to diminish or alter the support provided to North Vietnam by the Soviet Union and the People's Republic of China could produce far greater returns than any of the military actions outlined above. In that regard, the possibility that the USSR and CPR would lose some of their enthusiasm for continued heavy investment in the war as the US presence diminishes or ends must not be overlooked. Likewise, recent movement in relations with the CPR may portend possibilities which could produce major dividends.

In summary, the interdiction of men and materiel is not exclusively a function of the numbers or tonnages of bombs dropped. As US involvement winds down, alternative interdiction methods must be employed and where possible improved to ensure that the threat within South Vietnam is contained at manageable proportions.

LOCAL SECURITY

Since the Vietnamization program began in late 1969, pacification ratings (HES/71) have improved significantly - from about 40-50% A-B population in 1969 to 74.8% in March 1971. However, the enemy's switch to low-level protracted war tactics in the last year now places the burden for local security on the RF/PF and National Police. Field reports and pacification statistics indicate that these forces still need improvement in the areas of competent leadership and proper motivation and still require considerable qualitative improvement.

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Most of the attention in the I&M program to date has been directed to the regular forces. The regular force programs are now largely complete and we plan to give greater attention to the local forces, the police, and key supporting programs such as the anti-VCI effort. Given the enemy's current strategy and the heavy political cost of much of his effort, these local security forces will be the key to the eventual success or failure of the GVN.

This function is only partially the responsibility of the forces included in the Improvement and Modernization Program. Ultimately, the GVN's effectiveness in this functional area depends on the administrative effectiveness of the police apparatus. If improvement in these areas can be achieved, the role of the regular and local forces in dealing with the VC/NVA threat will be made easier. Pacification has been greatly facilitated and accelerated by favorable shifts in the military balance during the past year. Follow-up actions such as Sir Robert Thompson's program for improvement of the police function are essential and will receive the Defense Department's most serious consideration and support.

PROTRACTED WAR

Discussion of this issue has been saved until last because the analysis of military requirements and the adequacy of forces must ultimately be judged in the context of the sustainability of the effort over the long haul if the enemy should persist in the military pursuit of his objective of unifying all of Vietnam.

The Department has been concerned, as have others in Washington and Saigon, with the long-term economic consequence of the large RVNAF force structure. This places a very heavy burden upon the GVN budget which has been growing as US forces have redeployed. Consequently, US economic aid has become an increasingly important source of funding for the GVN budget. At the same time, US troop redeployments are resulting in a lower level of DOD in-country spending, which has been a major source of US economic support to RVN.

The RVNAF has also been a major drain on manpower available for the production of goods and services. This manpower drain is particularly acute because the RVNAF has utilized much of the skilled manpower which is in such short supply and which is badly needed for the development of the economy. We must recognize that, if the GVN is to survive over the long haul, the requirements for sound economic growth must be balanced against the military requirements for the maintenance and improvement of security. It is essential that skilled manpower be released as soon as possible from the Regular forces into economically productive pursuits and into those areas which are essential complements to the Regular forces in meeting the protracted war threat, such as the territorial forces, police, and local administration. A reduction in Vietnamese military forces would not be acceptable so long as significant US involvement continues, but we are already looking, as is President Thieu, to the possibility of reducing the overall strength of the RVNAF.

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We must also anticipate that as the war, and especially US involvement, winds down, there will be increasingly close Congressional scrutiny of the level of our spending in support of the GVN. Although this is not foreseen as a major problem in the near future, at least while increases in RVNAF capabilities are the principal reason for US redeployments, the funding level may eventually come under sharp attack. The search for less expensive solutions in terms of manpower, dollars and piasters remains a priority item for the Department of Defense.

Directly related to the sustainability of effort under conditions of protracted war are the intangibles of leadership, morale, corruption, loyalty, and national purpose. While progress is noticeable in some areas such as leadership, the cultural differences undoubtedly make Western standards out of place. For example, low pay, rampant inflation, a power structure which relies on personal influence, and an abundance of opportunity all tend to cultivate what we regard as corruption in the Vietnamese military. We will have to learn to live with a higher level of such corruption than we would consider acceptable in Western institutions, while continuing efforts to prevent such practices from undermining the ultimate effectiveness of the forces. Leadership has improved, but must receive continuous high level attention in the RVNAF as it must in any military establishment at war.

In large measure, the Vietnamese willingness to accept the ultimate challenge of Vietnamization is now in their own hands. As the earlier analysis has indicated, the potential capability for self-defense is well along in development. Fostering the embryonic confidence and abilities displayed during LAMSON 719 will depend not on US actions, but on the drive of the GVN leadership and the effective use which they make of their military capabilities. Political progress and economic stabilization are more important at this stage than additional forces or military hardware.

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RVNAF STRENGTH (000)

	Actual		Plan
	1970 1 Jan	1971 1 Jan	1973 30 Jun
Army & Marines	432	428	461
Navy	32	40	40
Air Force	36	45	47
Regional Forces	258	283	294
Popular Forces	216	251	258
Total RVNAF	974	1,047	1,100

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RVNAF GROUND UNITS

	Actual		Pla
	1969 June	1971 1 Jan	1973 June
<u>Army/Marine Battalions</u>			
Maneuver	184	188	188
Artillery	47	70 ^{a/}	85 ^{a/}
Combat Support	40	47	47
Combat Service Support ^{b/}	37	46	50
<u>Territorial Units</u>			
RF Rifle Cos.	1,407	1,672	1,679
PF Platoons	4,839	7,222	7,479

- ^{a/} Includes battalion equivalents of the two-howitzer local defense platoons.
^{b/} Battalion equivalents of ordnance, engineer, and transportation companies.

EQUIPMENT ON HAND FOR RVNAF GROUND FORCES (000)

	Actual		Plan
	1969 1 Jan	1971 1 Jan	1975 30 Jun
M-16 Rifles	764,000	807,000	866,000
Light Support Weapons	50,000	61,000	69,000
Artillery	1,000	1,200	1,600
Armored Vehicles	2,000	2,100	2,600
Trucks, tractors, cranes	46,000	53,000	84,000
Radios	36,000	39,000	52,000

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	<u>Actual</u>		<u>Plan</u>
	<u>1970</u>	<u>1971</u>	<u>1973</u>
	<u>June</u>	<u>1 Jan</u>	<u>June</u>
<u>Squadrons</u>			
Helicopter	5	10	18
Fighter/Attack	6	9	12
Transport	2	2	6
Other	<u>9</u>	<u>9</u>	<u>14</u>
Total	22	30	50

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	1970 <u>1 Jan</u>	1971 <u>1 Jan</u>	1973 <u>June</u>
Fixed Wing	310	406	771
Helicopters	<u>101</u>	<u>289</u>	<u>528</u>
Total	411	695	1,299

	Actual		Projection
	<u>FY 70</u>	<u>FY 71^a/</u>	<u>FY 73^b/</u>
<u>Tactical Air</u>			
VNAF	3.3	3.2	8.2
US	21.2	12.8	5.6
Laotian (RLAF)	1.5	2.6	3.2
Total	<u>26</u>	<u>18.6</u>	<u>17.0</u>
<u>B-52</u>	1.5	1.1	.7 ^c /
<u>Helicopter</u>			
VNAF	13.9	19.8	26.3 ^d /
US	<u>695.4</u>	<u>550.7</u>	<u>432.4</u>
Total	709.3	570.5	458.7

b/ Based on fiscal guidance memo.

c/ A JCS proposal to fly 1,000 B-52 sorties per month is under consideration. (Sect. 1)

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

23 JUN 1971

MEMORANDUM FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF

SUBJECT: RVNAF Leadership (U)

Although the RVNAF Improvement and Modernization program is moving toward completion, we still see frequent instances of the RVNAF failing to perform up to reasonable standards. The Snoul battle is merely the most recent, and most blatant incident. I am concerned, as I know you are, about these unfortunate RVNAF failures to acquit themselves in a manner which could be expected, given the level of force composition, training, and equipment.

In many cases the reason for poor RVNAF performance has been poor morale and leadership, not insufficient equipment or support. These are areas in which we can do relatively little to aid them. They must solve these problems themselves. The will, desire, and initiative to perform the security jobs must come from the RVNAF, the GVN, and the people of the Republic of Vietnam.

In my discussions with General Abrams, U.S. Commanders and advisors completing tours of duty in Vietnam, and other knowledgeable individuals, good leadership is almost always pointed to as a key ingredient to improved RVNAF performance. It is also an area where we can have some impact by pointing to weak leaders and being persistent in our efforts to convince President Thieu and other key leaders of the necessity for further action.

RVNAF has, of course, made some quantitative improvements in leadership. There is still a long way to go. RVNAF assumed greatly increased combat responsibility during the past year. Yet I am informed less than 2% of the total officer promotions were awarded on the battlefield; and nearly half of their infantry battalions (61 of 133) were still commanded by captains at the end of 1970. Promotions to captain or above in 1970 fell 70% short of the established goals, and only 66% as many promotions were made in 1970 as in 1969.

More importantly, recorded progress in quality of leadership has not demonstrated the sense of urgency the military situation in SEA requires. At the end of 1970, 9% of ARVN/VNMC battalion

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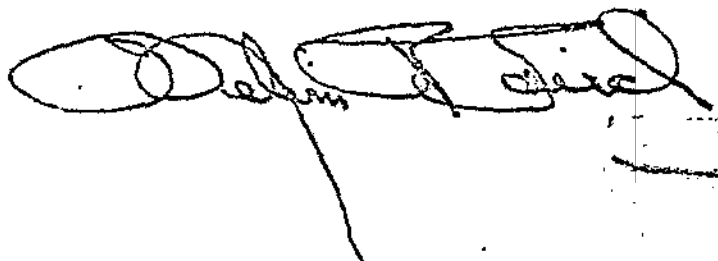
and higher commanders and 36% of company grade officers were rated poor or only adequate by US advisors. The percentage of commanders rated poor or very poor actually increased during the year. It is not clear that the new MACV procedure for removing ineffective officers is functioning as intended.

I am aware of General Abrams' recent session with President Thieu and his steady dialogue with the JCS on RVNAF leadership. General Abrams has my full support on this question. I believe we should review again on an urgent basis the RVNAF leadership situation. It might be useful to undertake the following actions, in full co-operation with the GVN and the RVNAF:

- A survey of RVNAF leadership in the Lam Son 719 and Snuol operations down to the battalion level. As a minimum, the survey should identify those leaders who performed well or poorly, and should give examples of leadership accomplishments and/or failures. It also should indicate what has been done to replace the leaders who performed badly.

- A compilation of the 75 best and 75 worst ARVN/VNMC commanders throughout Vietnam at a field grade level. This list would consider officers now serving on the various staffs as well as current commanders, and would draw on past and present advisory ratings, modified by the results of the Lam Son 719 and Snuol surveys as appropriate. How can the 75 best commanders be put in the 75 key roles and the 75 worst "rehabilitated" or relieved?

I am sure there are many other measures that could help. I am especially interested in the views you and General Abrams may have. I would be interested, too, in actions, if any, that we can take here in Washington to support General Abrams in his efforts to improve RVNAF leadership.



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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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8 November 1971

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Trip to Vietnam, November 2 - 8, 1971

As you requested, Admiral Moorer and I have reviewed again in the theater the situation in Vietnam and Southeast Asia. The visit afforded me the opportunity to visit with Ambassador Bunker and his staff, General Abrams and his staff, and President Thieu and the top Republic of Vietnam (RVN) leadership. In addition, members of my personal staff spent time in the field throughout South Vietnam. They visited the Republic of Vietnam Armed Forces (RVNAF) in each Military Region; consulted U.S. military and civilian leaders in the various regions; met with those who are planning and administering the economic programs; and went into detail with those who are charged with the diverse and complicated prisoner of war matters. As you know, Admiral Moorer spent additional time in Cambodia and Laos. He will be providing supplementary observations later.

In this report, I shall, as I have after my three previous Southeast Asia trips, provide some general impressions. Thereafter, I shall provide in somewhat more detail:

- A delineation of the impressions we took to Southeast Asia.
- What we found in Vietnam.
- The outlook for the future, based on our earlier analyses and our findings in Vietnam.
- The current issues which deserve special attention.

Finally, I will draw the conclusions which seem, in my judgment, most pertinent and will make recommendations based on those conclusions.

GENERAL IMPRESSIONS

The most compelling impression I have is one of success. The risks you have taken for peace are paying off. The successes, and the potential for future success, are of such magnitude that we must, if anything, guard against overoptimism.

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In the various functional areas -- military, pacification, economic, and political -- progress is significant, if not completely uniform. In the political field, there is cause for concern. That concern stems principally from indications that President Thieu may move too slowly and unimaginatively to avail himself of steps that are needed to maintain stability and cohesion in the RVN society. Opportunities lost today may not be retrievable in the months and years ahead. The cost of losing these opportunities could seriously degrade the impressive progress made -- and potentially available -- in the other functional areas.

The fact that President Thieu is not showing immediate signs of using the referendum mandate to move ahead vigorously in the political arena does not diminish the fact that currently effective military, province, district, and local leadership is at work. I was particularly pleased with that progress. RVN's will and desire are more in evidence today than at any time in the past. That continues to be an essential -- if not the essential -- ingredient to the future. President Thieu agreed with me on that point.

I believe one major reason for this change is that from the outset of your Administration the focus has been on turning over responsibilities to the RVN and not taking them over as had been the case prior to that time.

The view of U.S. civilian and military leaders in Vietnam and of the GVN leadership is that we now have and can maintain sufficient military strength to preclude the enemy from achieving any kind of military verdict in South Vietnam. A dynamism is at work leading to increased RVN self-reliance. The United States can continue its force redeployments. In fact, the redeployments can safely be accelerated.

There are, of course, continuing problem areas. In addition to the political item mentioned previously, I see little progress in (a) the formulation of new diplomatic initiatives for peace; (b) the planning for or resolution of the complex and important prisoner of war issues; and (c) the various forms of regional cooperation, fostered by the Southeast Asian nations, which will allow them to consolidate their hard-won gains.

The U.S. military leadership in Vietnam again deserves special mention. General Abrams, General Weyand, General Lavelle, and their staffs are pursuing U.S. interests with a vigor and resolution worthy of the highest acclaim. We can be justly proud of the U.S. military elements in Vietnam.

Those, in brief, are my general reactions. I should like to outline in more detail the impressions I carried to Vietnam and how they compared with what I found there.

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IMPRESSIONS WE TOOK WITH US

When you instructed me to go to Vietnam in March 1969, you asked me to determine how we could achieve our objectives consistent with our vital national interests. You had stated the objective clearly and concisely:

"... what we want is very little, but very fundamental. We seek the opportunity for the South Vietnamese people to determine their own political future without outside interference."

As I pointed out following the March 1969 trip, there was a basic contradiction between our objective and our programs. With 549,500 U.S. military men authorized in Vietnam and with the U.S. asserting guidance over virtually all aspects of the military and economic scene, it was impossible for the South Vietnamese to determine their own fate. The U.S. presence constituted a veritable occupation. Granted, the North Vietnamese and Viet Cong were still present in force. During the early months of 1969 they were attacking in South Vietnam over a broad front. It was clear that if we were to achieve the objective of self-determination in a durable and consistent way, we would have to take risks. Under your guidance, a program -- later to be designated Vietnamization -- was established to reach that objective.

Vietnamization was a risky program. When I recommended in March 1969 that we should draw plans for the redeployment of 50,000-70,000 U.S. troops from South Vietnam that year, the proposal raised eyebrows, especially among our own military. You, however, wisely laid out those principles:

"First, the United States will keep all its treaty commitments.

"Second, we shall provide a shield if a nuclear power threatens the freedom of a nation allied with us or of a nation whose survival we consider vital to our security.

"Third, in cases involving these types of aggression, we shall furnish military and economic assistance when requested. . . . But, we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense."

Consistent with your guidance, the Vietnamization program has moved ahead -- forcefully, rapidly, and in a revolutionary way. Some of the results are noteworthy. For example:

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- The RVNAF has increased in size from 850,000 men to about 1,060,000.
- Modern hardware has been supplied in major quantities. Selected cumulative amounts include:
 - . More than 750,000 M-16 rifles
 - . Over 14,000 M-60 machine guns
 - . In excess of 1,200 105 mm howitzers
 - . More than 400 tanks
 - . Nearly 50,000 trucks
 - . About 50,000 radio sets of various types
- Vietnamese -- and Laotian -- tactical air sorties have more than doubled.
- Leadership changes have been made to put more qualified people in the more responsible jobs.
- Pacification continues to show substantial gains despite our prior fears that slippage in countryside security would take place. Under the Hamlet Evaluation System, population rated very secure has increased to 80 percent, and aggregate population rated reasonably secure has risen to more than 95 percent.

As a consequence of the progress made in Vietnamization, other results have been possible. These results include:

- The removal by December 1, 1971 of more than 360,000 U.S. troops from RVN. This is a reduction in our authorized force level of 67 percent.
- The reduction of U.S. tactical air sorties from the peak of nearly 35,000 per month in July 1968 to about 6,000 per month in July 1971. We are maintaining, of course, the capability to fly sorties at higher rates, as you have specified.
- A reduction in U.S. costs on two counts. First, the annual incremental dollar outlays have decreased in constant FY 1972 dollar terms from \$25 billion in FY 1969 to less than \$8 billion in FY 1972. Second, and most importantly, U.S. combat deaths have decreased from an annual rate in excess of 14,500 in 1968 to less than 10 percent that number in 1971.

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The results cited above pertain primarily to the military and pacification fronts. Impressive gains have also been made in the economic area. Following my February 1970 trip to Vietnam, as you will recall, I reported:

"Progress in the non-military aspects of Vietnamization is less positive. Some glaring, and potentially critical, deficiencies exist in such areas as economic planning. We should join with the Vietnamese in attacking this problem with . . . urgency."

We joined the Vietnamese in such an effort. Progress was made. The major parts of the economic planning were appropriately assumed by the GVN. By 1971, relative stability in prices and the money supply had been achieved, a land reform program instituted, and other economic reforms achieved on a reasonably broad front.

I went to Vietnam last week, therefore, with the thought that the plan you had approved for Vietnam and the risks you had so boldly taken were paying off. I was not disappointed.

WHAT I FOUND

I found Vietnamization solidly at work in the military and pacification areas. I found the economy in reasonably good array. I found a uniform and positive attitude of confidence. I found nothing which contradicted the impressions previously developed on the programs in Southeast Asia.

If anything, the activities are going better than expected. Surprisingly, despite the RVN election, military activity has been light and continues to be relatively light. Casualty figures tell the story:

COMBAT DEATHS IN THOUSANDS

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	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
	<u>Jan-Jun</u>	<u>Jan-Jun</u>	<u>Jan-Jun</u>	<u>Jan-Jun</u>
RVNAF	17.9	11.8	12.4	13.9
US	9.6	6.3	2.9	1.1
VC/NVA	119.1	93.7	66.5	64.9
	<u>Jul-Dec</u>	<u>Jul-Dec</u>	<u>Jul-Dec</u>	<u>Jul-Dec</u>
RVNAF	10.1	10.1	8.0	5.7
US	5.0	3.1	1.3	0.3
VC/NVA	62.1	63.3	37.1	27.2
	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
RVNAF	28.0	21.9	20.4	19.6
US	14.6	9.4	4.2	1.4
VC/NVA	181.2	157.0	103.6	92.1

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It is noteworthy that while casualties on all sides have declined, a major war continues. U.S. casualties have declined to the lowest levels since U.S. combat forces entered the war in 1965. The RVNAF continues to carry the war to the NVA/VC and is taking casualties accordingly.

RVNAF casualties approximated 20,000 combat deaths per year in 1969, 1970, and 1971. That annual level for a society the size of the RVN is comparable to a level of more than 200,000 combat deaths per year for the United States. Casualties believed to have been inflicted on the NVA/VC likewise have continued to be high in absolute terms. Total combat deaths ranged from about 150,000 in 1969 to roughly 100,000 in both 1970 and 1971. The annual manpower cost to Hanoi is therefore roughly equivalent to losses in excess of a million men per year for the United States.

General Abrams' personal assessment of the military situation was encouraging. He characterized conditions in Military Regions (MR) I and IV -- the northernmost and southernmost parts of RVN, respectively -- as "very good." The military leadership in each area is excellent; the forces are well-trained, well-equipped, and experienced. The attitudes are positive. General Abrams said the RVNAF has "taken over and gone further than he would have believed possible." Intelligence collection, operational design, and execution of plans are, in Abrams' judgment, first rate. The integration of artillery, air, and ground maneuvers likewise has become solid. Timing of operations and command and control of RVNAF units are top drawer. In MR IV, the coordination with Cambodian forces is excellent.

In MR II and III, and especially in the former, there are continuing problems. In MR II some military leaders at the Colonel level need changing. The MR commanders now have the authority to make those changes, a favorable trend in decentralization. General Dzu is a strong leader in MR II. Abrams is confident about the future there. In MR III the main task is to relieve the competent, but over-burdened, commander of some of his lesser tasks. That, too, Abrams feels is in the cards.

Abrams contends the azimuth of US/RVN programs over the past three years has been correct. We have equipped and advised the RVNAF well. Military and civilian leadership changes have been made to the point where, in Abrams' judgment, only one senior military commander (22d Division) needs changing. Only two of the 44 Province chiefs rate unsatisfactory. In the relatively recent past, only six of the 44 Province chiefs rated satisfactory -- and that was under more lenient performance standards than currently exist.

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Despite this favorable outlook, the RVNAF are looking for additional ways to improve. The attitude changes from "let the U.S. do it" to "how can we in the RVNAF do it better" are among the most significant and revolutionary changes in Southeast Asia. This is a reflection of your program to turn over instead of take over responsibilities in the RVN.

To ascertain the feelings in the field, I asked a few members of my personal staff to visit each MR. They talked with the top RVNAF leaders and the remaining U.S. personnel. Their evaluations did not differ in any significant detail from those of General Abrams. The RVNAF Corps Commanders did urge the retention of the B-52 capability in support of their tactical forces. The RVNAF leaders indicate a healthy inclination, however, to adapt to the changing military environment. In some cases, they are evolving tactics and techniques which appear to be more effective than those previously used by U.S. units.

The military situation, therefore, seems well in hand for at least the foreseeable future. The same is true of the Pacification program.

Our most senior officials feel the Pacification program, under GVN guidance, ranges from "pretty good in some areas to sensational in others." The U.S. officials characterize the situation as one in which the range and number of problems are finite. The resources to do the Pacification job are in the Republic of Vietnam. It is now just a problem of management and will to see that the resources are applied correctly.

The field visits made by my staff members confirmed the judgments of our senior on-site people. These field visits confirmed, too, substantial progress in the RVN economy. The stability of that economy has markedly improved since my last visit in January. In 1970, the retail price level rose by 30 percent. So far this year, it has risen by only 9 percent, although four-fifths of that rise has occurred since the middle of the year. Prices will no doubt continue to increase, but the inflation in CY 1971 should not exceed 15-20 percent. That will be a substantial decrease from last year. This experience should have a significant effect in helping to build the necessary confidence in stability needed for self-sustaining economic growth.

The economy has responded to improved stability and security with a noticeable acceleration in the tempo of activity. Around Saigon and in the Delta, there are abundant signs of heightened activity. New industrial plants and buildings are being constructed. New housing is being built and old housing is being improved in sizeable volume. The rural community is becoming mechanized simply, but significantly.

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Despite these important economic improvements, little progress has been made in reducing the dependence of the economy on outside support. Merchandise exports are running a mere \$15 million annually compared with yearly imports well in excess of \$700 million. While significant strides have been made in laying the ground-work for a solution, the challenge continues to be one of finding incentives that will stimulate exports and import substitutes within the context of healthy economic growth.

Even more fundamental than the challenge of establishing proper economic institutions and policies is the burden of the war. The path to relative security has led to armed forces which have been absorbing virtually all physically-qualified 18 year-olds each year; which consume 60 percent of the total GVN budget; and which take 15-17 percent of the Gross National Product (only Israel spends a higher proportion). Even with that burden and those sacrifices, the RVN economy is totally dependent on a high level of U.S. aid.

I shared with President Thieu the impressions I and my staff had gathered on this broad range of topics. He found no fault with my judgments. I told President Thieu that he had a unique political opportunity to accelerate the obvious momentum in the military, pacification, and economic fields. The mandate he had just received, I suggested, provided an environment which should not be allowed to dissipate. Thieu did not respond.

Nor did Thieu respond substantively to my thesis that we must move ahead smartly on the prisoner of war issues. I stressed the importance of the humanitarian theme. I told him our Embassy staff had prepared a plan to help cope with a wide range of possibilities on POW releases. I added U.S. officials would be approaching him shortly with the plan. I expressed hope the GVN would find it attractive. Thieu's only response was that Hanoi seemed to have the stronger will on POW issues.

My staff found, however, that the GVN has been responsive to U.S. requests and suggestions concerning prisoner releases and conditions in GVN prison camps. Conditions in these camps are generally satisfactory. Improvement continues to be made and the GVN is allocating substantial resources to the maintenance of these facilities. I consider maintenance of these trends essential if we are to keep world attention on the theme that the POW issue is fundamentally humanitarian.

OUTLOOK FOR THE FUTURE

As must be evident from the foregoing, I am pleased with the progress of the past two-and-a-half years. I believe the outlook for the future allows cautious optimism as well.

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On the military front, the generally accepted assessment, both by MACV and the RVNAF, is that the enemy will not be able to mount a country-wide offensive through CY 1972. The most likely enemy threat by Military Regions appears as follows:

- MR 1 -- Reduced supplies and the approaching monsoon will probably restrain the enemy's offensive actively through the rest of 1971 and early 1972. The enemy could launch a major offensive (say 9-15 battalions for 5-10 days) in early 1972 if he is willing to pay the price in deploying units from North Vietnam and in subsequent losses. Such an attack is more likely in mid-to-late 1972. That would follow added redeployment of U.S. forces and would be designed to gain maximum political impact in the United States.
- MR 2 -- Enemy activity will be limited by supply shortages and depletion of forces, except in the Western Highlands. There, forces in the border areas could return to RVN and launch battalion or regimental size attacks. If successful in moving supplies and personnel through Laos, enemy units could support a major action by January-February 1972 and retain this threat.
- MR 3 -- Enemy forces are not likely to launch a major offensive during 1972, unless main force units which are now in Cambodia are committed to RVN.
- MR 4 -- Enemy activity is expected to be restricted to opposing RVNAF operations in the lower Delta and attacks on GVN outposts to defeat pacification.

Key constraints on Hanoi's options are: (a) the large number of troops that must be infiltrated just to maintain its presently limited military capability, and (b) the fact that logistics throughout this year was apparently much less than planned. Taking the personnel side, as an example, General Abrams estimates Hanoi must input about 115,000 replacement troops overall to stay even. A comparison of 1970 and 1971 personnel infiltration for the January-October period raises questions about Hanoi's inclination or ability to do that.

	<u>1970</u>	<u>1971</u>
- Detected moving south	86,000	50,000
- Arrivals - RVN/Cambodia	53,000	67,000
- Arrivals in S. Laos	11,000	17,000

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The conclusions on the military threat reached by the U.S. and GVN leaders in the field are that:

- Hanoi is expected to continue a strategy of protracted warfare in RVN.
- Increased emphasis will be given to counterpacification activities and strengthening guerrilla forces.
- The enemy will continue tactics of limited ground assaults and low-intensity attacks by fire.

It would not seem unreasonable to me that, despite limitations in troops and supplies, the enemy might initiate a major, though perhaps isolated, military action during 1972. The goal would be to convey to the U.S. Congress and the U.S. public that Vietnamization has been a failure. Hanoi's expectation would be that any sizeable, though limited, action would convey conclusively that the US/GVN policy of Vietnamization had failed. If Hanoi is willing to pay a frightful price in manpower, there is little that can be done to prevent such an action. I do not believe, nor does anyone among the U.S. or GVN leadership in Vietnam believe, Hanoi can now make any type of move that is decisive in a military sense. Yet, there is cause for concern that Hanoi might take a limited military action that could have important political repercussions in the United States.

In response to my query about the future outlook, President Thieu outlined an assessment similar to that outlined above. He felt the major, but limited, action in 1972 would be in MR I. He was confident the RVNAF could handle the task, though he did request U.S. support for (a) an additional 30,000-50,000 RVNAF troop increment, (b) reinforcements in heavy artillery, (c) some additional armor, and (d) added helicopter support.

I have asked General Abrams to study Thieu's requests and to make appropriate recommendations. Abrams' general views are that the RVNAF has the troop levels and equipment now which are requisite to the job. MACV says the RVNAF will have a surplus of troops and units next year in MR III and IV. RVNAF forces should become more mobile if their capability is to be used effectively. As Abrams commented, "It is all a state of mind for the South Vietnamese." In the hardware area, too, MACV feels the RVNAF is adequately equipped. Using helicopters as an example, Abrams told Thieu the constraint is not airframes, but rather trained crews and maintenance personnel. Currently, as added trained people are brought into the force, the average monthly helicopter utilization is going from 40 hours to 80 hours. The effect roughly is to double the RVNAF helicopter capability.

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The future outlook on the military front appears manageable. The economic outlook presents more serious problems.

If a proper framework is to be created for the desired economic development and the necessary mix for a guns-and-butter economy, a number of steps must be taken. These steps include:

- Establishing an exchange rate that will equilibrate the balance of payments. The present system not only over-values the piaster but also invites corruption and provides perverse economic incentives.
- Establishing an effective and equitable domestic tax structure that will yield much larger governmental revenues. Equitable tax reform would also strengthen the political structure.
- Providing adequate and appropriately trained manpower in the civilian sector. The armed forces claim a large share of the country's manpower. The continuing practice of drafting men for the duration of the war prevents the personnel turnover needed to provide trained manpower in the civilian sector.

It is no longer necessary to convince President Thieu of the need for major economic reforms. He will present a program of reforms to his legislature shortly. It is difficult to know, however, if his proposed reforms will be enough. One aspect of the RVN economic future which is especially bothersome is the expanded economic role the RVNAF leaders are proposing for the armed forces. Such development activity, as internal security improves, should be left to private initiation in the civilian sector. Any proposed economic development role for the military constitutes a hazard because the civilian authorities have little power to resist a militarization of the economy.

The recent U.S. Senate action on the foreign aid bill has created uncertainty among the small but dedicated group of officials who are trying to guide the RVN economy. It is not too strong to say a crisis of confidence has arisen. This crisis has its good side in that it has driven home, in an unmatchable way, the urgency of generating self-sustaining growth. At the same time, a severe near-term cut in economic assistance to the RVN, could create an air of hopelessness. That, in turn, would surely bring chaotic economic conditions.

The near-term political outlook, just like the economic picture, presents problems as well as opportunities. President Thieu, it appears, is not using the style of a man with a mandate. He has the opportunity now to bring the Buddhists into a workable political arrangement.

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Conciliatory gestures could be made which would have minimal political costs and major long-term benefits. The Buddhists are already gearing for the 1975 elections -- a healthy sign, implying the Buddhists have confidence there will be an RVN in 1975. Thieu is showing no inclination to approach the Buddhists.

Likewise, President Thieu is dissipating the political leverage of a mandate in other areas. He is using his brother to attempt to organize a political front. That is driving away the small political groups which fear 'bossism' in the future. Thieu has made no attempt yet to bring in new faces or to effect the symbolism of a new era. Thieu is keeping in the groups of his closest advisers those who are specific political liabilities. The result is an image of old-hat -- more of the same. Likewise, there is no expansion of the limited group which is willing to give Thieu candid advice. This restricts Thieu's information and the horizons for positive action. In summary, Thieu continues his deliberate and slow style. It is possible this style may start dissipating in the not-too-distant future the major positive movements in the military, pacification, and economic areas.

A final aspect of the future outlook which deserves mention is the overall magnitude of the war. While it is declining, it is still large in absolute terms. For the U.S., it means some continuing casualties -- always a deplorable prospect. For the U.S., it means, too, continued dollar costs. For the FY 72-76 period, the current programs -- even assuming U.S. redeployments -- call for military outlays in excess of \$16 billion. Obviously, such outlays deprive us of modernization and improvements in our Defense structure elsewhere. Such human and dollar costs constitute the basis for continued divisiveness at home.

Likewise important are the major human and opportunity costs being suffered by South and North Vietnam. Over the past five years, the RVN has lost in excess of 100,000 men. Hanoi has probably lost more than 600,000. In 1971 alone, as indicated previously, South and North Vietnam will have lost about 20,000 and 90,000 men, respectively. The outlook is for declining casualties; but the absolute base is so high that revolutionary progress is necessary to reduce the war costs to acceptable limits.

CURRENT ISSUES

Obviously, the continuing complex situation in Southeast Asia presents numerous major issues. I should like to concentrate on six that I believe are of priority importance. They are: (1) U.S. interests and objectives; (2) RVNAF forces and planning; (3) interdiction programs; (4) U.S. redeployments; (5) prospects for a no-draftee or all volunteer U.S. force in RVN; and (6) the complex of drugs/morale/discipline problems.

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1. U.S. Interests and Objectives. The most commonly-cited U.S. goal in SEA is that of self-determination for the RVN people. It is an admirable goal and one you have consistently outlined forcefully. Though criticism and impatience toward the GVN have characterized many attitudes in the U.S., the facts remain that relatively free local elections do take place in RVN; the Lower House elections on 29 August saw more than 75 percent of the registered voters elect 159 representatives (only 41 of whom were incumbents) from a list of 1,242 candidates; and the Presidential election/referendum saw more than 85 percent of the electorate voting. With such results, added to the progress previously cited in the security and economic areas, I believe we can declare that we are achieving, if we have not already achieved, the self-determination/self-reliance goal.

I believe we should expand our objectives. The added objectives I suggest are to:

- Turn down the overall size and extent of the war for all combatants.
- Complete the redeployment of U.S. forces.
- Accomplish the return of U.S. POWs.
- Persuade other Asia nations to contribute more to peace in SEA.
- Have the U.S. regain the international political, economic, military, and general leadership enjoyed before our massive involvement in SEA -- and so heavily lost during 1965-68.

Turn Down the War for All Combatants

In your June 3, 1970 report on the Cambodian sanctuary operations you said:

"There is one commitment yet to be fulfilled. I have pledged to end this war. I shall keep that promise. But, I am determined to end the war in a way that will promote peace rather than conflict throughout the world."

The keys to ultimate peace in Southeast Asia lie in Moscow, Peking, and Washington. Without their continuing military and economic support, the combatants in Southeast Asia would find it impossible or infeasible to continue armed conflict. Neither the USSR nor the PRC is presently contributing large amounts of military aid compared with their efforts

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during the height of U.S. bombing. For example, CIA estimates ammunition deliveries in 1970 from both China and the USSR totalled \$102 million, just slightly more than the estimated \$94 million from China alone in 1967 and far below the estimated \$275 million provided by the USSR in the same year. (By way of comparison, U.S. ordnance deliveries to RVNAF units in 1970 totalled more than \$700 million, aside from the additional support provided by U.S. units in the field.) If we are to decrease the level of combat in SEA, we must further decrease the aid levels from Moscow and Peking. CIA concludes:

"Theoretically . . . from the standpoint of military supplies presently on hand, North Vietnam could carry on the war at present levels of combat for a considerable period of time. It seems more likely, however, that should external support be withheld, Hanoi would desire to release its participation in fairly short order, possibly moving to a low profile guerrilla type strategy or even seeking to negotiate a political settlement."

To seek peace in SEA, we must press Moscow and Peking to reduce their military aid levels to Hanoi. We should be prepared, likewise to reduce our aid levels to Saigon.

Complete U.S. Redeployments

This is a policy which should be considered as an objective in its own right. It is totally consistent with the doctrine you outlined in 1969 at Guam. It would contribute markedly to reassertion of US leadership across a broad front.

Return of U.S. POWs

We have pursued a dual track on POW matters: (a) as a humanitarian issue -- in which we have accomplished relatively little, despite Hanoi's susceptibility to pressure in this area; and (b) as a political/diplomatic issue -- in which we have become more deeply involved, despite the relative advantage it gives Hanoi. These two tracks are not -- or need not be -- exclusive. It would be to our advantage, however, to delineate the return of U.S. POWs as a humanitarian U.S. objective in its own right. The major new concept of that delineation would be the emphasis on the

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humanitarian aspects and compliance with the Geneva Conventions. We would downplay the negotiating aspects of the POW issues, which, in effect, tend to make the POWs political hostages and give Hanoi the opportunity to establish a political price for their return.

Solicit Help from Other Asian Nations.

By the end of 1971 only two Asian nations will be helping militarily in RVN, viz., the Republic of Korea and Thailand. The case can be made that Asian nations are doing less and less, rather than more and more, to establish security and peace in Southeast Asia. It is an anomaly that other Asian nations do not see their interests to be sufficiently involved to warrant direct support to the RVN -- or, for that matter, to the other SEA states involved in fighting aggression. Peace and security, as you have indicated, are at least partly the function of the nations and regions affected. Backing away from confronting the area nations with that reality can only complicate the security task.

Regain U.S. Leadership.

To re-establish U.S. leadership, the U.S. will have to reduce the costs of its SEA involvement. Since January 1969, about 15,000 Americans have lost their lives due to hostile action in Southeast Asia. While the rate of U.S. combat deaths has successively declined since you assumed office, the losses in 1971 will still be in excess of 1,350 -- or at about the 1965 loss rate. I know we share the judgment that any losses are lamentable. To the extent they can be reduced, consistent with the U.S. interests, our leadership role will be strengthened.

In addition, the impact of our Southeast Asian involvement on our budget continues to be severe. The following table highlights that fact:

DOD Outlays in Constant FY 1972 Dollars
(\$ billions)

Baseline and Southeast Asia
Constant FY 1972 Dollars

<u>Fiscal Year</u>	<u>Total</u>	<u>Baseline</u>	<u>SEA Increment</u>
1964	\$75.8	\$75.8	---
1968	99.9	75.6	24.3
1969	96.1	71.0	25.1
1970	88.1	69.0	19.1
1971	79.6	67.1	13.5
1972	76.0	68.2	7.8

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The year 1964 was the last pre-SEA year for the United States. It therefore represents a reasonable base-line standard against which to judge the SEA budgetary impact. As you can see, during the last three fiscal years (1969-71), the defense resources available after deducting SEA incremental costs are substantially below those needed to maintain our base-line capability. The prospect in FY 1972, despite SEA outlays less than one-third those of FY 1969, is for continued availability of non-SEA resources below the base-line figure. This, purely and simply, is one of the major reasons the USSR has been able to make such marked military strides relative to the U.S. during the past few years. The U.S. opportunity costs go well beyond the dollar outlays in Southeast Asia. The implications of allowing the trend to continue are severe, if not critical. Our leadership role will be enhanced to the extent we can diminish and shift the military burdens in Southeast Asia.

2. RVNAF Forces and Planning. The GVN leaders have indicated a desire to increase marginally their force size and to acquire substantial additional amounts of major equipment items. We shall study these RVNAF proposals closely. As a matter of principle, though, I was impressed with General Abrams' judgments, viz:

- The RVNAF are slow to assume new tasks.
- When the RVNAF do take on the job, they do the job well.
- After finishing a job, the RVNAF are not inclined to reshuffle resources but simply to ask for more to apply in new task areas.

I believe General Abrams will give the RVNAF requests a critical (which is healthy), but objective, review.

3. Interdiction. I have been increasingly concerned about the restrictions in flexibility for you and for U.S. interests which could occur if we continue to rely predominantly -- or even solely -- on U.S. air assets to interdict enemy infiltration of men and supplies. Congressionally-imposed limitations on diplomatic resources limiting U.S. air operations could conceivably leave a critical gap in the security of the free SEA nations. A major effort is underway, therefore, to increase the RVNAF's interdiction capabilities. New doctrine and new concepts, as well as new techniques, are being employed. Enemy personnel, in addition to enemy supplies, will be targeted. The U.S. elements in RVN, as well as the RVNAF, are working on this vital aspect of Vietnamization with urgency. I believe we may find the results as productive, if not more beneficial, than other phases of Vietnamization.

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4. U.S. Redeployments. The cumulative successes of the military and economic aspects of Vietnamization, the prospects for continued improvements on those fronts, and pursuit of U.S. interests and objectives point towards continuing U.S. redeployments. President Thieu, Ambassador Bunker, and General Abrams agree with that view. There are options to be considered in both the rate of redeployment and in the handling of the announcements.

Three force levels and redeployment options should be considered, in my judgment.

- Option 1. Redeploy at the military preferred rate of 12,500 per month, reaching about 90,000 in June 1972 and about 60,000 by September 1972.
- Option 2. Redeploy at about 18,000-19,000 per month, reaching a level of 50,000-60,000 by 30 June 1972. Withhold a decision now on later redeployments.
- Option 3. Redeploy at about 25,000 per month to reach a level of 50,000-60,000 by 30 April 1972. Then slow redeployments to reach 38,000-42,000 by 30 September 1972.

I believe the major pros and cons of the options are as follows:

Option 1

Pros.

- Continues the trend of U.S. redeployments in a general sense.
- Provides more personnel for the security of the remaining U.S. forces, as well as more personnel to help in the logistics retrograde and in RVNAF infrastructure tasks (like roadbuilding).
- Constitutes the plan MACV, CINCPAC, and the Chiefs feel has the lowest military risks.

Cons.

- Provides a redeployment rate between 1 December 1971 and 30 June 1972 below 14,000, i.e., less than that we have used during the past year. It would be difficult to explain the inconsistency between Vietnamization successes and redeployment slowdowns.

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- Retaining personnel to facilitate the logistical retrograde puts the materiel cart before the personnel horse. Likewise, retaining personnel to help with such tasks as road-building is inconsistent with the objective of RVN self-reliance.
- President Thieu, Ambassador Bunker, and General Abrams indicated that higher U.S. redeployment rates could be accommodated with acceptable risks.
- Requires a U.S. force level announcement in the late summer of 1972.

Option 2

Pros.

- Provides for continued redeployments at a rate higher than we have had overall since redeployments started (about 12,600 per month) and than we have had this year (in excess of 14,000 per month). It is consistent with the thesis of Vietnamization successes and the enemy's failure to mount increased pressure.
- Is only marginally less than the MACV-preferred proposal. In fact, General Abrams considers it well within the bounds of prudent military and management risks.
- President Thieu believes the RVNAF can assume the resultant tasks with manageable risks.
- Progressively reduces exposure of U.S. troops to combat risks and reduces U.S. budget costs.
- Allows sufficient manpower and flexibility for a systematic logistics retrograde.

Cons.

- Not a dramatic increase in the redeployment rate. Could be interpreted by the U.S. Congress and the U.S. public as a disappointment.
- Involves, at least potentially, a second force level/redeployment announcement in mid-1972.

Option 3

Pros.

- Permits an early redeployment of the bulk of the remaining U.S. forces, while retaining an effective combat element through the prospectively busy summer 1972 period.

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- Reduces the cost and other U.S. presence problems in SEA during the next few months.
- Holding larger force at least until the fall of 1972 facilitates more orderly logistics retrograde.

Cons.

- Involves a marked slowdown in redeployments during spring and summer 1972. Difficult to explain this pattern relative to alleged Vietnamization successes.
- As with Option 1, retaining personnel to facilitate logistics retrograde puts priorities on redeployments in inverse order.
- Added increment of military insurance during summer 1972 is small relative to the costs and non-military risks involved.
- MACV would now find the plan difficult to manage, both in the December-April phase and in the April-September phase.

I believe Option 2 is the preferred course. The 50,000-60,000 man force provides an appropriate balance in the mid-1972 time frame. The proposed force composition would be:

<u>Function</u>	<u>Troops</u>
Combat	10,000
Combat Support	8,000
Combat Service Support	17,000
Advisory	8,000
Command & Control, Intelligence, and Communications	<u>17,000</u>
	60,000

The most compelling argument for Option 2 is its consistency with the Vietnamization progress. It represents a good balance between redeployment and military risks.

In addition to the force level/redeployment issue, there is the matter of the announcement timing. One alternative would be to announce a force level to be effective 6-7 months in the future. A second alternative would be to decide on the period-end force level, but to announce the redeployments in 1-3 month increments.

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I strongly support the first alternative. It is now difficult, if not impossible, for MACV to plan redeployments in less than six month intervals. A case in point made by General Abrams involves combat engineer units. If a turnover of engineer equipment to the GVN is indicated in May-June 1972, the US engineer unit must be stood down in December 1971. That is to allow adequate time to inspect, refurbish, and transfer the necessary equipment to the gaining South Vietnamese units. When the U.S. unit stand-down occurs, the redeployment decision in effect becomes known. Therefore, if an announcement had been made covering only a 1-2 month period, a credibility problem would immediately arise. The second alternative would put General Abrams in a situation in which he could not meet the target U.S. force level without seriously degrading RVNAF effectiveness. It has been suggested that 1-2 month redeployment announcements would strengthen your hand during the forthcoming visits to Peking and Moscow. To whatever limited degree that might be true, the value would be more than offset by the real redeployment information leakage, the increased credibility problems in redeployments, and/or the decreased effectiveness of the RVNAF/U.S. forces in the theater.

It will be possible in my judgment to work out an announcement sequence that allows you considerable flexibility, as well as providing a solid planning base for MACV. Such a sequence would involve (a) an imminent announcement covering the period from 1 December 1971 to 30 June 1972. At the end of March 1972, you could make a new announcement -- perhaps not previously forecast -- covering the period of 30 June 1972 to 1 December 1972. Redeployment announcements for 1972 would then be out of the way; we would have the additional few months between now and March to assess the situation and plan force levels; and the flexibility of your decisions and announcements would be preserved.

5. No-Draftee/All Volunteer U.S. Force in RVN. A currently popular thesis in Washington is that a no-draftee or all volunteer U.S. force policy in Southeast Asia would elicit added -- or at least diminish the erosion of -- support for our programs there. That might be true to a limited degree. I believe the costs and risks of either policy would vastly outweigh any small short-term value.

The potential ramifications of either a no-draftee or all volunteer force are major and pervasive. The uncertainties are great. Boiled down to the essential elements, a no-draftee policy could:

- Impact severely on enlistments and re-enlistments.
- Put in jeopardy progress towards our goal of an all volunteer force.
- Require substantial increases in CY 1972 draft calls.

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- Establish a precedent in which risks and theater assignments are parceled out in relation to the method of manpower acquisition. The equity and morale problems for the career force would almost certainly be large.

By the same token, an all volunteer SEA force could:

- Restrict severely your options in assigning and maintaining theater forces -- not only for ground units, but for naval and air units as well. National policy would be tied to the uncertain desire of our men to serve in SEA.
- Also create two distinct military groups, i.e., those eligible to serve in a combat zone and those exempt.

I have discussed the No-Draftee/All Volunteer Force proposals with General Abrams, Admiral McCain, and Admiral Moorer. Each strongly recommends against adoption of either proposal at this time.

6. Drugs/Morale/Discipline. The intensive campaign to understand, counter, and remedy the drug abuse situation in SEA is paying dividends. I am convinced the Defense Department knows more than any other part of the U.S. society about its drug problems. The incidence of drug use by U.S. forces in RVN is less than had been earlier presumed. Of nearly 130,000 men screened since mid-August, less than 5,000 (3.7 percent) have been confirmed positive as drug users. The problem is now within manageable bounds. Moreover, General Abrams informed me he was contemplating offering our findings and techniques to the RVNAF. The latter knows nothing, Abrams says, of its drug situation, i.e., whether there is a problem and, if so, its magnitude and effect.

Under unprecedented and trying conditions, the sound U.S. leadership of General Abrams and his staff is maintaining high standards of discipline and morale. Within the 50,000-60,000 troop level postulated for June 1972 are spaces for men associated with morale-building activities. Abrams strongly recommends he not be deprived totally of that privilege. He feels that the pay-off in overall force effectiveness justifies the so-called personnel pad.

CONCLUSIONS AND RECOMMENDATIONS

1. The U.S. objective of seeking self-determination and self-reliance for the RVN people continues to be valid. We are now at a point when U.S. explicit objectives can be expanded. I recommend we include as additional objectives (a) turning down the overall size and extent of the war; (b) completing the redeployment of U.S. forces; (c) accomplishing the return of US POWs; and (d) regaining U.S. leadership across the broad military, political, and economic front in which our interests have been degraded as a result of SEA.

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2. The risks you have taken for peace and the bold initiation you took for Vietnamization are succeeding. I recommend we continue to take risks for peace and to pursue the Vietnamization program.

3. The military threat posed by the NVA/VC is declining, but is still large in absolute terms. The RVNAF/US force levels postulated over the near-term will be sufficient, in my judgment, to handle the situation. I recommend no radical changes in the programmed force levels or composition.

4. The NVA/VC retain the capability to impact heavily militarily in limited areas and for a limited period. The NVA/VC may be encouraged to try such actions, not for the military result but rather for the political impact in the U.S. I recommend we start now articulating this 1972 possibility and admonishing, as appropriate, on the meaning of such enemy actions.

5. The RVN economy has shown remarkable progress in the past two years under exceedingly difficult conditions. It still has a long and hazardous way to go. I recommend we continue to work with the GVN in formulating the basic reforms needed and in urging against those aspects, such as militarization of the economy, that risk destroying all that has been achieved otherwise.

6. It is possible that without fundamental new initiatives by President Thieu, the opportunities for major unifying political gains in RVN will be lost. I recommend that our senior civilian officials in RVN use every opportunity to urge upon President Thieu those dynamic new political measures which are consistent with U.S. interests.

7. New initiatives are still possible and needed in the realm of Vietnamization. Interdiction of enemy men and supplies is an urgent case in point. The premise that only U.S. air power can do this job is questionable. I believe the job can be done by the RVNAF without serious, if any, sacrifice in effectiveness. I recommend that new interdiction doctrine and new techniques using RVN ground, air, and naval forces be adopted expeditiously.

8. U.S. redeployments can and should continue from RVN. Among the many options available, I believe the force goal of 50,000-60,000 men by June 30, 1972 represents the currently optimum goal. I recommend you decide in favor of that force level.

9. There are numerous ways to make subsequent U.S. force levels known. One is to announce the force goal for June 30, 1972. As part of that plan, a subsequent announcement in March 1972 could be made,

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covering the June-December 1972 period. Another option is make sequential redeployment announcements covering 1-3 month periods. I strongly recommend in favor of the longer period announcements. The shorter-term announcements would be counter-productive. My view is supported by Ambassador Bunker, Admiral Moorer, and General Abrams.

10. At some point in our SEA involvement, it may be feasible to institute a No-Draftee or All Volunteer Force policy. In view of the vast uncertainties and the serious potential implications of either route, I conclude the time has not arrived when such policies should be considered seriously. I recommend continuation of the current policy of making all military manpower available for duty at some point in SEA. Next summer is the time to address this subject, after our forces reach the 50,000-60,000 level.

11. As I reported to you last January, the three pillars of your foreign policy -- Strength, Partnership, and Willingness to Negotiate -- continue to serve us well in Southeast Asia. There is still much to be done in each area and in relating the three areas. Again, as I have indicated before, I am confident that, under your leadership, we can and will attain our objectives in Southeast Asia. Attainment of those objectives, in my judgment, will have profound implications for the leadership role of our country throughout the world.



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THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

26 JAN 1972

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY
AFFAIRS

SUBJECT: The Current Situation in SVN (U)

The recent message from General Abrams, which summarized the situation in Vietnam as he sees it, and recent intelligence assessments indicate that the North Vietnamese are preparing for major offensive action. The southward movement of division-size NVA main force units from North Vietnam, together with rehabilitation and training activities since LAM SON 719, reflect enemy willingness to escalate the protracted war to large unit fighting in selected areas.

The northern half of the country appears to be the primary area of activity for the anticipated increase in main force activity, particularly the highlands of MR 2 and northern MR 1. In the south and the coastal portions of MRs 1 and 2, increased activity on a smaller scale concurrent with these main force attacks can be expected.

There is a growing consensus among intelligence analysts that the main enemy thrust will be made in the Kontum area, the scene of similar enemy offensives in the past. The key issue here is whether or not the enemy will attack with the 320th NVA Division, which is enroute from NVN. Employment of the 320th in the battle would give the enemy about a 1 1/2 to 1 force advantage in the area, his best there in recent years, but not as high as his 2 or 3 to 1 advantage achieved over RVNAF during LAM SON 719. On the other hand, if the 320th is used as a reserve to protect the enemy LOC in south Laos, the force ratio would be about the same as in last year's Fire Support Base 6 attacks (1 1/2 to 1 in favor of RVNAF). Enemy strategy seems to be designed to tie down RVN forces by diversionary main force attacks in Pleiku and northern MR 1 and a sharp surge of attacks by fire and harassment elsewhere in the country. The pattern of fighting in the Central Highlands and MR 1 appears to be shaping up in a manner similar to that of previous years, although with stronger forces available to both sides.

The North Vietnamese have significantly increased the threat to our air operations. Additional SAM battalions have been moved into the panhandle area of North Vietnam as well as into Laos. Last year SAM battalions in the vicinity of the DMZ fired on U.S. aircraft flying over the RVN and there is no reason to believe such firings will not occur again. There also has been a notable increase in the amount of

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antiaircraft artillery, both in the southern portions of North Vietnam and the adjacent areas of Laos. The unprecedented number of MIG forays into Laos, and their willingness to challenge our aircraft further, add to the significance of the mounting threat to our aircraft.

Neither SAMs nor MIGs have had a major effect on our air losses. Six US aircraft were lost to SAMs and one to a MIG in 1971; no losses to MIGs or SAMs have occurred thus far in 1972. Nevertheless, giving unhampered freedom of action to the North Vietnamese air defenses poses a danger to the lives of our airmen. Additionally, it forces our commanders to deploy aircraft for defensive purposes which could be used directly against the enemy's units on the ground. When the expected heavy combat occurs, General Abrams wants to be able to deal effectively with the enemy air defense in order to free all of his air power to blunt the enemy offensive.

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I have examined the developing situation in the Republic of Vietnam as it pertains to General Abrams' request for a standby operating authorities. To assist him in preparing for ground action in MRs 1 and 2, I have authorized emplacement of sensors by air throughout the DMZ to the extent required to provide intelligence for the safety of friendly forces. I also have granted authority for fixed and rotary wing aircraft, logistic troop lift and MEDVAC support of RVNA cross-border operations against enemy bases along the Laotian and Cambodian borders. General Abrams will keep me informed of such operations and the extent of US involvement. In response to General Abrams' request to strike logistics targets in NVN, I have asked for the development of contingency plans which could be authorized for execution by Washington if major enemy attacks make it necessary. Additionally, I have urged General Abrams to alert all friendly forces of the need for increased vigilance throughout Vietnam in the coming weeks.

In response to General Abrams' concern that the enemy will use MIGs, SAMs, and AAA to complicate allied operations during the impending campaign, I have advised COMUSMACV to consider hostile any MIGs which are airborne from Dong Hoi, Vinh and Quan Lang during the expected enemy ground offensive. These aircraft may be engaged when encountered below the 18th parallel. Also, commanders have adopted a more vigorous protective reaction posture as demonstrated by recent strikes against airfields at Quan Lang and Dong Hoi. These strikes were necessary to defend unarmed reconnaissance aircraft reconnoitering enemy airfield activity. In conjunction with the MIG threat, I have also advised General Abrams that he may employ antiradiation missiles against ground control intercept (GCI) radar sites outside of Route Package 6 (Hanoi-Haiphong area) when MIGs are airborne and demonstrate hostile intent. Tactics employed when these missiles are fired will insure that they do not impact in Route Package 6 or the Peoples Republic of China. In the event that existing authorities are not sufficient to prevent SAM interference with our air forces acting against the expected offensive, I have told General Abrams that consideration will be given to a one-time attack of those SAM facilities in NVN which constitute the most immediate threat.

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The general trend of the enemy's action this dry season was predicted last fall. Measures were taken to improve and increase ARVN strength in MRs 1 and 2. As you know, an armored cavalry unit has been added to the defense of MR 2 and an additional division has been formed in MR 1. Elements of the JGS General Reserve have been alerted for movement to MR 2. VNAF support for both areas has been strengthened. Despite these improvements in RVNAF, I continue to be concerned by the very low personnel strength of the fighting battalions.

In summary, the enemy is preparing to escalate the war in South Vietnam. No matter what we do, the enemy offensive cannot be prevented. However, the North Vietnamese will suffer heavy casualties. We are weakening his forces with the interdiction campaign and we will have adequate strength to blunt his offensive. The fundamental purpose of the enemy effort is to discredit Vietnamization in two ways. First, Hanoi wants to undermine domestic US support for the Administration's policy of firmness against NVN demands for abandoning South Vietnam. Second, the North Vietnamese want to create in South Vietnam a wave of demoralization which would undermine the success of the pacification effort and further erode the South Vietnamese peoples' willingness to fight. They expect US domestic support to deteriorate under the impact of heavier US casualties or escalatory actions on our part.

The guidance on expanded operating authorities which I have provided General Abrams, as well as the actions which he and the Vietnamese leaders have taken to strengthen MRs 1 and 2, will assist in successfully meeting the coming enemy offensive. I anticipate some setbacks of a magnitude which may generate unfavorable public responses here and in Vietnam -- for example, the temporary loss of a city such as Kontum. I do not believe that the North Vietnamese have it within their power to achieve decisive results in either a political or military sense. The true test of the coming campaign will be decided by the effect it has on the South Vietnamese willingness to fight for what is theirs.



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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

6 APR 1972

MEMORANDUM FOR: Assistant to the President for National Security Affairs

SUBJECT: Contingency Plans for Operations Against North Vietnam

The Chairman of the Joint Chiefs of Staff is submitting two draft contingency plans -- or more accurately, outlines -- to you, viz:

- . A one-time air strike against military targets in the Haiphong area, a concept called FREEMONT GAMBLER.
- . A mining operation in Haiphong Harbor.

I am certain the outlines will be viewed in the proper context as preliminary drafts. I would like to make some observations on points we must continue to consider.

On the Haiphong air strike the JCS outline correctly notes the objective as being one of demonstrating United States willingness and ability to resume such operations. Concerning bombing in North Vietnam I have consistently held a set of premises that are simple in concept but complex in practice. The most basic tenets are that:

- . Effective interdiction by military means requires getting at the production sources, i.e., it is not possible to sustain effective interdiction by attacking the distribution system.
- . The enemy production sources in this war are centered in the Soviet Union and the Peoples Republic of China. Effective control of the DRV combat capability rests in influencing the USSR and the PRC to control their outputs of materials and supplies to the DRV.
- . The military targets in North Vietnam are only part of a diverse and diffused distribution system. The North Vietnamese have demonstrated consistently the ability to substitute new distribution mechanisms for any that are temporarily interdicted.
- . The merits and demerits of bombing in North Vietnam are therefore primarily political.

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. The positive political value of bombing is principally in the threat, i.e., the danger to Hanoi of losing the relatively small growth base the country has. Once the bombing has been done, especially if it is extensive, the growth base is gone and Hanoi has little to lose through continued US bombing. This point has not been understood, in my judgment. Again, the value is in the threat -- especially if it is a credible threat. That value is lost once extensive operations have been conducted.

. The negative political impact of US bombing in North Vietnam rests in this nation and, to a lesser extent, throughout the rest of the world. US air operations have, for a host of reasons, become a negative symbol around which many influences rally which are contrary to the Administration's and the nation's interests.

Perhaps a one-time air strike in the Haiphong area would add credibility to the more extensive political threat. I am not convinced yet that such would be the case. I shall continue to assess the proposition.

In the meantime, additional second-order points on the air operation need to be studied. These points include:

- . What shipping is typically in Haiphong harbor?
 - number of ships
 - registry
 - location in proximity to the proposed targets
- . What risks exist to the shipping?
- . What would be the impact if the shipping were hit and casualties encountered?
- . Are the civilian casualty estimates valid now that the major DRV population centers are on a lower alert status than existed during the earlier US bombing efforts?
- . What would be the impact of the US air operations leading to substantially larger civilian casualties?

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- . What impact might such air operations have on our efforts to extract our POWs?
- . What other target options are there which might achieve the basic objective but a less risk to US forces and to the DRV civil populace?

I am asking the CJCS to address these points on an urgent basis.

On the outline mining plan, I would point out that this is basically the same contingency concept submitted recurrently throughout the war. It is especially similar to that provided in July 1969. You will note the basic inconsistency between the objective and the proposed effort -- an inconsistency pointed out in the outline itself. The objective contemplates closing Haiphong Port. The outline plan notes, however, that unless mining is undertaken in concert with an intensive air campaign, imports of war-supporting materials could continue. I do not believe serious consideration should be given to the mining concept at this time.

Henry
The political impact of these plans may be what is wanted by the President. The military impact would be minor and the impact on present battle would be even less. If the Russians want an effort to stop their present major (80% supplies) contact to North Viet Nam, mining might have that political impact but I would doubt it.

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Date: 24 JAN 2012 Authority: EO 13526

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26 April 1972

Declassify in Part:

Reason: MDR: 12-M-0431

MEMORANDUM FOR: Chairman, Joint Chiefs of Staff

SUBJECT: US and RVNAF Augmentations

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Authority: EO 13526

Chief, Records & Declass Div, WHS

Date: JAN 24 2012

During the past few months we have accomplished substantial augmentations of RVNAF and US forces in Southeast Asia. This has occurred despite the continuing redeployments of US troops from South Vietnam. Of special note on the RVNAF side was the major added build-up in mid-to-late 1971 of their equipment and supplies. On the US side, since January 1972, we have (a) increased Air Force and Marine Corps tactical air by more than 125 aircraft; (b) increased B-52s and tanker support by 110 aircraft; (c) added to Navy tactical air by 225 aircraft; and (d) augmented Navy surface support by more than 35 ships.

The augmentations listed above have been major in scope and, from all reports, in effectiveness. The operational and political benefits of the augmentations are not in dispute.

The reality of resource limitations and costs (opportunity as well as financial) remains. We cannot afford to be unmindful of that reality. It is incumbent upon us -- especially now that we have added major new measures of capability to both RVNAF and US forces -- to weigh carefully the incremental benefit of further augmentations versus the incremental costs. I want to be sure that we are prepared to look at both the operational benefits and the incremental costs of any further augmentations which might be considered.

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In order to be prepared to look at the impact of any future actions, it is necessary that we assess fully and completely the impact of those augmentations actions taken so far. I would like for you and the Chiefs to make such an assessment. Specifically, I would like for you to address, among any other points you consider important, the following:

- Assumptions - Assume current activity rates for both RVNAF and US forces. Also, assume optional augmented deployments of US forces for

- 30 days
- 60 days
- 90 days
- 179 days (full TDY period)

Assume also that no budget supplements will be available.

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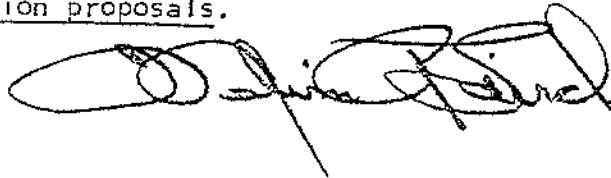
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- . Budget - What are the impacts of the activities assumed above on
 - the FY 72 budget, by amount, and funding source?
 - the FY 73 budget, by amount, and funding source?(Include the opportunity costs, i.e., those functions and actions which cannot be accomplished by virtue of the SEA activities.)
- . Logistics - What will be the logistics impacts in terms of
 - ordnance inventories, consumption, and production?
 - other major equipment and supply items needed to support RVNAF and US units deployed?
 - the replacement of attrition aircraft and other major equipment items?
 - the impact on US retrograde actions?
- . Manpower - What will be the US manpower impact in terms of
 - flight and gun crews' ability to perform?
 - maintenance and support elements?
 - the overall ability to meet the current operational requirements and contingencies?
 - movement towards an All Volunteer Force?
- . Operational Flexibility - What will be the operational impact in terms of our ability to
 - meet a secondary NVA surge later in CY 1972?
 - meet another crisis throughout the world during the May-December period?

I would appreciate a written response to the issues outlined above. I would also like to discuss these issues at our regularly-scheduled meeting next Monday afternoon, 1 May. Furthermore, as stated earlier, I shall want to see specific analyses of incremental benefits and costs on any further augmentation proposals.



THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

2 MAY 1972

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Limitation on Presidential Authority through FY 1973
Defense Budget Constraints

I am concerned about our ability to continue supporting our foreign policy requirements in FY 1973. This concern stems from a combination of factors. Most immediately, we are faced with supporting the substantial augmentation of U.S. forces in Southeast Asia. Concomitantly, we have the undefined, but certainly major, equipment and supply demands of the RVNAF to fulfill. Without any adverse influences these would have been difficult to face, given the FY 72 and FY 73 budget pictures.

Now, however, there is another - and ominous - adverse factor impacting on the situation. This is a conscious decision by the Senate opposition to accomplish its objective of cutting support for the Vietnam war indirectly if they fail in efforts to do it directly. Prior to the departure of Senators Mansfield and Scott for China, the Majority Leader met with leaders of the opposition to our Southeast Asia strategy. In this strategy session, they concluded that prospects for passing a bill to cut off Vietnam war funds could not survive in the House or, if it did, could not overcome a Presidential veto. Therefore, they decided instead to seek their objective by attempting to remove all flexibility from the defense budget. Specifically, they agreed on a target of cutting the defense budget for FY 1973 by \$3.5 billion.

As you know only too well, this particular Senate is in an unprecedented posture with respect to support - or, more aptly, non-support - for strongly-held Presidential positions, either on the war in Vietnam or on other aspects of U.S. foreign policy and the defense budget. Even President Johnson in his severest testing period had the strong help of Senator Russell and Senator Dirksen to rally the necessary backing for crucial issues in defense and foreign policy. In my view, we do not have requisite backing for your foreign policy and defense programs in the Senate today. We must expect that, in line with the opposition Leadership Strategy, we will be cut heavily in the June/July period as the Senate deliberates on the defense budget.

The Senate's determination to cut \$3.5 billion out of the 1973 budget is complicated, among other things, by:

- The logistics build-up accomplished in Southeast Asia last fall, which required funding of almost \$100 million over and above the planned FY 1972 budget which was financed by deferring an equivalent amount of program accomplishment until FY 1973.
- The impact of our present augmentation of air and naval assets in Vietnam, which will cost us on the order of \$350-400 million in direct costs in the FY 1972 budget, and \$600-750 million in the FY 1973 budget - if current activity levels do not extend beyond the first quarter. With the prospects for a supplemental practically nil in FY 1973, we will have to take at least that amount out of our hide.
- The additional requirement for logistics support (ammunition, spare parts, etc.) and replacement of weapon attrition items generated by the augmentation of Southeast Asia forces. This will have a severe impact not only on Conus based forces but on stocks worldwide, including NATO Europe. This requirement could amount to some \$300 million in FY 1972 and \$400-500 million in FY 1973.
- The impact of a continuing resolution which will go into effect on July 1st, and which will probably require us to operate at the lesser of several possible budget levels: (1) the \$76 billion obligational level contained in the FY 1972 budget (\$6.7 billion lower than the FY 1973 request); (2) an even lesser figure if any of the Authorization or Appropriation Committees of either House have acted by July 1st to approve substantial cuts in specific appropriations; or, (3) perhaps a specific expenditure limitation that could be written into the continuing resolution itself.

It is clear to me that there will be a determined, continuing effort on the part of our opposition in the Senate to implement this indirect but nonetheless effective strategy for limiting your options and flexibility.

The accelerated logistics build-up of last fall was not part of our FY 1972 budget.

The current augmentation of forces for Southeast Asia is not part of our FY 1972 budget nor part of our FY 1973 request.

The Senate opposition's determination to cut \$3.5 billion from our FY 1973 request, added to these unprogrammed requirements, will, if successful, force us to absorb these additional costs within an already constrained defense budget.

Some problems created by the Southeast Asia augmentation, such as increased personnel turbulence, are independent of adequate funding. But we are faced with stock drawdowns worldwide, particularly for munitions, to meet SEA requirements. We will obviously have to re-examine our entire defense budget if the opposition's proposed action is at least partially successful. Should this come to pass, we will be hard pressed to sustain our current force posture, and will probably be forced to reduce forces, reduce the tempo of operations for remaining forces, and cancel or reduce many procurement programs sorely needed for modernization.

As you know, our FY 1973 budget, in terms of constant buying power, is already below that of the last "pre-war" year, FY 1964. It is obvious that additional reductions will seriously impact on both your flexibility in foreign policy matters and our ability to carry out military strategy in support of this policy.

I recognize and support the proposition that our objective is to succeed in carrying out our Southeast Asia strategy. I am confident that we can and will succeed.

But our future capabilities to carry out the type of augmentation we are currently implementing will be severely limited if the Senate opposition strategy succeeds.

To be candid, it is my estimate that this strategy of the opposition leadership has a greater potential for succeeding, despite our best efforts, than any of the more direct efforts to legislate constraints on your flexibility.

We simply cannot permit the Defense Department to be the whipping boy and pay the price for the frustration of the U.S. Senate.

In my opinion, therefore, the likely prospect of success of this opposition strategy must be considered as a large factor in our planning for the next six months.

We are not giving up, but will continue working on key Senate and House members, with an objective of minimizing the impact of the opposition strategy, and achieving the best possible compromise in Conference. We may need your personal involvement in our efforts to convince Congress of the seriousness of these matters.

Finally, we are examining the alternatives available to alleviate the adverse impact such cuts would have on the Department of Defense. Regardless of whether or not we could obtain the necessary flexibility from Congress to take the reductions in areas of least impact, I believe that this developing situation poses some critical problems in the months ahead.

A handwritten signature in dark ink, appearing to read "William P. Sullivan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

REPRODUCED AT THE NATIONAL ARCHIVES

DECLASSIFIED
Authority E012958
by USARA Date 9/16/04

Telcon [TAPE]
Dr. Kissinger and
Secretary Laird
May 2, 1972 9:45 p.m.

K: Hello

L: Hello

K: Mel?

L: Yea.

K: What the President wants to do is send a mission out there leaving tomorrow night to look at the modernization needs and replacement needs of the South Vietnamese.

L: Well we can write that right from here.

K: Well you may but he wants to have a symbolic commitment to them.

L: Very good. I can give you the list if you want it tonight.

K: What he wants to do is to symbolize and to give them a shot in the arm.

L: Oh! Okay.

K: And also to see whether they may need some heavier equipment.

L: Well, they don't need equipment, what they need right now is just a kick in the ass.

K: Well

L: And a they ought to change a few commanders right now -- that's what they need to do and move up some of those that have been performing well and kick those in the ass that haven't.

K: Yea, well that may be but I think the major problem lies to keep them from falling apart.

L: Yea, well we can do that as a symbolism, I think that's all right but we probably

K: Well there's one thing they don't need right now is lectures because they have had you know

L: They haven't had enough I don't think right now. I thought Abe did a

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 Authority E012958
 By CB NARA Date 9/16/04

Kissinger/Laird

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good job today but I don't know whether he got across to them.

K: Well you know when a guy is hanging on by his fingernails I don't know how much good it does.

L: Well, of course, the problem that they have and I think this has had an effect is that they think that there is some deal going on and of course they are always -- they have that in the back of their mind, Henry, always that they are going to be sold out, see.

K: Yea.

L: And I'm sure that that is true but we have a lot more tanks up in Japan we can get down to them. They have got to get out moving and not just wait for our air all the time.

K: Oh, they have made a lot of mistakes, there is no question about it.

L: We don't have a single one of those 48s left. Did you realize that?

K: That we sent out there?

L: Everyone of them went. Because you see up in that area when those bridges went out they couldn't get them back across the river, because they will move well on Highway 1 but they won't move if you don't have a heavy bridge and they lost them all.

K: Yes.

L: But, we can send them some more.

K: Well that's what we must have -- but above all we ought to give them a shot in the arm

L: Thieu says in their message that he wants some around in the cities. He would like some in Saigon and places like that because it is a morale booster. Well I understand that but we need the tank crews and that will take a couple of months to train some more crews.

K: But I think at this point what we have to do is to keep them from collapsing psychologically.

L: Oh I agree with you there.

K: I don't see how much longer the North Vietnamese can keep up this pace.



Kissinger/Laird

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L: No, I agree I think that from a psychological standpoint that would be alright.

K: So what we want to do is give the view to the North Vietnamese that we are getting ready to run out of there.

L: Yeah I think that's

K: And even if they come back with an answer you have already got. How about sending somebody, well it's up to you, but somebody like Zais?

L: Yeah, well Mel is alright. Mel isn't a very good logistician but we could use him as a signal I suppose.

K: How about giving us the names tomorrow morning and then you can announce it at your noon briefing.

L: Does he still want me to go ahead with that press conference tomorrow?

K: I haven't heard him talk about it -- were you planning on it?

L: Well, I wasn't planning on it but he told me to have a press conference at 4:00 p.m. Wednesday.

K: Let me check with him in the morning.

L: Check it out a little but I mean I'll do it if -- hell I'm always glad to do anything.

K: Well let me check with him. He may not want to do that anymore.

L: This was yesterday he told me to be ready to go and not announce it until 11:00 a.m.

K: Yes. Well I'll check on that. Now in addition he wants to send some more B-52s out.

L: Why Henry that is just crazy.

K: Well it may be but that is what he wants to do.

L: Well I'll have to talk to him about that because you know there is just no sense in sending anymore B-52s. The last ones we sent out their 2 F-4s carries as much of a load as a B-52 and they are much more effective than a B-52. 2 F-4s can do the same job as one B-52

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 by UP ARA Date 9/16/01

Kissinger/Laird

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and it is only carrying that light load. That is just nuts.

K: Well then send some more F-4s out.

L: We can send some more F-4s out -- we can send some more aircraft out there -- that would make some sense but the B-52s don't make any sense.

K: Well what he wants is to show some commitment to show that he isn't backing down on it.

L: Well we have another carrier going out there.

K: I know but that was decided four weeks ago.

L: Well it isn't there yet. You know the B-52 -- the old ones are alright but these new ones that we've got out there -- 2 F-4s does a better job as far as bombing is concerned and on this kind of bombing

K: Except they fly only when the ceilings are 5000 feet and a few other things.

L: Yeah but as long as you can't take out cities the targets are so limited I hope -- you gonna listen to this briefing tomorrow on our targets up for ?

K: Right.

L: Well, I hope you will because you will see how, you know, what lousy targets they are. When you have to stay so far away from everything. Well we will get the logistics to you -- there is no problem on that. I can tell you what the report is though right now. What they need. But as far as giving them a signal that is a good idea, probably.

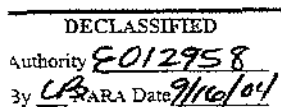
K: Okay and you have somebody get a recommendation to us how many additional planes you can get out there?

L: Yeah now that -- we will have to put them out there temporarily because we are going to have to move those planes out of Danang. You know we have four squadrons in Danang.

K: Why do you have to move them out of Danang?

L: We can't keep them there more than another 30 days.

K: Oh, I see.



Kissinger/Laird

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L: Because we have to -- with the support forces that is about 6,000 people.

K: Yeah, well where you put them is your problem.

L: We've got -- I think the air power, the naval gunfire, logistics support are all in good shape. I do think though that some of those commanders -- Thieu is having another commander conference today -- I think the important thing for him to do is to change a few.

K: Well that may be, but the major thing now is to hold their morale together.

L: Yeah.

K: I mean there were a lot of mistakes made and they will be plenty of time to assess that.

L: Oh No, I understand that. But I do think that you have got to give some recognition to those people stood the fight.

K: One final thing, the President wanted Moorer to give a military briefing to the Republican leaders that are coming in for ten minutes tomorrow morning. And I have called Moorer and asked him to do that. I just want you to know that.

L: Yeah I wished you had called me, and I would have arranged for it.

K: Yeah, well.

L: I have more credibility with the Republican leaders anyway than anybody else does over there, I guess you know that.

K: I don't question that.

L: But that's alright.

K: He just thought a military man.

L: That's fine and I think it should be but I think I should have arranged for it. But if that's the way they want to play the game well it is alright with me.

K: Okay.

L: Okay.

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Authority E012958
by CR Date 9/16/01

TELECON

Secretary Laird/Mr. Kissinger
10:10 p.m., May 2, 1972

L: Henry.

K: Yes, Mel.

L: I think that on the team tomorrow -- and we've got it pretty well set up now -- General Woolwine, who is the J-4 in charge of logistics for the Joint Staff (a two-star general) -- the logistics planner for the whole Joint Staff...

K: That was just a thought that crossed my mind. It's entirely up to you.

L: General Woolwine and I think Joe Hyser who is the head of Logistics for the Army.

K: Good.

L: And I think we ought to put the Navy and the Air Force in, too, because I'm charging them with these expenses.

K: Absolutely. I think you are 100% right.

L: And then let Barry Shilito, the civilian, go with them -- who is the Assistant Secretary...

K: These are all good ideas.

L: ... of Defense for I&L. Now they could leave at 8:00 tomorrow night.

K: An excellent idea. And you can announce it at noon or whenever there is a briefing.

L: And there'll be the five of them. But I think you should use Woolwine because he is the J-4 for the Joint Staff. I really think it is better, and Mel is in Operations.

K: That's fine with me.

L: And if you want to give a signal on logistics, these are the five top logistics people in the Department of Defense.

K: I completely agree.

DECLASSIFIED
 Authority 8012958
 By LP RARA Date 9/16/01

Secretary Laird/Mr. Kissinger
 10:10 p.m., May 2, 1972

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L: Well, they're all set to go.

K: Terrific, Mel. As always, you came through in the clutch.

L: Well, I'll always come through. The only damn thing about parking airplanes out there. Now I'm getting that studied right now, but this idea of being able to park airplanes all over that area -- you know, we are going to do the best we can, but that's just getting a little bit... You know, it isn't air power we lack out there. It really isn't. But we... Jeez, you gotta win this damn thing on the ground. You can't win the damn thing just with air power.

K: I agree with you.

L: And those bastards, they keep their heads down and wait for the air power and they aren't doing any probing.

K: I don't disagree with your criticism.

L: But, we'll put... Right now, I've got them studying on where they can park more airplanes.

K: What is your assessment of the situation, Mel, between you and me.

L: Well, I think that the situation is not good right now and unless the South Vietnamese, themselves, decide to kick a few guys in the ass -- that Lam up there, I think it's inexcusable the way they handled those tanks up there. They left them, Henry. They didn't... They got them over to a place where they couldn't get them back 'cause there was no bridge. And, God, that damn stuff... We've got a couple hundred million dollars in that one damn thing -- not that the dollars are so important...

K: No, no; but they matter, too.

L: But, Jesus, I just can't understand people treating property that way. They could have at least put them... I don't want to get into that with you over the telephone. We've got to... There are some people that have performed well. There are 29...

K: They were doing pretty well there at Danghua for a while and then suddenly they went.

DECLASSIFIED
 Authority FOI 2958
 by LP ARA Date 9/16/01

Secretary Laird/Mr. Kissinger
 10:10 p.m., May 2, 1972

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L: Yeah; they were doing pretty damn well and I think it's that artillery moving up and the fact that they stayed right ~~XXXX~~ under it and wouldn't move out against it and they wouldn't give us any spotting as far as the aircraft. There were plenty of aircraft to use against it but they just stayed fixed. And then some of the leaders -- the command left. And when the command pulls out on them...

K: Oh, of course, well, then, everything goes.

L: And that just didn't work out very well.

dK: Do you think they can rally it?

L: Oh, yeah, I think they can. They've got the manpower; they've had the training; they've got the... you know, they're not short of ammur they're not short of guns, they're not short of these things. I just don't see why the North Vietnamese should be able to fight better than they do.

K: Yeah; well, they've got more discipline. They probably also have better tanks.

L: Well, our tanks -- those 48's will take on those T-54's any time.

K: No, no; the 48's, but not the 41's.

L: Well, not the 41's, but the 41's are not being challenged by the 54's. They haven't been challenged often by them.

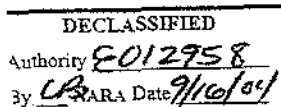
K: Yeah, yeah, yeah. Well, they ought to be running out of steam fairly soon.

And

L: Yeah, well, we hope so. ~~X~~ these reports about the wounded and so forth are encouraging. But this idea that we can win it in the air -- you can't win that fight in the air. It's going to take those people on the ground to do some fighting, and they've got to realize that.

K: But there's no question about that.

L: But most of the units -- the majority of the units have performed well, but those that have come under the heavy artillery fire up there in the 5th Division and now this group up there in the First Military Region, they couldn't take it.



Secretary Laird/Mr. Kissinger
10:10 p.m., May 2, 1972

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K: Yeah, but why won't they come under it again near Hue.

L: I think they will and have a little difficulty moving it up there. They only had to move it 7 miles to get it into position for this, from the DMZ. So that's a little different. They are going to have a little more of a problem, and I think it'll take them several days to get ready for that. I think they are more apt to hit at Kontum now. But they'll hit at Hue -- there's no question about that.

K: Do you think it can be held?

L: The problem is it can be held -- they have the assets; they have the air power; they have naval gun fire; they have everything else but they still have to fight on the ground to hold it.

K: That's right; I agree with you.

L: Did you read the little message from Abrams about his visit with Thieu this morning?

K: Yeah, I did.

L: Well, I think that's right.

K: Well, let's see what happens in the next few days.

L: well, we've got to give them every bit of support we can -- absolutely; there's no question about that. And we will.

K: Okay.

L: Okay.

K: Bye.

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Authority E.O. 12958

By KJ NARA Date 07/12/66

RANDUM

THE WHITE HOUSE

WASHINGTON


~~TOP SECRET/SENSITIVE~~
~~EXCLUSIVELY EYES ONLY~~

May 5, 1972

MEMORANDUM FOR:

HENRY A. KISSINGER

FROM:

AL HAIG 

SUBJECT:

Talking Points for Your Breakfast
Meeting with Secretary Laird,
8:00 a.m., Saturday, May 6, 1972

Purpose of the Meeting

At this morning's meeting you will wish to discuss the President's decision with respect to North Vietnam. Because Secretary Laird is not aware of what actions have already taken place between you, Under Secretary Rush and Admiral Moorer, it is necessary that you approach this topic gingerly. You should make the following points:

1. The President wishes to have a plan for execution as early as Monday evening, Washington time, which would:

- a. Mine all North Vietnam ports.
- b. Establish a physical naval barrier (blockade) of the entire coast of North Vietnam.
- c. Extend authorities for unrestricted air war against military and military related targets throughout North Vietnam with a 25 kilometer restricted barrier south of North Vietnam's border with Communist China.
- d. The President wishes to have the mines activated in a way that adequate time is permitted for shipping to depart Haiphong and other North Vietnamese ports. After the activation of the mine field, all port ~~facilities~~ ^{ships} will be destroyed by U.S. air action. He would like to have the concept for such a plan briefed by Admiral Moorer at the special WSAG meeting at 5:00 p.m. this afternoon. These plans should be in

~~TOP SECRET/SENSITIVE~~
~~EXCLUSIVELY EYES ONLY~~

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Authority E.O. 12958

By KJ NARA Date 07/12/06

~~TOP SECRET/SENSITIVE
EXCLUSIVELY EYES ONLY~~

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excellent shape since they were reviewed in 1969 and 1970 and preparatory steps such as mines and adequate naval and air forces have already been provided for.

3. Point out the President's determination to take all necessary action to bring the conflict in Vietnam to a conclusion.

Command Changes

The President has mentioned to me that he wishes you to inform Laird that he wants a total revamping of the command structure in Southeast Asia to include not only organizational changes but changes in personalities. He stated he is confident that Secretary Laird will offer massive opposition to this plan, which incidentally is long overdue.

I recommend that you instruct Laird to have a formal plan for the President's approval by noon Sunday which provides for the following:

1. Creation of a supreme or overall single unified commander who will be responsible for the conduct of all military operations in Southeast Asia and report directly to the Joint Chiefs of Staff. (The Command should be called Supreme Command, Southeast Asia or CINC, Southeast Asia in conformance with the normal unified command nomenclature.)

2. Co-located in Saigon with CINC, Southeast Asia would be three major component commands:

- a. U.S. Army, Vietnam
- b. U.S. Naval Forces, Southeast Asia
- c. U.S. Air Forces, Southeast Asia

The United States military advisory organizations including the regional advisory commands and Vietnamese Navy and Vietnamese Air Forces advisory efforts as well as CORDS would be directly subordinated to this new command. Attached is a paper basically put together by Phil Odeen which outlines such a structure. I do not agree with it completely but it is generally in conformance with the foregoing.

~~TOP SECRET/SENSITIVE
EXCLUSIVELY EYES ONLY~~

DECLASSIFIED

Authority E.O. 12958

By KJ NARA Date 07/12/06

~~TOP SECRET/SENSITIVE~~
~~EXCLUSIVELY EYES ONLY~~

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Command Personality Changes

The President called last night and said he definitely wants General Abrams recalled and will agree to his appointment as Chief of Staff for a period of two years providing General Abrams is in agreement with the other provisions that you are aware of and providing that you concur.

CINCPAC, Southeast Asia should be General Palmer. New Commanding General of the U.S. Army, Vietnam should be General DePuy. The Commander of U.S. Air Forces should be General Vogt and a new 4-star Navy billet would be created for U.S. Naval Forces, Southeast Asia. (The President said that the retiring Admiral Rivero should be given this job.) I would recommend that we give this job to Admiral Gayler, who is due to replace Admiral McCain, and that we extend Admiral McCain until the conflict in Southeast Asia is ended. I believe the President will buy this change.

The foregoing conceptual approach will give Laird and the Joint Chiefs of Staff considerable gas pains primarily for parochial reasons. There are many cats and dogs to include logistics support, geographic boundaries for Naval forces, the down-grading of CINCPAC, etc., which will cause problems. These can be worked out by the Pentagon but there should be no debate on the fundamental command lines and the personality changes outlined.

Until such time as the new Vice Chief of Staff of the Army is appointed or announced, I believe General DePuy should hold this job. In the interim, General Weyand can handle U.S. Army, Vietnam and then be given another appropriate 4-star billet.

Attachment

~~TOP SECRET/SENSITIVE~~
~~EXCLUSIVELY EYES ONLY~~

~~TOP SECRET SENSITIVE~~

THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Augmentation of Military Assistance to the RVN

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 24 May 1972 Authority: EO 13526
Declassify: ☒ Deny in Full:
Declassify in Part:
Reason: 12-M-0432

At your request, I have examined the current status of military equipment deliveries to the South Vietnamese Armed Forces and I have considered measures for strengthening RVNAF's capabilities by augmenting their equipment. The RVNAF equipment and supply augmentation is a desirable, but not a sufficient step in bolstering RVNAF capability. Sufficiency in the combat capability of the RVNAF depends, more than on equipment, on RVN will and desire. We must be careful not to delude the GVN and RVNAF that hardware can in some way substitute for backbone. In addressing equipment options, first priority has been given to sustaining the fighting ability of RVNAF in their current defense against a major NVA offensive and to insuring that the South Vietnamese have the weapons to defeat a second wave of the enemy attack if it should occur later this year. Measures which you may wish to consider for rapid deliveries of military equipment to South Vietnam if the diplomatic situation indicates that future deliveries of arms may be precluded are a secondary but potentially crucial area of concern. Finally, consideration has been given to high impact items which could be shipped to the RVN soon and which might have some effect as a token of our support for the GVN. Generally, these items would not be useable by the South Vietnamese until a substantial period of time for training or equipment repair had elapsed and they are costly items which would have to be drawn from our own forces. I, therefore, recommend that measures intended chiefly to gain high public impact be avoided. The desired impression of firm US support for the GVN can be made equally well by publicizing the major resupply effort now underway and by announcing the shipment of items chosen primarily for their ability to strengthen the RVNAF.

Non-
original
markings

Budget Impact

The potential equipment add-ons discussed in this paper are unfunded and not programmed in either the FY 1972 or FY 1973 budgets. In addition to the cost of the options considered, you should be aware of an unfunded near term requirement of \$2.5 billion to finance the current higher level of activity of US and RVNAF forces through September 30, 1972. A solution to this \$2.5 billion funding requirement is considered urgent and essential. Further, the aggregate of funding requirements for RVNAF will exceed the authority included in the FY 1973 budget and will require an amended request for authority. The additional authority would equate to the cost of the options selected plus approximately \$300 million estimated to be required for RVNAF augmentation in the currently unfunded total of \$2.5 billion.

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: 14 JAN 2 4 2017

Downloaded to Secret
Date: 14 JAN 2 4 2017
Chief, Declassification Division, WHS

~~TOP SECRET SENSITIVE~~

12-X-0001
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OSR DOC 8-2
Response to HISSM 168?

12-M-0432

~~TOP SECRET SENSITIVE~~

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Present Logistical Actions to Sustain RVNAF Fighting Ability

A program to have in country all materiel required by the RVNAF in the Consolidated RVNAF Modernization Improvement Program (CRIMP) through FY 73 was virtually complete at the beginning of the NVA offensive on 1 April. A major effort to replace all the materiel destroyed in the current fighting is underway. RVNAF losses in some areas have been severe. Their supply posture at the onset of the enemy attack has prevented equipment shortages from degrading their combat ability despite heavy losses. A determining factor in this judgment is that frequently when major items are destroyed in combat, the soldiers operating the equipment become casualties and there is no one to operate replacement equipment even if it is provided immediately.

The status of key items of equipment for RVNAF is shown in enclosure 1. The urgent movement of this materiel and ammunition is receiving highest priority. With the exception of a few items that require a long leadtime until production, the materiel required can be delivered to the RVN within three months. The physical effort to ship items now in transit or scheduled to be moved in the next few months will tax available air and sea transportation, to include commercial augmentation. Fortunately, enough capacity is available to support the effort. Our ability to deliver equipment will exceed the ability of the South Vietnamese to receive, secure and forward it. Their capacity to receive equipment is the pacing factor of our resupply effort. In addition, the RVNAF will have problems in securing, operating, and - particularly - maintaining much of this equipment.

This ongoing effort of major resupply has three effects of greatest importance:

- It sustains RVNAF's ability to fight the present battle.
- It maintains stocks of ammunition, spare parts, and attrition stocks of weapons for RVNAF in the event diplomatic initiatives should require a halt in our military assistance shipments.
- It dramatizes to the South Vietnamese and to their enemy that US support for the RVN remains firm.

Although delivery of equipment to maintain RVNAF's full stockage of presently authorized equipment is receiving first priority, equipment in addition to that provided in the CRIMP and judged to be necessary for the current fighting is being sent to the South Vietnamese. These items include:

- TOW anti-tank missiles now in the possession of US troops in Vietnam who are conducting on-the-job training of the South Vietnamese.

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Date

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- Equipment to convert 32 UH-1H utility helicopters to helicopter gunships.
- Improved helicopter rocket pods to triple the rocket firepower of VNAF helicopter gunships.
- Radios for aircraft to standardize the mixture that now exists in VNAF and improve maintainability.

The above items of equipment are being provided to the RVNAF on an expedited basis. These additions to the South Vietnamese forces will help to fill recognized deficiencies and they avoid the constraints which would complicate a large effort to rapidly provide significant additional new types of weapons to the RVNAF. The constraining factors on introducing new weapons systems are:

- RVNAF capability to absorb:
 - RVNAF technical proficiency at operating and maintaining the weapons they now possess has been stretched thin by rapid expansion and the lack of technical experience in South Vietnamese society.
 - The 1.1 million man RVNAF strength ceiling is necessary for economic and political reasons. Manpower constraints usually make it necessary to shift military personnel from their present duties to man a new weapon. With each weapon or unit added, therefore, a previous weapon or unit must be discontinued and a period of retraining is necessary. A careful judgment of the trade-offs which would be generated by the introduction of each weapons system is necessary because of the reorganization of present units and resulting temporary loss of combat effectiveness which frequently is caused by introducing new equipment.
- Time:
 - The time required for a weapon to become useful to the RVNAF because of training requirements may be excessive for the current situation.
 - The time to acquire and deliver some equipment renders it infeasible for consideration.
 - The times reported in this memorandum are dates of arrival at ports of embarkation. If shipment is expedited, equipment may be expected to arrive in Vietnam in three days, if shipped by air, and three weeks, if sent by surface transportation.

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- Supportability:

Some sophisticated weapons systems would not be supportable by the RVNAF without extensive direct US military or contractor support for a prolonged period. Either legislative action or diplomatic initiatives could force withdrawal of the required US support.

- Impact on US Forces:

-- US Forces worldwide have experienced considerable degradation of their combat readiness due to force augmentations for Southeast Asia.

-- Additional degradation would be experienced if sophisticated weapons were drawn from our forces for use by RVNAF.

- Costs:

-- In the absence of an adequate supplementary appropriation, progressively serious reductions in US Forces readiness would occur as a result of budget reprogramming actions which will be required. Equipment modernization of the Services would be delayed, war reserve materiel stocks - already low - would not be replenished, operational training would be drastically reduced.

-- Costs discussed in describing the options below are estimates of initial budgetary impact - current cost of the item and overhaul if needed. They are understated because most major new items require support equipment, incur considerable operating costs, increase ammunition expenses, etc., all of which may cost more per year than the item itself.

- Transportation:

Available transport and the South Vietnamese ability to receive materiel constrain the rate at which it can be shipped.

- Maintenance:

The RVNAF is at least three years away from achieving the planned level of maintenance self-sufficiency for currently programmed equipment. Trained personnel are the pacing factor for RVNAF's development. In the interim, commercial contractors and US military advisors provide the necessary maintenance skill.

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Measures to Improve RVNAF Capability

The options to provide additional military assistance presented below have been developed with the above constraint in mind. The options describe equipment which could be provided to RVNAF in order to meet one or more of three decision criteria:

- To contribute to immediate RVNAF combat capability. These items could be shipped in a short time, require minimum new training for RVNAF, and would help to augment current RVNAF capabilities.
- To strengthen RVNAF's equipment posture in the event a cease-fire or legislative action should preclude the delivery of additional or new type weapons. Items shipped in meeting this criterion may not become operational until after a substantial period of training and until RVNAF develops a maintenance support capability. Such equipment "stored" in South Vietnam is vulnerable to deterioration, pilferage, and enemy action.
- To provide equipment intended to demonstrate continued US support of the GVN. These items also may not become operational for a long period of time. In addition, they may severely tax RVNAF support ability, divert resources from more effective weapons systems or be inherently less desirable than other equipment. They might, however, increase South Vietnamese confidence in our support or signal the firmness of that support to North Vietnam and its allies. It is believed that adequately publicizing the scope of our current effort and of any new measures to provide equipment to RVNAF would provide public impact without providing equipment only for that purpose.

Available Options

The relative weight placed on the three criteria above drives the selection of the options believed most appropriate. Enclosure 2 contains a detailed discussion of the possible equipment add-ons we may want to provide the RVNAF. Included in Enclosure 2 is a discussion of the costs, impact on US world-wide military capability, and RVNAF absorption capability associated with each potential equipment add-on. The equipment add-ons have been summarized and categorized into three option groups to provide a basis for a decision.

The three options groups are developed on a "building-block" concept. Option 1 represents a minimum action and includes only those equipment items which are believed to be necessary to sustain the RVNAF in the current combat situation. Included are items which the RVNAF needs and can use in the current combat situation, assuming a continued US air and naval participation in the fighting in Southeast Asia. Option 1 contains two

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sub-options: 1A includes only those additional items deemed militarily essential; and 1B includes those items in 1A plus additional items which could further enhance RVNAF's combat capability.

Option 2 includes Option 1 plus it provides additional equipment we believe the RVNAF should have if the US were to withdraw for other than military reasons from SEA in the next 2 to 4 months. Items included in this option are ones which the RVNAF could not immediately use effectively, but which could eventually provide them with greater military capability. Option 2 includes two sub-options: 2A includes those items believed essential to the RVNAF should the US withdraw quickly from SEA; and 2B includes additional items that would provide RVNAF with even greater capability.

Option 3 provides additional equipment with the principal objective of demonstrating US resolve and determination in supporting the SVN (i.e., highly visible equipment). In all probability, this equipment would not become useful to the RVNAF for years, if at all.

The discussion of each option includes a summary of: (1) the equipment to be turned over; and (2) the primary impacts of pursuing that option, i.e., budgetary cost, impact on US worldwide military capabilities, and whether RVNAF can actually use the equipment now.

Option 1: Equipment needed for immediate combat capability.

Option 1A: Minimum essential needed.

- Provide an additional 32 UH-1 assault helicopters.
- Provide 30 STOL aircraft.
- Provide 850 60 mm mortars.
- Provide 30 TOW anti-tank weapons.

Option 1B: Option 1A plus additional items which provide an enhanced RVNAF capability.

- Provide 5 additional F-5A aircraft.
- Provide 48 additional A-37 aircraft.
- Provide an additional 70 TOW.
- Provide 4 Patrol Craft Inshore ships (PCF).

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This option would provide the RVNAF with the major equipment items believed necessary for countering the NVA in the current combat situation. Option 1A would provide added assault helicopter, gunship, indirect fire support, and anti-tank capabilities. Option 1B would, in addition, provide added close air support, air defense, and coastal patrol capabilities. The only significant impact on US worldwide military capability from Option 1B is a moderately serious short-term reduction in US anti-tank capabilities in NATO (due to withdrawals of TOW from NATO). The RVNAF is capable of absorbing and using effectively all items in both options, although in some instances there would be minor delays until all units became fully trained and effective. Option 1A has an estimated budgetary cost of \$40 million and option 1B an estimated initial cost of \$70 million.

Option 2: Option 1 plus equipment the RVNAF needs if the US should withdraw from Southeast Asia in the next 2 to 4 months.

Option 2A: Minimum essential needed equipment.

- Accelerate delivery of 14 RC-47 aircraft (reconnaissance aircraft).
- Accelerate delivery of 23 AC-119K aircraft (fixed wing gunships).
- Accelerate delivery of 23 EC-47 aircraft (intelligence collection aircraft).
- Accelerate delivery of 2 WHEC ships (coastal patrol and naval gunfire support ships).
- Provide 12 C-119G aircraft for maritime patrol.
- Provide 32 self-propelled twin-40 mm air defense guns.
- Provide 1 M-48 tank battalion.
- Provide 2 composite field artillery battalions (8 inch howitzers and 175 mm guns).

Option 2B: Option 2A plus additional items which would enhance RVNAF capability.

- Accelerate delivery of 28 C-7 aircraft (transport aircraft).
- Accelerate delivery of 1 additional WHEC ship (coastal patrol and naval gunfire support ship).
- Provide 1 additional M-48 tank battalion.
- Provide 1 additional composite field artillery battalion (8 inch howitzers and 175 mm guns).
- Provide 64 Vulcan 20 mm automatic anti-aircraft weapons.

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This option would provide those items included in Option 1 plus some items believed needed if the US were to withdraw from Southeast Asia. Option 2A provides equipment which, after about one year of crew and maintenance training and logistical system development, would result in improved RVNAF reconnaissance, intelligence collection, gunship, coastal patrol, air defense, tank, and artillery capabilities. Option 2B would provide a further increase in these same capabilities plus an added airlift capability. Prior to completion of the required training program, however, this additional equipment would not materially improve RVNAF capabilities. In fact, it is likely that some degradation in combat capability would occur initially as units began switching to the newer equipment. Option 2A would result in a limited impact on US capabilities because it would temporarily reduce Reserve forces tank assets. Option 2B would, in addition, result in a degradation in STRAF air defense capabilities. Option 2A would have an estimated initial budgetary cost of \$100 million and Option 2B an estimated cost of \$120 million.

Option 3: Equipment which provides highly visible demonstration of US support for SVN. Implementation of this option is not recommended.

- Provide 1 Air Cavalry Troop for each Military Region of South Vietnam (144 Cobras, 160 LOHs, and 128 UH-1Hs).
- Provide 4 HAWK Air Defense Battalions.
- Provide 56 A-4B aircraft.
- Provide 3 squadrons of F-4 aircraft.

This option would provide equipment which would demonstrate in a visible manner US support for the RVN. Two items of equipment included in the option would require as much as two years for training and logistical development before the RVNAF could begin to use them effectively. At the end of this period the RVNAF would possess substantially improved helicopter, gunship, air defense, close air support, and interdiction capabilities. Nevertheless, providing the equipment within this option would result in a significant degradation in US assault helicopter and F-4 capabilities, and a minor reduction in STRAF air defense capabilities. If the RVNAF made a determined effort to develop the capability to use this equipment, this option would result in a one to two year reduction in RVNAF combat capabilities as the necessary training would divert critically scarce skilled combat-maintenance personnel from operational RVNAF units. This option would have an estimated initial budgetary impact of \$400 million and would generate large support costs.

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Authority <u>8FO13958</u>
By <u>JG</u> NAKA Date <u>7/19/86</u>

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REWRITE - Page 1

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MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

SUBJECT: Defense Spending

George Shultz's memo (Tab A) outlines his proposed Congressional testimony on the debt limit and taxes and a possible Defense supplemental.

As you know, our increased forces and combat in Southeast Asia are resulting in substantial, unprogrammed costs for Defense. I understand Secretary Laird believes the FY-73 impact will total \$3 to \$5 billion, depending on how long we continue the actions. Director Shultz believes these costs can be absorbed by Defense without reducing the effectiveness of our forces. This may be possible but we cannot be certain until the problem is examined in more detail. Secretary Laird (Tab B) says he will need a supplemental and in any event he needs immediate relief from the ceiling on expenditures in SEA. He proposes to testify next week that we will send the legislation up immediately for ceiling relief and follow later with a budget amendment.

I am deeply concerned that if a Defense supplemental request is ruled out we may face serious shortcomings in our Defense posture later in the year, including:

- A serious degradation of the readiness of our forces in the U.S. and Europe.
- The need to retire some ships and eliminate or reduce to cadre status certain combat units including divisions and tactical air wings.
- Sharply reduced flexibility in our Southeast Asia programs, including air operations and support for our allies.

On the other hand, to raise the supplemental issue on the Hill before we have laid out a concerted strategy could threaten the whole program.

Therefore, I recommend that you direct actions to ensure we take no irreversible steps at this time:

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By JG NARA Date 7/19/86

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1) George Shultz should leave sufficient flexibility in his testimony so that a supplemental can be submitted later if it proves necessary.

2) Secretary Laird should defer his testimony if possible. If not, he should make it clear that ways to handle the added SEA costs are still under study and the need for a supplemental request has not been established.

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Authority <u>AF012958</u>
By <u>JG</u> NARA Date <u>7/19/86</u>

4516

REWRITE - Page 1

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

ACTION

MEMORANDUM FOR THE PRESIDENT

Subject: Congressional testimony on debt limit,
taxes and possible Defense supplemental

Congressional appearances beginning Monday, June 5, create the need for clear guidance from you on several important issues. Charls Walker and I will testify on the debt limit increase. We plan to say, in response to questions that are certain to be asked, that we will hold outlays in check in FY 73 and FY 74 so that no increase in taxes will be necessary.

Meanwhile, Mel Laird will be appearing before the full Armed Services and Appropriations Committees for the House and Senate. We understand that he plans to say that a substantial budget amendment will be necessary to pay for the increased cost of Vietnamese operations and also for the increased cost of strategic weapons in view of the SALT agreement. Although he will be appearing in executive session, Jerry Friedheim, the Defense press spokesman, has already said publicly that Laird will be discussing a Defense supplemental.

Walker and I are consequently certain to be asked by Wilbur Mills whether there will be such a Defense supplemental, what the amount will be, whether it will be necessary to increase taxes and whether a Defense supplemental does not strengthen the case for his new tax reform bill.

At present Defense staff work points to a \$3B increased Vietnam cost if the present rate of activity continues until September 30 and the Secretary has stated that the increased cost will be \$5B if it continues through December 31. These are very rough estimates, and Defense will not be ready for some days to send us detailed figures to support a formal budget amendment. The Secretary is taking the position that there should be no downward adjustments in the 1973 Defense budget now

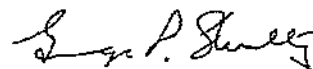
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By	NAKA Date 7/19/86

- 2 -

before the Congress. On May 12, 1972 you directed that alternative ways of absorbing the increased cost of Vietnam be investigated. OMB believes that substantial offsetting decreases could be found without reducing the effectiveness of our forces.

A rapidly developing domestic political issue is whether new taxes will be needed after the election, or whether on the contrary either spending reductions or tax reform can lead us to full employment balance. Talk of a major increase in the Defense budget at this point will lead many people to believe that new taxes are inevitable, thereby blurring the difference in the public mind between you and the Democratic presidential candidates on the issues of fiscal responsibility and spending.

In view of the central importance of these issues to the election, I believe that it is important that all Administration officials adhere to a common position until you have had a full opportunity to review the fiscal outlook for FY 74 and until Defense has completed a full study of increased Vietnam costs and possible offsetting reductions. I recommend that this common position be that we do not at present contemplate any budget increases and hence we foresee no need to increase taxes, either now or after the election.

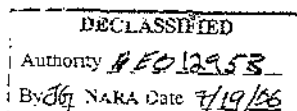


Director

_____ Direct adherence to common
position as stated.

_____ Other

_____ See me



4543

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

2 JUN 1972

MEMORANDUM FOR THE PRESIDENT

I am scheduled to appear before Congressional Armed Services and Appropriations Committees on Monday and Tuesday of next week to report on the implications and impact of the Strategic Arms Limitation Treaty and Agreements. It has been indicated that each of the Committees will expect also an update on the current Southeast Asia (SEA) situation.

Since May 13, 1972, I have had pending with the Director, Office of Management and Budget a request for a FY 1972 Supplemental and a FY 1973 Budget Amendment to provide for additional SEA funding requirements. The amounts requested at that time provided financing for the approved augmentation of U.S. Forces and Free World Forces. In addition, legislation was included to increase the statutory limitation of \$2.5 billion on the level of support provided to Free World Forces in South Vietnam and local forces in Laos and Thailand for FY 1972.

The currently approved program now being implemented further increases the support costs in FY 1972 and FY 1973. Our revised estimates for the additional costs of SEA operations amount to well over \$5 billion. Of immediate and critical concern is the imminence of our exceeding the statutory limitation of \$2.5 billion. The extent of the additional cost requirements and the adverse effect on our world-wide readiness is a matter of grave concern to me, to the Joint Chiefs of Staff, and to the Secretaries of the Military Departments. We are depleting vital stocks of ammunition as well as essential combat equipment for active forces and for guard and reserve forces. The Congress is aware of our increased operational activities and is raising questions concerning the source of current funding. We cannot afford to lose credibility with these Committees which to date have supported our programs and which are so important for assurance of continued Congressional support.

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Authority #FO12953

By JG NARA Date 7/19/06

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I understand that I have your support to advise the Congress of the actions required to support your program in SEA. Therefore it is my intention to testify next week that legislation to provide for an increase in the limitation on support of Free World Forces will be transmitted immediately. Further, I intend to testify as to the level of additional cost being incurred and to indicate that a budget amendment will be forwarded expeditiously. I will at the same time update my May 13th submission to OMB to provide for the most current cost estimates.



THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

12 JUN 1972

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Military Assistance to the RVN

X-2528
A review of the status of RVNAF organization and equipment is forwarded with this memorandum as requested by National Security Memorandum 168. The review finds that the RVNAF has essentially all of the equipment it requires to meet the enemy threat and that the South Vietnamese economy is supporting virtually the maximum military structure that can be maintained without damaging economic progress in the RVN. The weapons provided by NSDM 168 will contribute to additional RVNAF effectiveness in defending against massive conventional attacks, although most of these weapons cannot be incorporated into fighting units until the necessary training is accomplished.

X-3152, Viet (South) 320.2
Evidence indicates that those few RVNAF reverses which occurred this spring were not due to shortcomings in weapons or organization, but rather were caused by deficiencies in leadership and will. In NSDM 118, you directed measures to improve leadership and personnel practices in the RVNAF. Progress has been made, but the quality of Vietnamese leadership needs continued emphasis. In addition, despite the fact that NSDM 118 established a goal of 90 percent manning for combat units, reports show that ARVN battalions were at approximately 69 percent strength when the North Vietnamese attacked in late March. The GVN has taken some action to improve leadership, and has potentially promising programs underway on the problem of recruitment and deserters. These activities deserve our vigorous encouragement, particularly on the crucial matter of leadership.

Actions to Improve the RVNAF

Qualitative, rather than quantitative, improvements to strengthen RVNAF deserve first priority. Measures which are underway to accomplish this are:

- Regional Forces, which have developed admirably, will be further improved to provide an effective territorial security force that can free ARVN divisions from security missions and permit them to reinforce in other military regions when required. Three hundred and seven Regional Force groups will be converted into battalions in order to improve RF combat power and to make it possible for the RF to provide unit replacements for the ARVN. In addition, 45 Sector Tactical Command Posts will be formed to enhance command and control of multi-battalion RF operations.

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EXECUTIVE ORDER 11652. AUTOMATICALLY
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DECLASSIFIED ON DECEMBER 31, 1982

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- The JGS general reserve units will be strengthened by adding to the Ranger Groups' capabilities. These Ranger units will be augmented so that they will be capable of independent combat operations when they are deployed to threatened areas.
- Equipment provided by NSDM 168 will add to RVNAF's ability to defend against overt invasion by the NVA. The following changes and additions to the equipment provided by NSDM 168 are being implemented.
 - Three 175mm gun artillery battalions are being provided in lieu of three composite artillery battalions.
 - Two squadrons of CH-47 assault support helicopters (37 aircraft) are being added.
 - Thirty-nine vehicular mounted TOW antitank missile launchers will be substituted for 39 ground mounted TOW launchers in the total 100 launchers to be delivered.
 - Two additional F5E fighter squadrons will be activated in FY 75 in order to give VNAF an adequate air defense ability (total of 3 F5E squadrons).
 - Various items of support and training equipment to back up the major weapons in NSDM 168 are being provided.
 - Decision to ship 30 armed STOL aircraft is being deferred until test results are reviewed and logistics aspects are examined.

In addition to these changes, and as your memorandum of 19 May authorizes, I will exercise flexibility. All options continue to be examined in detail for their feasibility and impact, and I will keep you promptly informed of any further changes that are made.

The materiel identified in NSDM 168, as amended above, will be delivered as rapidly as possible in a program which has been named Project ENHANCE. Since some of this equipment is coming from production and other items must be withdrawn from US units, we will adjust delivery dates to minimize the adverse impact on US Forces readiness and on other high priority foreign security assistance programs. We plan to satisfy the requirement to supply new equipment to the RVNAF in the most efficient and timely manner possible. Replacement for combat losses and the remainder of the approved RVNAF Modernization and Improvement Program materiel will be shipped in response to MACV's request which will directly relate to the RVNAF capability for using the equipment. Items to provide immediate improvement of RVNAF capabilities specified in Project ENHANCE will be expedited into supply channels and delivered to the RVN. Items which cannot be utilized by the RVNAF immediately are being delivered as they become available and preparations are made to receive them. When necessary this

is being accomplished by preparing title transfer to permit immediate turnover when necessary of equipment being operated by US forces. By following these procedures the rate of delivery will not interfere with the support of combat operations. MACV has made necessary arrangements to store and maintain equipment that cannot be accommodated by the RVNAF depot system or is not required until sometime in the future when RVNAF units are activated and trained. Should we be constrained during FY 73 to the current \$2.5 billion MASF ceiling or a still lower level, we will have to re-examine the entire augmentation package as well as our FY 73 program.

The measures underway to improve the RVNAF and to restore its recent combat losses will be costly. Some items of equipment will have to be withdrawn from US Forces and replaced later. The additional costs to restore RVNAF losses, to support higher operational rates through December 1972, and to provide the material called for in NSDM 168 is presently estimated at approximately \$1.350 billion. The legislative ceiling for Military Assistance Service Funded (MASF) programs in Southeast Asia will require an amendment to \$2.7 billion in FY 1972 and \$3.5 billion in FY 1973. Amendments to the Department of Defense FY 1973 budget to cover these additional costs have been submitted to OMB with the recommendation that they be forwarded to the Congress as soon as possible.

RVNAF Structure

The equipment provided to the RVNAF by NSDM 168 will require approximately 16,000 additional RVNAF Regular Forces personnel to operate and support it. Sufficient numbers of personnel are available from various sources, but the rate at which the new units can be activated will depend on the magnitude of the training task required to rebuild ARVN and the ability of the RVNAF to produce technically skilled personnel. The critical shortage of technical and managerial skills in the RVNAF will be a principal constraint in activating the NSDM 168 units.

The personnel spaces to implement NSDM 168 may ultimately have to be drawn from PF units in locations unaffected by the current offensive, or from elsewhere in the regular RVNAF force structure by reducing and shifting units. In my judgment, beginning either process right now is premature. Releasing 16,000 PF requires turning local security over to the police and people's self defense forces in the equivalent of 2.5 provinces. Pulling the people from units in the regular force structure would increase the large scale disruption already caused by the offensive, and would probably not increase the forces available for combat.

It therefore appears prudent to authorize a temporary increase above the 1.1 million man RVNAF ceiling in order to avoid major force restructuring during the offensive. A return to the 1.1 million man level could be ultimately achieved by restructuring or reducing the armed forces when combat activity subsides.

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Other major changes to the RVNAF force structure, such as the addition of an ARVN division, are equally undesirable at this time. The recruitment, training and leadership capabilities of the RVNAF will be fully taxed in the effort to restore combat losses incurred this year and to activate units to man the materiel provided by NSDM 168. An urgent need to bring the ARVN maneuver battalions up to 90 percent strength and to improve the JGS reserve units should receive priority attention. These circumstances indicate that further increases in the number of main force RVNAF divisions are not feasible. On the other hand, if the RVN economy is to grow in the years ahead, the costs of supporting the RVNAF will have to be trimmed when the enemy threat and an improved quality of RVNAF permit such a reduction.

Vietnamization Outlook

The RVNAF performance in containing the current NVA offensive indicates that the ultimate goal of vietnamization is being and can be achieved. Weaknesses in leadership and training which have been revealed in the fighting are being strengthened. If we and the South Vietnamese persevere on the course of Vietnamization -- and if the national esprit and leadership of the RVN continue to grow stronger -- the final goals of our long and costly commitment in Southeast Asia will be reached.



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

14 MAY 1969

MEMORANDUM FOR SECRETARY OF THE ARMY

SUBJECT: Major Program Memorandum (MPM) on Land Forces (U)

Enclosed for your review and comment is a draft of the MPM on Land Forces. I would like to have your comments within four weeks to assure that they can be fully considered before making decisions on these issues.

At the same time, would you please submit Program Change Requests for the following Army items:

1. Omnibus Force Structure and Manpower Adjustment
2. Shillelagh, TOW, and Dragon Procurement
3. M551 Sheridan
4. M-16 Rifle
5. Improved Reserve Readiness
6. Repriced Five-Year Defense Program Materiel Annex

I would like to call your attention to the section in the MPM which tasks the Army to provide a test plan for several new force structure and manning concepts. Please prepare this information and submit it with your other comments on the MPM.

I want to emphasize that this is a draft and that no decisions will be made until I have had an opportunity to consider thoroughly your views and those of the Joint Chiefs of Staff.

Office of the Secretary of Defense

Chief, RDD, ESD, WHS

5051-552

Date: 24 JAN 2012 Authority: E0 13526

Declassify: X Deny in Full:

Declassify in Part:

Reason: MDR: 12-M-2433

Enclosure

12-M-0433

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THE DEPUTY SECRETARY OF DEFENSE
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14 MAY 1969

JAN 24 2012

MEMORANDUM FOR SECRETARY OF THE NAVY

SUBJECT: Major Program Memorandum (MPM) on Land Forces (U)

Enclosed for your review and comment is a draft of the MPM on Land Forces. I would like to have your comments within four weeks to assure that they can be fully considered before making decisions on these issues.

At the same time, would you please submit Program Change Requests for the following Marine Corps items:

1. Omnibus Force Structure and Manpower Adjustment
2. Repriced Five-Year Defense Program Materiel Annex

I want to emphasize that this is a draft and that no decisions will be made until I have had an opportunity to consider thoroughly your views and those of the Joint Chiefs of Staff.

Enclosure

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

14 MAY 1969

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Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: JAN 24 2012

MEMORANDUM FOR Chairman of the Joint Chiefs of Staff

SUBJECT: Major Program Memorandum (MPM) on Land Forces (U)

Enclosed for your review and comment is a draft of the MPM on Land Forces. I am sending copies to the Secretaries of the Military Departments for comments and suggestions. I would like to have your comments, and those of the Chiefs, within four weeks to assure that they can be fully considered before making decisions on these issues.

I want to emphasize that this is a draft and that no decisions will be made until I have had an opportunity to consider thoroughly your views and those of the Chiefs.

A handwritten signature in dark ink, appearing to read "William P. Clark".

Enclosure

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14 MAY 1969

MEMORANDUM FOR SECRETARY OF THE AIR FORCE

SUBJECT: Major Program Memorandum (MPM) on
Land Forces (U)

Enclosed is the "For Comment" draft of the MPM on Land Forces. I am sending copies to the Chairman of the Joint Chiefs of Staff and the Secretaries of the Army and the Navy in order to have the benefit of their review and comments.

Any comments you may wish to make should be submitted to me within four weeks.

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14 MAY 1969

MEMORANDUM FOR Director of Defense Research & Engineering
Assistant Secretary of Defense (C)
Assistant Secretary of Defense (I&L)
Assistant Secretary of Defense (ISA)
Assistant Secretary of Defense (M&RA)

SUBJECT: Major Program Memorandum (MPM) on Land Forces (U)

Enclosed is the "For Comment" draft of the MPM on Land Forces. I am sending copies to the Chairman of the Joint Chiefs of Staff and the Secretaries of the Military Departments in order to have the benefit of their review and comments.

Any comments you may wish to make should be submitted directly to me or to the Assistant Secretary of Defense (Systems Analysis) within four weeks.

Enclosure

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SECRETARY OF DEFENSE

MAJOR PROGRAM MEMORANDUM

ON
LAND FORCES

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SECRETARY OF DEFENSE MAJOR PROGRAM MEMORANDUM

SUBJECT: Land Forces (U)

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Date: JAN 24 2012

This memorandum summarizes the major conclusions from our initial review of Army and Marine Corps land forces and provides program guidance on structure, materiel, and manpower for these forces. Geographic distribution and readiness objectives for major units are included in the program guidance. In addition, key policies are given for materiel procurement and for management of our land forces.

The results of the National Security Study Memorandum 3 (NSSM-3) Review of General Purpose Forces may call for revisions to this program guidance. Also, changes in the situation in Southeast Asia could have a significant impact on our programmed land forces. In the meantime, however, we are not recommending any major changes in the force structure.

Our tentative plans and conclusions follow:

1. For FY 71, we plan to maintain our current $32\frac{2}{3}$ division forces rather than $35\frac{1}{2}$ as proposed by the Joint Chiefs of Staff. The planned forces consist of $27\frac{2}{3}$ Army division forces, including 8 reserve, and 5 Marine Corps division forces, including 1 reserve.
2. For the post-Vietnam Baseline Force, we plan to continue the previously approved level of $19\frac{1}{3}$ active and 9 reserve division forces: $16\frac{1}{3}$ active and 8 reserve Army, and 3 active and 1 reserve Marine Corps. The Joint Chiefs of Staff propose a total of $21\frac{1}{3}$ active and 10 reserve division forces for the post-Vietnam Baseline.
3. The readiness of the $6\frac{2}{3}$ active divisions in CONUS has improved greatly during the past year and now is close to being fully satisfactory. All but one of these divisions are at two weeks deployability or better. This one division is expected to reach four weeks deployability by the end of June 1969. We consider maintaining and improving this readiness to be one of our highest priority objectives.
4. The readiness of the Army Reserve and National Guard division forces is also improving, but it is still not satisfactory. Equipment problems are part of the difficulty and must be resolved as soon as possible. However, the greatest potential for improved readiness lies in new methods of preparing units for deployment and in new organizational concepts. (The latter may enable greater wartime force expansion as well). We are now studying these new methods and concepts in depth. Later this year, we will begin testing them to see which are most desirable and feasible.
5. There are numerous problems in some of our newly acquired weapons and in some of our weapons still under development. Several of our new

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weapons have doubtful effectiveness and reliability, and one, the M60/Shillalagh tank, so far has not been made usable at all. We are reviewing critical weapon programs in depth and have found that some of the problems are due to inadequate user testing and field experimentation before commitment to production. Because of these findings, we want greater emphasis placed on demonstrating performance as a condition for starting production. We expect that this will result not only in better weapons, but in shorter and less costly programs.

6. In addition to emphasizing user testing, we must improve requirements analyses for land forces weapons and equipment. The main problem is inadequate Service participation in trade-off analyses for the introduction of new and improved items. The Services usually propose new, more expensive items as one-for-one substitutes or add-ons to our existing forces. Even though a new item may be well worth its cost, if total Service funds cannot be increased (as is often the case), something else in the Service's program must be given up. Under these circumstances, decisions and the program may be delayed if appropriate items to be given up are not clearly identified. We believe that the Services should take the primary role in analyzing these trade-offs. Therefore, we expect in many future cases to ask the Services for trade-off analyses before completing our review of major program proposals (if such analyses are not provided at the outset).

7. Finally, we want to improve and simplify the program management methods for land forces. The new Planning and Control Memorandum (PCM) attached to this document represents an initial step in this direction. Much of the improvement involves greater delegation of authority to the Services. For example, while we must decide on the number of major combat forces in the Army and Marine Corps, the Services should have full authority to organize the support structure for these forces. Thus, we are dropping certain support units from the force control tables in the PCM and in the Five-Year Defense Program. Also, we expect to make further improvements in this system.

Summary force and cost tables are shown at pages 4 and 5. Detailed force structure, manpower, materiel, and financial tables are in the attached PCM.

I. FORCE STRUCTURE

A. General

The force structure of both the Army and the Marine Corps consists of three major categories: Division Forces, Special Mission Forces, and General Support Forces. All active and reserve units are grouped in mission-oriented force packages within these categories. For example, "Continental Air Defense Force" units make up a force package in the Special Mission Forces category.

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FYDP/DCS TABLE 120—SUMMARY OF ARMY AND MARINE CORPS LAND FORCES
(End of Fiscal Years)

	FY 65	FY 69	FY 70	FY 71	FY 72	FY 73	FY 74	FY 75	FY 76-78
Division Force Equivalents									
Active Army a/b/	16%	19%	19%	19%	16%	16%	16%	16%	16%
Active Marine Corps b/	3	4	4	4	3	3	3	3	3
Priority Reserve Army	6	8	8	8	8	8	8	8	8
Reserve Marine Corps	1	1	1	1	1	1	1	1	1
Unmanned Army	-	-	-	-	1	1	1	1	1
Total Division Force Equivalents	26%	32%	32%	32%	29%	29%	29%	29%	29%
Division Force Sets of Equipment									
Army c/	22%	27%	27%	27%	25%	25%	25%	25%	25%
Marine Corps	4	5	5	5	4	4	4	4	4
Separate Brigades									
Active Army a/	7	11	11	11	8	8	8	8	8
Priority Reserve Army	11	19	21	21	21	21	21	21	21
Maneuver Battalions									
Active Army	174	217	213	213	178	178	178	178	178
Active Marine Corps	30	40	40	40	30	30	30	30	30
Priority Reserve Army	142	166	172	172	172	172	172	172	172
Reserve Marine Corps	10	10	10	10	10	10	10	10	10
Total Maneuver Battalions	356	433	435	435	390	390	390	390	390
Artillery Battalions									
Army									
Active	115	155	152	152	113	113	113	113	113
Priority Reserve	95	116	121	121	121	121	121	121	121
Marine Corps									
Active	14	19	19	19	15	15	15	15	15
Reserve	5	5	5	5	5	5	5	5	5
Air Defense Batteries d/									
Army									
Active	227	221	220	240	239	245	245	245	245
Priority Reserve	158	106	87	75	63	63	63	63	63
Marine Corps									
Active	9	12	12	12	11	9	9	9	9
Reserve	3	4	4	4	4	-	-	-	-
Total Air Defense Batteries	397	343	323	331	317	317	317	317	317
Authorized Strength (Thousands) e/									
Active Army									
Trained Strength	882	1,351	1,357	1,453	902	902	899	899	899
Trainees	87	183	146	146	79	85	85	85	85
Total Active Army	969	1,534	1,503	1,499	981	987	984	984	984
Active Marine Corps									
Trained Strength	178	287	288	288	191	193	193	193	193
Trainees	12	26	26	26	9	12	12	12	12
Total Active Marine Corps	190	313	314	314	200	205	205	205	205
Priority Reserve Army (Paid Drill)									
Trained Strength	570	561	590	597	595	604	604	604	604
Trainees	71	81	75	74	65	56	56	56	56
Total Priority Reserve Army	642	642	665	671	660	660	660	660	660
Reserve Marine Corps (Paid Drill)									
Trained Strength	40	44	46	45	45	45	45	45	45
Trainees	6	7	2	3	3	3	3	3	3
Total Reserve Marine Corps	46	51	48	48	48	48	48	48	48
Total Unit Structure at Full Strength (Thousands) f/									
Army									
Division Forces	1,152	1,324	1,348	1,350	1,213	1,211	1,211	1,211	1,211
Special Mission Forces	156	245	243	240	214	214	212	212	212
General Support Forces	274	324	332	327	246	246	246	246	246
Total Army	1,582	1,893	1,923	1,917	1,673	1,671	1,669	1,669	1,669
Marine Corps									
Division/Wing Forces	170	206	207	207	176	176	176	176	176
Special Mission Forces	15	19	18	18	17	17	17	17	17
General Support Forces	34	48	50	50	37	38	38	38	38
Total Marine Corps	219	273	275	275	230	231	231	231	231

a/ Includes separate brigades which are part of independent brigade forces and are counted as one-third division force each, as follows: one in FY 65 and FY 72-78; five in FY 69-71.

b/ Some of the support units needed to round out the active forces are in the reserve components.

c/ Includes one unmanned division force set in FY 72-78.

d/ Includes Programs 1, 2, 5, and 8 air defense batteries.

e/ Includes reimbursables.

f/ Includes active, reserve, and unmanned components.

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ARMY AND MARINE CORPS COSTS

	<u>Total Obligational Authority (TMA)</u> (In \$ Billions)							<u>Procurement Obligational Authority</u> (In \$ Billions)						
	<u>FY 70</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>Total FY 71-75</u>	<u>FY 70</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>Total FY 71-75</u>
ARMY														
<u>Previously Approved</u>														
Division Forces	10.3	6.8	6.2	5.3	5.2	5.2	28.7	3.7	2.7	2.2	1.4	1.1	1.2	8.5
Special Mission Forces	3.8	2.7	2.0	1.8	1.7	1.7	9.9	1.4	1.1	.4	.3	.2	.2	2.2
General Support Forces	7.7	5.4	5.4	5.5	5.4	5.4	27.1	.5	.5	.6	.5	.6	.6	2.8
Individuals	1.3	.5	.5	.6	.6	.6	2.8	-	-	-	-	-	-	-
Research and Development	1.9	2.1	1.9	1.6	1.4	1.4	8.4	-	-	-	-	-	-	-
Total Previously Approved	25.0	17.5a/	16.0	14.8	14.3	14.3b/	76.9	5.6	4.3a/	3.2	2.2	1.9	1.9b/	13.5
<u>SecDef Recommended</u>														
Division Forces	10.3	10.2	6.5	5.6	5.3	5.3	32.9	3.7	3.1	2.2	1.5	1.1	1.1	9.0
Special Mission Forces	3.8	4.1	2.0	1.8	1.7	1.7	13.3	1.4	1.7	.4	.3	.2	.2	2.8
General Support Forces	7.7	7.9	5.3	5.5	5.4	5.4	29.5	.5	.5	.6	.5	.6	.6	2.8
Individuals	1.3	1.2	.5	.6	.6	.6	3.5	-	-	-	-	-	-	-
Research and Development	1.9	2.1	1.9	1.6	1.4	1.4	8.4	-	-	-	-	-	-	-
Total SecDef Recommended	25.0	25.5	16.2	15.1	14.4	14.4	85.8	5.6	5.3	3.2	2.3	1.9	1.9b/	14.6
<u>JCS Proposed</u>														
Division Forces	10.3	12.3	7.4	7.1	7.0	6.7	40.5	3.7	5.0	2.7	2.2	1.5	1.1	12.5
Special Mission Forces	3.8	6.1	3.7	3.7	3.2	2.3	19.0	1.4	2.6	1.5	1.5	1.2	.5	7.3
General Support Forces	7.7	10.0	7.3	7.8	7.9	7.9	40.9	.5	.8	.7	.6	.7	.6	5.4
Individuals	1.3	1.4	.9	1.2	1.3	1.3	6.1	-	-	-	-	-	-	-
Research and Development	1.9	2.1	2.0	1.8	1.5	1.4	8.6	-	-	-	-	-	-	-
Total JCS Proposed	25.0	31.9	21.3	21.6	20.9	19.6	113.3	5.6	8.4	4.9	4.3	3.4	2.2	23.2
MARINE CORPS														
<u>Previously Approved</u>														
Division Forces	1.6	.9	.8	.7	.7	.7	3.8	.8	.5	.4	.3	.4	.2	1.6
Wing Forces	.7	.7	.7	.7	.6	.6	3.3	.5	.5	.4	.4	.3	.3	1.9
Special Mission Forces	.2	.1	.1	.1	.1	.1	.5	.1	-	-	-	-	-	-
General Support Forces	.8	.6	.5	.6	.6	.6	2.9	-	-	-	-	-	-	-
Individuals	.7	.3	.3	.3	.3	.3	1.5	-	-	-	-	-	-	-
Total Previously Approved	4.0	2.6a/	2.4	2.4	2.3	2.3b/	12.0	1.4	1.0a/	.8	.7	.5	.3b/	3.5
<u>SecDef Recommended</u>														
Division Forces	1.6	1.5	.9	.8	.7	.7	4.6	.8	.7	.5	.4	.2	.2	2.0
Wing Forces	.7	.7	.7	.7	.6	.6	3.3	.5	.5	.4	.4	.3	.3	1.9
Special Mission Forces	.2	.2	.1	.1	.1	.1	.6	.1	.1	-	-	-	-	.1
General Support Forces	.8	.8	.5	.6	.6	.6	3.1	-	-	-	-	-	-	-
Individuals	.7	.7	.3	.3	.3	.3	1.9	-	-	-	-	-	-	-
Total SecDef Recommended	4.0	3.9	2.5	2.5	2.3	2.3	13.5	1.4	1.3	.9	.8	.5	.3b/	4.0
<u>JCS Proposed</u>														
Division Forces	1.6	2.5	1.7	1.8	1.8	1.9	9.7	.8	1.3	1.0	1.0	1.0	1.2	5.7
Wing Forces	.7	1.7	2.1	2.2	2.0	2.0	10.0	.5	1.2	1.6	1.8	1.5	1.5	7.6
Special Mission Forces	.2	.2	.1	.1	.1	.1	.6	.1	.1	-	-	-	-	.1
General Support Forces	.8	.8	.6	.6	.6	.6	3.2	-	.4	.3	.2	.2	.2	1.3
Individuals	.7	.8	.5	.5	.5	.5	2.8	-	-	-	-	-	-	-
Total JCS Proposed	4.0	6.0	5.0	5.2	5.0	5.1	26.3	1.4	3.2	2.9	3.0	2.7	2.9	14.7
TOTAL ARMY AND MARINE CORPS														
<u>Previously Approved</u>	29.0	20.1	18.4	17.2	16.6	16.6	88.9	7.0	5.3	4.0	2.9	2.4	2.4	17.0
<u>SecDef Recommended</u>	29.0	29.4	18.7	17.6	16.7	16.7	99.1	7.0	6.6	4.1	3.1	2.4	2.4	18.6
<u>JCS Proposed</u>	29.0	37.9	26.3	26.8	25.9	24.7	141.6	7.0	11.6	7.8	7.3	6.1	5.1	37.9

a/ Does not reflect the extension of SEA hostilities into FY 71.

b/ The FY 75 figures are projections included to make the FY 71-75 totals comparable.

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In peacetime, most combat units are authorized about 90% of the manpower they need for wartime. Units which must be at full efficiency and readiness from day-to-day are authorized 100%. Unit manpower needs for wartime are listed in Tables of Organization (TOs) for standard units and in Tables of Distribution (TDs) for one-of-a-kind units. The full wartime manning amounts are called TO/TD structure spaces. This memorandum and the attached PCM set wartime "sizes" for the major force categories and selected force packages in terms of TO/TD structure spaces. The Army and Marine Corps then decide how to maintain the most effective possible organization within these totals.

The average Army division force outside Southeast Asia has about 48,000 TO/TD structure spaces. The average Army division force in Southeast Asia has about 41,000 TO/TD structure spaces. The division force consists of a division, an Initial Support Increment (ISI) containing the units needed to support the division from the start of combat, and a Sustaining Support Increment (SSI) containing the additional units needed to support the division in combat after about the first 60 days. The non-Southeast Asia (SEA) division, ISI, and SSI are all about the same size: 16,000 TO/TD structure spaces. In peacetime, most ISIs for active divisions are in the active forces, because ISIs usually must be just as deployable as the divisions they support. About two-thirds of the SSIs for our active divisions are kept in the Reserves, however, because we have adequate time to prepare them for deployment.

The Marine Corps division/wing team consists of about 42,000 TO/TD structure spaces and is manned at about 93% in peacetime. Because of SEA manpower rotation, however, 100% manning is authorized for all division/wing units.

Special Mission Forces are groups of units tailored to perform particular missions, such as the Army brigade in Berlin; they are not likely to be available to meet other needs. The General Support Forces, located mostly in CONUS, are those units needed to train and support indirectly our Division Forces and Special Mission Forces. Since the number of spaces in most of these units is based on their peacetime missions, they usually are authorized 100% manning.

In addition to men in units, there are large numbers of "Individuals" -- men in training, in transit between assignments, in hospitals, and in prisons. The Army and Marine Corps are authorized enough total manpower to cover these Individuals so that actual unit strengths are kept at their "Authorized" levels. The Individuals are an important source of quickly available manpower for wartime needs, since in an emergency the number of people in transit and in schools can be reduced.

Currently, about 70% of the Army's 1.9 million TO/TD structure spaces (active and reserve) are in division forces, but only 25% are in the divisions

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themselves. (A detailed allocation of TO/TD structure spaces for the three major force categories is shown on page 11.) These proportions are roughly matched by the distribution of costs between Division Forces and Special Mission Forces indicated in the cost table on page 5.

B. Division Forces

1. Distribution of ISIs and SSIs

The approved division force levels are shown in the following table. Equipment procurement is authorized for all of these forces except as noted.

	<u>End-FY 70-71</u>			<u>Post-Vietnam Baseline</u>		
	<u>Div</u>	<u>ISI</u>	<u>SSI</u>	<u>Div</u>	<u>ISI</u>	<u>SSI</u>
<u>Army</u>						
Active						
Deployed <u>a/</u>	14 $\frac{2}{3}$	14 $\frac{2}{3}$	10 $\frac{2}{3}$	6 $\frac{1}{3}$	6 $\frac{1}{3}$	2 $\frac{1}{3}$
Non-deployed <u>b/</u>	5	5	2	10	9	3 $\frac{1}{2}$
Subtotal Active	19 $\frac{2}{3}$	19 $\frac{2}{3}$	12 $\frac{2}{3}$	16 $\frac{2}{3}$	15 $\frac{1}{2}$	6
Reserve	8	8	15	8	9	18 $\frac{1}{3}$
Unmanned				1	1	1
Total Army	27 $\frac{2}{3}$	27 $\frac{2}{3}$	27 $\frac{2}{3}$ <u>c/</u>	25 $\frac{1}{3}$	25 $\frac{1}{3}$	25 $\frac{1}{3}$
<u>Marine Corps</u>						
Active						
Vietnam	2 $\frac{1}{3}$	2 $\frac{1}{3}$	-	-	-	-
Other <u>d/</u>	1 $\frac{1}{2}$	1 $\frac{1}{2}$	-	3	3	-
Subtotal Active	4	4	-	3	3	-
Reserve	1	1	-	1	1	-
Total Marine Corps	5	5	-	4	4	-

a/ Europe, Korea, and Southeast Asia.

b/ CONUS and Hawaii. Includes Reforger units assigned to the U.S. Commander-in-Chief, Europe (USCINCEUR).

c/ SSI equipment procurement is authorized for the equivalent of 26 $\frac{2}{3}$ SSIs in FY 70-71.

d/ CONUS, Caribbean, Mediterranean, Hawaii, and Okinawa.

The distribution of ISIs and SSIs for the Baseline Army reflects adjustments recommended by the Army to strengthen initial support for our NATO-oriented divisions. Compared to the previously approved program: (1) two active Strategic Reserve SSIs have been redesignated active Europe Reinforcement ISIs, and (2) another active Strategic Reserve SSI has been redesignated as an active Europe Reinforcement SSI. TO/TD structure spaces and authorized manpower totals are not changed by these

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adjustments. Thus, the new distribution of Baseline Army ISIs and SSIs by force package is as follows (note that the force package names are slightly modified from those previously used):

<u>Division Force Packages</u>	<u>Active</u>			<u>Reserve a/</u>		
	<u>Div</u>	<u>ISI</u>	<u>SSI</u>	<u>Div</u>	<u>ISI</u>	<u>SSI</u>
Europe-Deployed	4 $\frac{1}{2}$	4 $\frac{1}{2}$	2 $\frac{1}{2}$	-	-	2
Korea-Deployed	2	2	-	-	-	2
Asia Non-deployed b/	1 $\frac{1}{3}$	1 $\frac{1}{3}$	1	-	-	1 $\frac{1}{3}$
Europe Reinforcement	3 $\frac{2}{3}$	2 $\frac{2}{3}$	1 $\frac{2}{3}$	-	1	2
General Non-deployed	5	5	1	-	-	4
Reserve Europe	-	-	-	2	2	2
Reserve Asia	-	-	-	4	4	4
Reserve General	-	-	-	2	2	2
Total Active and Reserve	16 $\frac{1}{2}$	15 $\frac{1}{2}$	6	8	9	18 $\frac{1}{2}$

- a/ Reserve ISIs and SSIs in force packages that are mostly active units are called "reserve roundout" ISIs and SSIs.
- b/ This force package consists of a division in Hawaii, one-third of a division in Okinawa, and ISI and SSI units in Hawaii, Okinawa, and CONUS.

These force package allocations of ISIs and SSIs are not rigid constraints. Our non-deployed ISIs and SSIs must be structured in detail as a pool of units from which a variety of ISI and SSI combinations can be drawn to meet different contingencies.

2. Division Force Size

The approved totals of TO/TD structure spaces for Army division force packages, other than for Southeast Asia, are based on the "division force planning factor" concept. These totals are set by multiplying a standard planning factor by the number of divisions in each force package. (Until about a year ago, this planning factor was 48,000 TO/TD structure spaces.)

This planning factor concept requires the Army to organize and maintain the most effective possible forces within the approved force package totals. These totals should change only in the event of major force structure adjustments, such as the AH-56 Cheyenne trade-off (which reduced the active division force planning factor to about 47,400).

Because of the planned introduction of Lance and Chaparral/Vulcan, we now need to make another change in the Army division force planning factor. Lance should be accounted for in the Special Mission Forces category (as is Pershing), and appropriate reductions should be made in Division Forces for the Sergeant and Honest John battalions phased out in favor of Lance. Chaparral/Vulcan, on the other hand, should

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be accounted for as an increase to the Division Forces, and appropriate reductions should be made for the Hawk, Hercules, and air defense guns being phased out. The net change to the division force planning factor is +315 TO/TD structure spaces; the net change to Special Mission Forces is -2,800.

Finally, we should review the entire division force size in light of our experience in Southeast Asia. Today the Army has $8\frac{1}{2}$ division forces in Southeast Asia with an average of about 41,000 TO/TD structure spaces each. However, the five of these division forces that are kept in the Baseline force after the war in Southeast Asia are each accounted for on the basis of the same 47,400 planning factor as all other Baseline division forces. This factor may be larger than necessary.

3. Near Term Readiness Objectives

The readiness of division force units in CONUS is expressed in terms of "deployability" -- the number of weeks needed to be fully equipped, manned, trained for combat, packed, and otherwise fully prepared for deployment to combat overseas. Deployabilities of CONUS divisions currently range from less than one week to 32 weeks, depending on whether the division is active or reserve, trained, fully equipped, and so on.

In the attached PCM, we have set deployability objectives for each of our non-deployed divisions (from 0 to 4 weeks for active divisions and 14 weeks for reserve divisions). These objectives are based both on regional strategies and on actual capabilities to transport and support forces overseas. Wherever they can be foreseen, resource limitations and other restrictions have been taken into account in setting these objectives. We consider these objectives to be achievable at acceptable cost; thus, our future budgets and plans should be designed to meet them.

4. New Force Structure and Manning Concepts

There is an important need for higher readiness reserve forces to fill the gap between our almost fully manned active divisions (at one to two weeks readiness) and our best reserve divisions (at 14 weeks readiness). Accordingly, our staff and the Army are examining new ways to increase the readiness of our reserve forces. Several concepts (described below) look promising, and we are asking the Army to prepare a plan to test some of them this year.

Before making major changes in reserve organization and activity, we need to find out how well we can do with what we have today. In relation to the 14-week division readiness projected by the Army under the current program for reserve forces, probably as much as six weeks can be eliminated from post-mobilization preparations for deployment through selective application of more resources in peacetime.

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The need for four weeks of battalion-level training after mobilization could be eliminated by raising unit team training from company to battalion level. This would require more training drills and more technician and active Army advisor support. The two additional weeks might be saved by increasing the level of unit administrative readiness in peacetime through over-manning, preparation of detailed alert and movement plans, and pre-packing equipment for overseas shipment.

In addition to improved versions of the current reserve organization, we are considering several "hybrid" organizations which combine active and reserve personnel into units with higher readiness than can be achieved with reserve organizations alone. One such hybrid would allow us to achieve 8-week division readiness without requiring reserve units to increase their level of training. This concept involves mobilizing reserve units no larger than companies and assigning them to larger organizations whose battalion and higher level commanders and staff are all active duty personnel. Carrying this concept one step further, 4-week division readiness might be attained by increasing the reserve unit training to battalion level and having an active brigade level and higher command and staff cadre to which these reserve battalions could be assigned after mobilization.

The following table compares these alternatives with current active and reserve division forces.

	Reserve Division Forces				Current Active Division Force a/
	Current Program	Improved Current Program	Reserve Companies "Hybrids"	Reserve Battalions	
Deployability (Weeks)	14	8 b/	8 c/	4 b/	1
Annual Cost Per Division (\$ Millions)	\$110	\$150	\$170	\$170	\$580
Manpower (Thousands)					
Active	-	-	4	2	30
Reserve	45	49	41	47	15

a/ Includes an active division and ISI and a reserve SSI.

b/ This alternative depends mainly on units doing extra weekend drills.

c/ Extra drills are not required for this alternative.

Developing realistic plans for implementing improved reserve division readiness is one of our highest priority requirements. In addition to beginning tests this year, we must also begin to develop the detailed organizational, manpower, and materiel planning that will be needed to proceed as rapidly as possible once the tests are completed.

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II. MANPOWER

The next table summarizes our end-FY 71 and Baseline programs for Army and Marine Corps manpower. These programs are direct extensions of the currently approved manpower except for miscellaneous minor adjustments and the Lance and Chaparral/Vulcan adjustments discussed on page 8.

ARMY AND MARINE CORPS MANPOWER PROGRAMS — ACTIVE AND RESERVE
(Strengths in Thousands)

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	End FY 71 a/				Baseline			
	Active		Reserve		Active		Reserve	
	TO/TD	Auth	TO/TD	Auth	TO/TD	Auth	TO/TD	Auth
<u>Army</u>								
Division Forces	777	712	572	476	593	525	573	474
Special Mission	184	178	57	49	156	147	57	48
General Support	245	238	82	72	165	154	81	73
Subtotal	1,206	1,128	711	597	914	826	711	595
Individuals		370		74		154		65
Total Army b/		1,498		671		980		660
<u>Marine Corps</u>								
Division Forces	132	132	36	36	95	87	36	36
Air Wings	30	30	9	9	30	28	9	9
Special Mission	19	19	-	-	17	17	-	-
General Support	49	49	-	-	37	37	-	-
Subtotal	230	230	45	45	179	169	45	45
Individuals		85		3		31		3
Total Marine Corps		315		48		200		48

a/ Includes in division forces structure the equivalent of 90,000 Army and 5,000 Marine Corps TO/TD structure spaces not authorized equipment procurement.

b/ Includes 725 reimbursables.

High priority should be given to maintaining unit operating strengths at authorized levels in implementing these programs from month to month. Monthly enlistments and draft inductions should be determined on this basis. Similarly, the allowances for Individuals (Transients, Patients, Prisoners, Students, and Trainees) should be adjusted if necessary during the year to minimize the effect of variations in this population on unit operating strengths. These adjustments will automatically be part of the approved program as long as the approved funding remains adequate.

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III. WEAPONS AND SUPPORT EQUIPMENT

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A. General

We are having numerous problems with several key systems now being developed and introduced into our land forces. Some of these problems are due to insufficient user testing and field experimentation before commitment to production (these problems are not limited to land forces programs). For example, the M551 Sheridan vehicle and the M60/Shillelagh (M60A1E2) tank programs both went into production without adequate user testing. As a result, we now face the possibility of extensive retrofits with the Sheridan and a near total loss with the M60/Shillelagh.

A closely related problem is uncertainty about the effectiveness of new weapons, even in cases where they function reliably in engineering and service tests. Better tests of effectiveness are needed; that is, they should simulate realistic wartime conditions for the total weapon system. For example, antitank systems should be tested in environments with smoke and dust as well as in clear air. Targets should be used which look and act like enemy tanks, and the tests should be conducted by typical user troops. When a new system is replacing an existing system, side-by-side tests should be made wherever possible to insure that the new system really provides the expected improvements in effectiveness.

These tests may be more expensive in the short run, but we believe they will be well worth the extra cost. Programs which start production before tests have validated operational reliability and effectiveness usually do not meet their original schedules, cost more, and often end up with a seriously compromised product.

Therefore, we will adhere strictly to the following principles in deciding on production of new systems:

1. Ordinarily, full production of a system will be approved only after operational tests and field experimentation have demonstrated acceptable effectiveness, compared to existing systems.
2. In very urgent circumstances, limited production may be approved without service tests, but only after: (a) all sub-systems have passed critical engineering tests, and (b) the specific circumstances have been reviewed and approved.

In addition, we will apply this policy as much as possible in our continuing review of new programs already in production.

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B. Ground Weapons1. Tanks and Antitank Weaponsa. General

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During the past few years, our tank and antitank force planning has been based in large part on three new antitank missile systems we are developing and buying — the Shillelagh, TOW, and Dragon. According to this planning, we are to rely heavily on these missiles to counter the large Warsaw Pact tank threat. Moreover, our three new tank programs — the M60A1E2 tank, the Main Battle Tank, 1970 (MBT 70), and the M551 Sheridan armored reconnaissance vehicle (or light tank) — are all based on the Shillelagh.

It is estimated that 30 days after mobilization, the Pact tank force would outnumber the NATO tank force by nearly three to one (17,000 to 20,000 versus 7,600). NATO forces, on the other hand, have the tactical advantage of being on defense most of the time, and they have a large number of infantry antitank weapons. Since this may not be enough, however, we have been counting on forthcoming Shillelaghs, TOWs, and Dragons to improve the balance.

These missiles are expensive; they cost up to \$6,000 each compared to gun ammunition at \$50 to \$100 per round. In theory, however, these missiles are much more accurate than guns and their costs with infantry-operated launchers are much less than the \$200,000 and up we pay for new tanks. For example, for the \$1.6 million 10-year system cost of one of our standard tanks, the M60A1, we can buy two TOW launcher sets plus at least 100 missiles.

However, there are unresolved questions about the reliability, performance, and general tactical utility of these missiles. These questions have raised serious doubt that we can depend on antitank missiles to the extent planned up to now. The combined Shillelagh/gun system best illustrates this problem.

Shillelagh missiles are half of the main armament for the M551 Sheridan, the M60A1E2, and the MBT 70. The other half is a gun that fires a 152mm conventional round. Both the missile and the conventional round are fired from the same tube. However, the conventional round for the Sheridan and M60A1E2 is much less accurate than our standard 105mm tank gun firing a high velocity round. If the missile were equal or superior to the standard gun against enemy tanks, the inferior capability of the conventional round would not be too serious. In fact, however, the Shillelagh missile has serious limitations. Shillelagh has a very long flight time (up to 14 seconds depending on the distance to the target). This makes the launching vehicle vulnerable, since it must

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remain motionless while the missile is being guided in flight. Moreover, to keep the missile from hitting the ground in dips during flight, the launching vehicle sometimes must fire from a higher, more exposed position.

The problem is further compounded by difficulties with the conventional round for the 152mm gun. This round has a combustible cartridge case to avoid the problems of handling conventional metal cases after rounds have been fired. However, these cartridges are relatively fragile compared to conventional tank ammunition. In addition, moisture absorbed in humid climates can distort the cartridges so that they no longer fit the gun. Cartridge covers are used to prevent this, but they cause other problems.

In summary, our entire new tank capability rests on an armament system which not only costs more, but which may not be as effective as today's conventional 105mm gun. Since we are also having major difficulties with other parts of our new tanks, we have concluded that we must carefully re-evaluate our entire tank and antitank force program. Further details and specific program actions are discussed below.

b. The Shillelagh Missile/152mm Gun System

With FY 69 and prior funding, 55,000 Shillelagh missiles and 515,000 152mm rounds will have been produced. However, much more testing and analysis will be needed to clear up the uncertainties about these items. Moreover, because of problems with the M60A1E2 and MBT 70 tanks discussed below, it is not clear that we need more than the 42,000 Shillelaghs we have today. Therefore, Shillelagh production should be limited to a minimum sustaining rate of 3,000 per year starting with FY 70 funding until appropriate effectiveness and reliability data are available and the requirements for the M60A1E2 are determined. This will reduce the cost of the previously approved FY 70 program from \$50 million to \$20 million, since the earliest we can be sure of a successful solution to the M60A1E2 problems is FY 71. For FY 71, we are tentatively programming Shillelagh production at the minimum rate (3,000 missiles for \$20 million), since it is most likely that we will have enough from the earlier years.

c. TOW

Limited production of TOW has begun under a two-year contract for procurement of 25,000 missiles during FY 69-70. The Army has just awarded a contract for an additional 200 missiles to a second producer (who will develop capacity for 20,000 per year), since the Army estimates that over 200,000 TOWs are needed (at a cost of about \$1 billion, including launchers).

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Environmental and electronic countermeasures tests of the TOW have not yet started. Moreover, it is likely that our total needs will be far less than the Army's estimate of over 200,000 missiles. (In theory, 200,000 TOWs could twice destroy all of the Warsaw Pact tanks and armored personnel carriers without allowing for any contribution by our allies or our own tanks, tactical aircraft, and other weapons.) Therefore, second source production should not be begun, and the first producer should be limited to a minimum sustaining rate of 4,200 TOWs per year in existing facilities until user tests and field experimentation are completed satisfactorily. Production by a second source should be reconsidered when the issue of total needs is resolved. This will reduce the cost of the FY 70 TOW program (15,500 missiles previously approved) from \$156 million to about \$50 million. Pending further review, we are also planning to approve only 4,200 TOWs for FY 71.

d. Dragon

Dragon is a small, man-portable missile system similar to TOW. Its maximum range is 1,000 meters (TOW and Shillelagh have a 3,000-meter range). Dragon is still in development and has encountered significant technical difficulties. It will be a very valuable missile if it performs according to the design objectives. However, we are not yet confident of when Dragon can be made operational.

e. The M60A1 Tank

The M60A1 105mm gun tank is our standard tank. At the end of FY 69 funded deliveries (early in 1971), we will have 4,100 M60s. Most of them will be in our eight active and three reserve armored and mechanized infantry divisions. In addition, we plan to produce 300 more per year with FY 70, 71, and 72 funds and 360 per year thereafter until: (1) a successor to the M60 is ready to be produced, or (2) all our old M48A1 tanks now filling operational requirements are replaced. We will have 1,400 M48A1s left to be replaced under FY 71 and later funding.

f. The M60A1E2 Tank

In order to get a better tank than the best current Soviet tank, the T-62, the Army began developing the M60A1E2 (the 152mm gun/Shillelagh version of the M60A1) in 1964. The design includes a capability for accurate gun fire while moving ("shoot-on-the-move"). Production began in 1966. The Army now has 300 complete tanks and 243 additional turrets. Over \$200 million has been spent on this program; however, because of serious reliability problems in the stabilization and control system, the tanks are not yet usable. As a result, further production was postponed indefinitely late in 1968. The Army now is concentrating solely on trying to solve the technical problems. No additional funds for hardware are being committed or programmed. If no acceptable solution can be found, we should use the chassis to form standard M60A1 tanks.

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g. MBT 70

The MBT 70 design calls for major increases in speed, accuracy, armor protection, profile, firing rate, and range. The design also includes night vision and a very accurate shoot-on-the-move capability. However, the MBT 70 is still at least five years from operation; its already high cost is going still higher (at least \$700,000 per tank); and its reliability is of major concern. In fact, we may be able to have a better buy if we start over with a completely new system.

Thus, while continuing with today's design for the MBT 70, we must also begin a separate effort to define a simpler, less expensive system. Characteristics such as agility, small size, and high reliability should be emphasized as opposed to the fire control system and other complex features of the MBT 70. We want to review comparisons of the old MBT 70 design concept with the new one as soon as possible to determine whether we should redirect this program.

h. The M551 Sheridan

Most of the Sheridan armored reconnaissance vehicles will be used by armored cavalry units. These units typically operate as probas in front and along the sides of our divisions to determine where and what the enemy is. Ordinarily, they try to avoid engaging an enemy. They are able to defend themselves, however, and they can be used to delay an advancing enemy force if necessary. The Sheridan can also be used as a light tank to be parachuted along with airborne infantry. One hundred Sheridans are programmed for this purpose.

The Army started developing the Sheridan in 1960. Production began in 1966, and the Army is building toward an inventory of 1,479 Sheridans by the end of the FY 69 buy. (The FY 70 budget provides for an additional buy of 360.) In the meantime, the previously discussed uncertainties of the missile/gun main armament remain unresolved, and the chassis may also have some problems.

About 72 Sheridans have been deployed to Southeast Asia, but they do not have the missile and they are under operational restrictions. Other Sheridans are being troop tested in Korea, CONUS, and Europe (with the missile). The results of these tests and our SEA experience will be useful in determining whether we should go ahead with the FY 70 and later programmed production. We do not plan to go ahead with production unless these results are satisfactory.

2. Rifles

The Army has recommended filling all of its rifle, grenade launcher, and submachine gun needs for the Baseline Force with M-16

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rifles and special adaptations of the M-16. Thus, in addition to the 1.2 million M-16s already in the approved program, the Army recommends: (1) replacing 530,000 existing M-14 rifles with the same number of M-16s; (2) replacing all M79 grenade launchers with 99,000 M-16s (with XM-203 grenade launcher attachments); and (3) replacing all carbines and .45 caliber submachine guns, and some rifles and .45 caliber pistols, with 414,000 XM-177s, a submachine gun version of the M-16. The added 10-year cost of these new weapons and ammunition would be \$300 million, including an initial investment of \$135 million.

In comparing the M-16 with the M-14, it is important to consider the combat soldier's needs separately from those of the noncombat soldier. The question of weight is particularly significant. The M-16 weighs only 6.87 pounds versus 9.69 pounds for the M-14. Moreover, 2.3 rounds of M-16 ammunition weigh only as much as one round of M-14 ammunition. For the combat soldier, this weight advantage more than makes up for the slightly lower single shot effectiveness of the M-16; both the individual soldier and ammunition logistics vehicles can carry greater firepower if the M-16 is used. In addition, the M-16 is more accurate than the M-14 in automatic fire. Thus, the M-16 is superior to the M-14 for combat, and we want all of our combat and combat support troops (not just infantry) to have the M-16.

On the other hand, we believe that more analysis must be done to be confident that the M-16 would be better for our non-combat troops currently armed with the M-14. The lower weight of the M-16 may not be significant in this case. Moreover, the M-14 may actually be better than the M-16 for some troops, and should be just as good for others. For example, about 230,000 of the Army's proposed M-16 inventory would be for the Reserve Officers' Training Corps (180,000) and CONUS base operating, logistics, and administrative personnel who would not deploy to a combat theater. The M-14 probably would be adequate for these needs.

Substituting the combined M-16 rifle/XM-203 grenade launcher for the M-79 grenade launcher would subtract at least six grenades from each grenadier's basic load of 18 in order to accommodate the added weight of the rifle and its ammunition. However, the added rifle capability would probably more than make up for the reduction in grenades.

Finally, the value of the XM-177 submachine gun is questionable and needs further study. The XM-177 has failed to perform satisfactorily in two previous evaluations. This is not a critical issue now since the formal service test of the XM-177 will not be completed until early 1971.

About one million M-16s can equip all maneuver and combat support units, provide their combat consumption, and equip the training base. Another 100,000 cover the need for combination rifle/grenade launchers. Existing M-14s, pistols, and submachine guns can meet our

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remaining needs. Therefore, since we will have over 1.2 million M-16s at the end of FY 70 funded production, we do not plan to authorize further M-16 procurement for the Army until at least one of the two remaining issues is resolved (that is, the M-16 versus the M-14 for non-combat soldiers and the desirability of the XM-177).

3. Army Tactical Air Defense

Army tactical air defense systems include long-range Surface-to-Air Missiles (SAMs) and short-range guns and missiles. The long-range SAMs are Nike Hercules and Hawk. The short-range defenses include infrared homing missiles (Chaparral and Redeye) and guns (Vulcan, Duster, and other automatic weapons such as .50 caliber machine guns). These systems complement our other means of air defense, such as Air Force interceptors and passive measures.

The main objective of our tactical air defenses is to limit damage from enemy air attacks on our air bases, ports, supply depots, command and control centers, lines of communication, and front line troops. We can accomplish this objective in three ways: (1) by actual attrition of enemy air forces so that they are discouraged from repeated raids against our forces; (2) by "virtual attrition" of enemy payload (for example, short-range air defenses force enemy aircraft to deliver weapons at higher altitudes with lower accuracy); and (3) by passive measures, including camouflage and hardening of our forces.

The Warsaw Pact air threat includes about 3,400 fighters and 200 light bombers. In Korea, the Chinese and North Koreans together could muster a force of about 1,500 aircraft. However, most of these aircraft have been designed mainly for air defense; therefore, they have very limited offensive capability. The North Vietnamese Air Force has virtually no offensive capability.

We could still suffer major damage from enemy air attacks because of a number of major shortcomings in our theater air defense forces. For example, we have many SAMs, but very few short-range weapons. This gives us more than adequate coverage at higher altitudes (above 5,000 feet) and inadequate coverage at lower altitudes. We hope to correct this deficiency over the next few years by deploying Chaparral and Vulcan short-range defenses. Other shortcomings of our tactical air defenses include inadequately sheltered aircraft and large vulnerable supply depots.

In view of these shortcomings, we should take the following steps:

a. Short-Range Defenses

Continue with previously approved plans to form 21 Chaparral/Vulcan battalions, each consisting of 24 Chaparral and 24 Vulcan

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fire units. Before further production commitments are made, however, we must put special emphasis on Chaparral testing under realistic conditions to assure that this weapon will perform satisfactorily.

b. Surface-to-Air Missiles

Continue with plans to convert Basic Hawk batteries to the Improved Hawk configuration. Improved Hawk will have a bigger warhead, greater resistance to electronic countermeasures, and a longer range which will increase the area coverage of each battery by about 70%. Because of the increased coverage of Improved Hawk and the added low-altitude coverage which will be provided by Chaparral and Vulcan, we can further reduce the number of Hercules and Hawk batteries. The proposed reduction of eight Hawk batteries in Europe as part of the Reduction of Costs in Europe (REDCOSTE) program is a step in that direction.

c. Command and Control

Make tentative plans to replace our present Army command and control system with a TSQ-73 system because it will be less expensive and yet more effective over a period of six years. We need to better integrate Army and Air Force command and control, including the use of SAM radars for vectoring interceptors. We should also continue to examine ways to improve deficiencies in our Identification Friend or Foe (IFF) procedures.

d. Passive Measures

Continue with plans to shelter our aircraft and consider other passive measures for our supply depots, such as dispersal plans and rough roads to provide for rapid dispersal.

C. Tactical Vehicles

1. Total Inventory Objectives

The Army and Marine Corps use large numbers of a wide variety of tactical vehicles (military trucks and trailers). The Army has 30 different basic chassis types, ranging from the $\frac{1}{2}$ -ton "jeep" to the 22 $\frac{1}{2}$ -ton tractor, and 25 different trailers and semi-trailers with capacities ranging from $\frac{1}{2}$ -ton to 55 $\frac{1}{2}$ -tons. At end-FY 70, the Army will have 311,000 trucks and 222,000 trailers, representing an investment of over \$3.3 billion at current costs and an annual operating cost of about \$700 million (excluding the cost of drivers).

Army tactical vehicle procurement amounts to almost \$1.6 billion from FY 67 through FY 70. (About \$400 million of this has been for the South Vietnamese Army.) Moreover, the Army estimates that another \$1.4 to \$1.5 billion would have to be spent between FY 71 and FY 74 to fill their Baseline force inventory objectives just for $\frac{1}{2}$ -ton, 1 $\frac{1}{2}$ -ton, 2 $\frac{1}{2}$ -ton, and 5-ton trucks.

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The Army-recommended inventory objectives for the Baseline Force are higher than our actual inventories today. This leads us to believe that we should thoroughly re-examine these objectives, particularly in light of our experience in Southeast Asia. We recognize that our mobility and transportation needs in Southeast Asia are different from those in other major theaters. Nevertheless, these Baseline truck inventory objectives may be unnecessarily large because: (1) the Baseline force structure is not as large as today's and (2) some of the Baseline units are planned mainly for use in Southeast Asia, so their needs may be about what they are today.

We should also review key policies and criteria for determining: (1) rated capacities; (2) off-road capability needs; (3) river crossing capability; (4) the mix of trucks and trailers; (5) resource pooling for general transportation needs; (6) the maximum age allowable in the inventory and (7) driver requirements. Pending completion of these reviews, we do not plan to change the previously approved inventory objectives.

2. New Programs

We have several "high mobility" candidates for introduction into the tactical vehicle fleet: the 1½-ton M561 "Gama Goat," the 5-ton M656, and the 8 to 10-ton GOER family (there are cargo, fuel, and wrecker versions of GOER). We are now buying 13,000 M561s with initial deliveries scheduled for early FY 70. In addition, 500 M656s have been bought for the Pershing missile program, and 23 GOERs were built for trial use in Europe and Southeast Asia.

The Army recommends buying these new vehicles to replace current trucks and trailers used in units which operate forward of the brigade rear and in other highly mobile units such as self-propelled artillery units. With these vehicles, such units would be able to move rapidly over rough terrain and cross rivers with little or no bridging support.

The need for these kinds of vehicles depends partly on what our enemies have, and there are indications that Soviet forces are starting to get them. However, such vehicles cost over twice as much to buy per ton carried compared to today's trucks, and they are likely to have higher operating costs as well. Thus, their introduction would substantially increase the cost of our tactical vehicle fleet. There may be compensating reductions, such as in tactical bridging or engineer support. Comparative testing of units with current vehicles against units with the new vehicles might show this, and we intend to look into the possibility this year. However, we are deferring further procurement decisions on these new vehicles until we have a better understanding of their greater efficiency and/or tactical significance in relation to their much greater costs. If the Army wants to introduce more of these vehicles, they should identify an equal-cost trade-off of other equipment or units.

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D. Aviation Programs1. General

Aircraft are generally the most expensive equipment used by Army and Marine Corps land forces. The Army has about 11,000 aircraft (80% helicopters) worth over \$3.3 billion. This inventory has been built largely to meet our needs in Southeast Asia. Requirements for our other forces are being filled only to the extent that total inventories can be kept within the quantities approved for the post-Vietnam Baseline Force.

The Army believes that major revisions (mostly increases) to these approved quantities are needed. In view of our generally satisfactory experience in Southeast Asia and current financial pressures, however, we are not approving any increases in Army or Marine Corps aircraft at this time.

2. Mix of Army Trooplift Helicopters

A major issue is the mix of squad-size and platoon-size helicopters in the Army's trooplift force. Recent studies indicate that greater use of CH-47 helicopters, rather than UH-1s, for the tactical trooplift mission in Southeast Asia and other theaters would provide savings in lives and in dollars. Because one CH-47 can carry as many troops as six or seven UH-1s, a force mix which includes more CH-47s would also reduce the Army's need for pilots and extend the time between their second tours. Further study of this question is needed before a decision can be made. Therefore, we want our staff and the Army to review the matter jointly and provide their recommendations before final decisions on FY 70 and 71 helicopter procurements are made.

3. The AH-56A Cheyenne Program

The Army is developing an advanced armed helicopter, the AH-56A Cheyenne. It is designed to carry about four times the payload of the AH-1, including 30mm high explosive anti-personnel rounds and TOW missiles (which should give it anti-armor capability). In addition, the Cheyenne is designed to cruise at over 200 knots and have advanced avionics, including a stabilized optical sight, a laser range-finder, night vision equipment, and a fire control and navigation computer.

In order to take advantage of performance warranties in the contract won by the Lockheed Aircraft Corporation, procurement of 375 Cheyennes and early production were approved without a demonstrated total system effectiveness. The decision to buy the Cheyenne was based in part on an equal-cost trade of other armed helicopters, tanks, artillery, and antitank weapons. The Army believed that the Cheyenne would provide more effectiveness per dollar; therefore, total force effectiveness would increase at no increase in cost.

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May 14, 1969

The plan called for phasing out armed UH-1s and Cobras while Cheyennes were coming into the force, starting in late FY 70. The final Baseline Force objective was 408 Cobras and 285 AH-56As. Because of this Cobra phase-out, we are not buying Cobras in FY 69 or FY 70 to replace SEA losses. If the war continues into FY 71, the Army's plans call for deployment of AH-56A units to replace UH-1 and AH-1 attrition.

Since these decisions and plans were made, however, serious problems have arisen in the AH-56A program. It now appears that unit cost will be much higher than the \$1.6 million estimate used for the decision. Also, the production schedule may slip significantly. Finally, in addition to the developmental difficulties, the validity of the basic system concept and the force trade-off decision are in doubt.

It is clear that a substantial adjustment will have to be made in the Cheyenne and related programs. This matter is under intensive review. We expect to deal with the existing trade-off plan well before any of the phase-outs scheduled for FY 70 are due to begin.

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Date: JAN 24 2012

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Authority E.O. 12958

By LC NARA Date 7/2/03

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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ACTION

September 11, 1969

MEMORANDUM FOR DR. KISSINGER

FROM: Laurence E. Lynn, Jr. ^{AD} _{7/8}

SUBJECT: NSC Meeting on NSSM 3

I believe it is of considerable importance to provide strategy and budget guidelines to the Defense Department as soon as possible.

DOD must have its FY 71 program and budget pretty well set by late November, and DOD's internal program review is now in the serious bargaining stage. If Presidential guidance can be provided before all compromises are worked out, it will greatly improve the prospects for a rational and balanced defense program.

The FY 71 budget, which goes to the Hill in January, is the President's first defense budget. In view of the recent controversy over defense issues, I believe the Administration must take the initiative with a clearly defined strategy and a budget consistent with it. Early Presidential guidance will greatly improve the prospects for an effective performance.

On the other hand, there is no pretending that all of the complex strategy and program issues have been resolved by NSSM 3.

-- As you noted, our NATO strategy is internally inconsistent, and other, perhaps more desirable, options are conceivable.

-- We must determine whether the higher JCS force goals should be met if this means we must pay the price of reducing the support for and therefore the readiness of our combat forces.

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DECLASSIFIED BY 4/4/02
DATE 4/4/02 BY NSC
AUTHORITY 12958 _{7/8}

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2

-- Is reliance on nuclear forces to deter or cope with Chinese threats in Asia a plausible strategy given a Chinese capability to retaliate against our allies?

-- Are strategies which place heavy reliance on dubious allied capabilities, e.g. U.K., Thai, Turkish, South Vietnamese forces practical?

-- Would a substantially improved Soviet navy bring our own strategic flexibility into question?

Though these and other issues are unresolved, I believe some basic judgments can be made now:

-- Is it in our interest to maintain U.S. forces to defend our Asian allies against a Chinese conventional threat that most people believe to be unlikely?

-- If the answer is no, we are safe to choose Option 1. The main problems will be diplomatic: how to reduce our force structure by 10 divisions and 2200 tactical aircraft without appearing to be making a headlong retreat from our commitments.

-- If the answer is yes, we must have at least Strategy 2. The next basic judgment is

-- Should we maintain U.S. forces to meet a simultaneous attack by Warsaw Pact forces in Europe and Chinese forces in Asia?

If the answer is yes, we stay with the present strategy, though we can of course examine variants of it.

If the answer is no, we choose Strategy 2. I do not believe, as the discussion at the NSC meeting implied, that Strategy 2 would require us to change our NATO commitments. We might need to "borrow" some of our NATO-committed strategic reserve forces based in the U.S. to use against the Chinese in Asia, but it is probable we would not. In any event, I do not see why we would need to decommit combat forces now committed to NATO.

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By LLP NARA Date 7/2/03~~TOP SECRET~~

3

In short, if we believe

-- a conventional war with China in Asia is unlikely or not in our interest,

-- that a war with China and Russia simultaneously is unlikely,

-- but that we nevertheless want to maintain more capability than Strategy 1 allows us a hedge against uncertainty (or that we want to move to Strategy 1 in two phases rather than one),

-- that our NATO commitments can remain unchanged,

then Strategy 2 is a good one.

A variant on this strategy would be a lesser, more "realistic" NATO conventional capability. Choosing Strategy 2 doesn't rule out such a choice. It will take much longer to reduce our force structure to the Strategy 2 level than it will take to study the NATO variant and make a decision on it. We need not postpone a decision until we have all NATO problems worked out.

-- I do not believe we need to consider adding to our conventional capability in Europe, so Strategies 4 and 5 are ruled out.

Thus, the President could make the following decisions:

-- DOD should use strategy (1, 2 or 3) and the indicated budget levels in its planning,

-- a five year force and program plan consistent with this guidance should be submitted to the Defense Program Review Committee,

-- State, in coordination with DOD, should develop a five year diplomatic scenario for this strategy,

-- JCS can, if they wish, submit an alternative force plan within the budget constraint that would be achievable through reduced manning and logistics support, indicating how the military effectiveness of this posture compares to the OSD force structure,

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-- DOD and State should examine our NATO strategy in detail according to terms of reference to be provided by the Defense Program Review Committee [all your questions can be addressed].

RECOMMENDATION: I strongly urge that you recommend to the President that he make decisions similar to the above. The NSC meeting he asked for in 30 days or so can then consider the five year force plan, diplomatic scenario, and variants.

Prepare recommendations to the President and a NSDM HK. 9-16-69

Use Strategy _____.

Other _____.

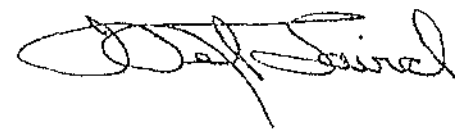
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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

19 September 1969

MEMORANDUM FOR THE PRESIDENT

With your permission, I would like to schedule a meeting with you some time during the period of 22 through 25 September. The purpose of the meeting is to give the Joint Chiefs an opportunity to discuss their concern over the question of the budget guidelines issued to the Defense Department. We are presently putting the 1971 budget together, as well as carrying out the 1970 reductions under the fiscal restraints approved by you. Personally, I would recommend that you give them an hour now rather than wait until a later date. They will feel much better if they can at least express to their Services that they have had an opportunity to present the military point of view.



Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 06 Feb 2012 Authority: EO 13526

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Reason: _____ MDR: 12-M-0469

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Date: FEB 06 2012

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OSR Doc 9-2
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DECLASSIFIED
AUTHORITY EO 12958
BY MWD IN FA 048 7/19

THE WHITE HOUSE
WASHINGTON

October 11, 1969

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National Security Decision Memorandum 27

TO: The Vice President
The Secretary of State
The Secretary of Defense
The Director of the Office of Emergency Preparedness
The Director of Central Intelligence
The Director of the Bureau of the Budget

SUBJECT: U. S. Military Posture

As a result of the National Security Council meeting on September 10, 1969 the President has directed that Worldwide Strategy 2, as described in National Security Study Memorandum 3, U. S. Military Posture and the Balance of Power, General Purpose Forces Section, dated September 5, 1969, will constitute the approved United States strategy for general purpose forces.

The President has further directed that the general budget guidelines for the next five fiscal years contained in Table 1 will be used for planning purposes.

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By AWD Date 7/14

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TABLE 1
BUDGET OUTLAYS ^{a/}
(Billions)

<u>Vietnam</u> <u>Assumption</u>	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>
A. U.S. Combat Involvement ceases after 1 July 1970 (NSSM 3 assumption)	\$73	\$71	\$72	\$75	\$76
B. Phase down to about 260,000 troops by 30 June 1971, con- tinue combat through 30 June 1973, no combat involvement thereafter.	\$76	\$76	\$75	\$75	\$76

^{a/} These figures are in current dollars as in NSSM 3 (i.e. including projected inflation and pay raises). The cost of appropriate assistance to allies is included.

Budget outlays should be adjusted in accordance with actual Vietnam requirements.

The President has directed that the following be accomplished:

-- The Department of Defense will develop a five year force and program plan -- including overseas deployments and NATO-committed forces -- consistent with the approved strategy and budget guidelines, together with an explanation and rationale for the forces in each major force category and the logistics guidance.

-- The Department of State, in coordination with the Department of Defense, will develop a diplomatic scenario consistent with implementation of the approved strategy.

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By MMH Date 7/16

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-- The Department of Defense, in coordination with the Department of State and the White House Office of Congressional Liaison, will develop a plan for presenting the approved strategy and budget guidelines to the Congress and to the public.

Each of these tasks should be completed and a written report submitted to the Defense Program Review Committee by January 15, 1970.

The President emphasized that he will approve revisions to the strategy and budget guidelines and the five year force and program plan as required to maintain the security of the United States and its allies.

The President has directed that once each year, on September 15, the Secretary of Defense will submit to the Defense Program Review Committee his recommended five year force and program plan, together with its rationale, for the five fiscal years beginning the following July 1. This plan should be consistent with approved strategy and budget guidance and should note significant changes from the previous plan.

The President has further directed that proposals for significant changes in the approved five year force and program plan or in the strategy and budget guidelines be reviewed by the Defense Program Review Committee prior to consideration by the President and the National Security Council.

NSC 5904/1 - U.S. Policy in the Event of War - is hereby rescinded.

Henry A. Kissinger

cc: The Chairman, Joint Chiefs of Staff
The Chairman, Council of Economic Advisors

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~~TOP SECRET~~
OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

December 8, 1969

MEMORANDUM FOR RECORD

SUBJECT: Status of the FY 1971 Defense Budget

Final program decisions are planned to be made by the end of this week.

Highlights of the major program and financial aspects of the budget are:

Financial Status

The FY 1970 and FY 1971 expenditures objectives for the FY 1971 budget are \$77.0 billion and \$72.5 billion, respectively. The following is a summary of budget status at this time:

		<u>Expenditures</u>	
		<u>FY 1970</u>	<u>FY 1971</u>
Office of the Secretary of Defense	Defense Component Request	77.5	75.7
Chief, RDD, ESD, WHS	545.6552 + Reductions Planned:		
Date: 24 JAN 2012	Authority: EO 13526		
Declassify: X	Deny in Full: _____		
Declassify in Part: _____	Budget analysis of pricing, workloads, phasing, etc.	-1.5	-1.3
Reason: _____	Redeployments from Vietnam		-1.5
MDR: 12-M-0434	Other Major Force Issues		-1.5
	Budget Objective	77.0 a/	72.5 b/

a/ This represents absorption of \$.4 billion of the 1 July 1969 military and civilian pay raise totaling about \$2.4 billion for defense.

b/ Does not include any pay raise beyond the 1 July 1969 increase.

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Date: JAN 24 2012

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Date: 07/20/01
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Southeast Asia

The budget is based upon an assumed deployment of 260,000 by the end of FY 1971 (June 30, 1971). SEA deployments (through Phase III) were budgeted by the military services at 450,000 as of end FY 1971. (Army and Air Force had assumed a 34,000 Phase III withdrawal in their budget submission, which, when added to 450,000 equals the 484,000 currently approved in Program 8.) The budget assumption, therefore, further reduces deployment by 190,000.

This assumption resulted in a reduction in the Military Department budget requests of \$2.5 billion in NOA and \$1.5 billion in outlays.

To the extent the objective is not met, there will be an FY 1971 budget problem - the extent of which is dependent upon the size of any slippage. (Discussion of options is attached at Enclosure 1.)

Military Force Reductions and End Strengths

Military end strength will be reduced by approximately 219 thousand during FY 1971. A comparison with the service budget requests and the tentative proposed end strengths is:

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Date: JAN 24 2012

	(Thousands)	
	End FY 1970	End FY 1971
<u>Service Request</u>	<u>3,168</u>	<u>3,161</u>
Army	1,368	1,368
Navy	695	688
Marine Corps	294	294
Air Force	810	810
<u>Tentative Decisions</u>	<u>3,159</u>	<u>2,942</u>
Army	1,367	1,244
Navy	693	668 <u>a/</u>
Marine Corps	293	233
Air Force	806	797 <u>b/</u>

a/ No end strength reductions assumed for redeployment of 11.1 thousand AF and 21.0 thousand Navy to be returned in order to reach 260,000 deployed to Vietnam by end of FY 1971.

The factors contributing to the decreased end strengths are:

1. Reduction in active Army divisions from 17-2/3 to 14-2/3 divisions, including Vietnam deployments.

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2. Reduction of Marine Corps from 4 to 3 active divisions and from 15 to 13 fighter squadrons (no change in attack squadrons):
3. Reduction of Naval carrier air wings from 14 to 13.
4. Reduction in deployments to Vietnam down to 260,000 level and FY 1971.
5. Budget review related to workloads requiring military personnel in the support and overhead establishment.

These numbers are subject to change in the final "wrap-up" and as a result of consideration of service reclaims.

Major Force Issues Decided

	<u>(\$ millions)</u> <u>FY 1971 Outlay</u> <u>Effect</u>
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<u>Army</u>	
Date: JAN 24 2012	
Reduce Army baseline program to 14-2/3 divisions and SEA deployments	-1,277
<u>Navy</u>	
Reduce carrier air wings to 13	-27
Reduce 17 active and 12 Naval Reserve ships	-25
Reduce Marine Corps to 3 active divisions and 13 fighter squadrons	-268
Other actions to be recommended by Navy	-80
<u>Air Force</u>	
Stop C-5 production at 81 aircraft	-100
Stop F-111 production with buy of 38 aircraft in FY 1971	-107
Approve FY 1971 procurement of 88 A-7D's and 24 F-4E's vice 150 and 69, respectively	-66
Slip Minuteman hardening and reduce missiles by 34 in anticipation of shorter procurement leadtime (15 mo. vs 18 mo.)	-40
Total Major Force Issues	1,990

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Research, Development, Test and Evaluation

After completion of Congressional action on FY 1970 appropriations, it is expected that RDT&E will be approved at a level of approximately \$7.4 billion.

The current FY 1971 budget objective provides:

	(\$ millions)	
	<u>FY 1970</u>	<u>FY 1971</u>
TOA	7,400	7,450
Outlays	7,300	7,500

(The low FY 1970 expenditure results from the MOL cancellation which was a high expenditure rate program.)

The FY 1970 level assumes that the 12 F-14 test aircraft will be approved by Congress in RDT&E.

The FY 1971 RDT&E program includes significant increases for the following programs over FY 1970 within essentially the same TOA level. Exact amounts for these programs, however, are still under review:

SAM-D
S-3A Aircraft
Advanced Surface Missile System
F-14A Aircraft
SCAD
F-15A
B-1

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Date: JAN 24 2012

These systems alone will require \$400-500 more in FY 1971 than is currently budgeted for FY 1970. Additionally, the RDT&E program must be increased by \$100-140 in FY 1971 if the F-15 and S-3A are budgeted as Congress has currently acted on the F-14. These amounts are currently included in Air Force and Navy aircraft procurement accounts, and decision has not yet been made as to where they will be budgeted in FY 1971.

Military Assistance

State and Defense are in agreement on the FY 1971 Military Assistance program as follows:

	(NOA \$ millions)	
	<u>FY 1970</u>	<u>FY 1971</u>
Grant Aid	400.0	450.0
Foreign Military Credit Sales	275.0	272.5

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26 Nov 1969

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These amounts are accommodated within the Defense outlay target of \$72.5 billion for FY 1971.

It is understood that the BoB Staff (International Division) recommend a Grant Aid NOA program of \$350.0 million for FY 1971 - a reduction in the Defense/State recommendation of \$100.0 million.

SAFEGUARD

Recent Army estimates reflect increased funding required for Phase 1 deployment of SAFEGUARD:

	(\$ millions)			
	FY 1970		FY 1971	
<u>Phase 1</u>	<u>TOA</u>	<u>Exp.</u>	<u>TOA</u>	<u>Exp.</u>
Army Budget Request	893	295	968	642
<u>Army Revised Requirement</u>				
With 3 mo. addl. slip	893	295	960	640
Hold current schedule	908	298	1054	655
<u>OSD Estimates - Phase 1</u>				
With 3 mo. addl. slip	876	295	906	623
Hold current schedule	891	298	985	648

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Date: JAN 24 2012

Phase 2

Decision is required concerning Phase 2 deployment. Army has presented costs for alternative Phase 2 programs. The following are incremental additional costs to the OSD estimates - Phase 1 above:

	FY 1971	
	<u>NOA</u>	<u>Outlays</u>
<u>Phase 2a (Decision Dec. 69)</u>		
This would initiate procurement toward 3 additional sites for a total of 5 sites	+524	+70
<u>Full Phase 2 (Decision Dec. 69)</u>		
This would initiate procurement toward a full 12 site program	+989	+122
<u>Phase 2a (Decision Dec. 70)</u>		
Same as Phase 2a (decision Dec. 69) but delays final deployment 7 months	+12	-3
<u>Full Phase 2 (Decision Dec. 70)</u>		
Same as Full Phase 2 (decision Dec. 69) but delays final deployment 1 year	+40	-2

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FY 1971	
NOA	Outlays

Phase 2 of 2 added sites beyond Phase 1
(Decision Dec. 69)

This would initiate procurement
toward 2 additional sites for a
total of 4 sites

+5602/ +90

a/ Computed from figures supplied by Army - Not verified.

While FY 1971 outlay effect of Phase 2 and 2a (Dec. 69 decision)
is relatively low, the FY 1972 outlay effect would be about three times
as great as FY 1971.

CVAN-70

Navy has requested advance funding of \$152 million for long lead-
time components for the CVAN-70. The total cost of the ship is estimated
by Navy at \$522 million. The balance of the \$522 million (\$370 million)
would be budgeted in FY 1972.

Outlay impact, if approved, would be about:

(\$ millions)

FY 1970	8
FY 1971	45
FY 1972	105
FY 1973	135
FY 1974	114
FY 1975	115
Total	522

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Enclosure

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20 NOV 1982

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Date: JAN 24 2012

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

8 0 OCT 1970

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

5 U.S.C. 552

Date: 26 JAN 1971 Authority: E0 13526

Declassify: ☒ Deny in Full: ☐

Declassify in Part: ☐

Reason: ☐ MDR: 12-M-0935

The Honorable George Shultz
Director, Office of Management
and Budget
Washington, D. C.

Dear George:

Thank you for your letter of October 20, 1970 concerning the Defense Department's response to the President's request of May 25, 1970 for areas and programs where additional savings can be made.

I was both shocked and disappointed at the apparent unawareness of the massive cuts which have been made by the Department of Defense since the Nixon Administration took office.

You indicated in your letter that the Department of Defense was late in submitting its response, that its suggestions were of limited usefulness, and that no specific suggestions were made for additional savings.

There is a very simple reason for the fact that no net additional savings were proposed. I have been seeking to communicate that reason to the Congress, to your office, and to other interested offices in the Executive Branch and to the American people. We have already cut Defense to the bone, a point which, as you well know, is of increasing concern to the President.

Any adjustments in Defense outlays that I could foresee from the standpoint of security, the health of the economy and, most importantly, in helping to obtain the President's multiple objectives, would be on the side of net increases rather than further decreases in our "rock-bottom, bare-bones" budget. That is why, with White House approval, I am making a strong reclamation to the Senate on the additional cuts made by the House on the Fiscal 1971 budget presented by the President. We are going to do everything we can to restore most of these cuts and I would hope we can count on your full support in that vital endeavor.

As to the Fiscal 1972 budget, we are working day and night trying to squeeze our minimal requirements from current estimated

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Date: 2-11/2/70
Chief, Declassification Division, WHS

outlays of \$77.4 billion into the \$74.5 billion fiscal guidance we were given in NSDM 84.

From the standpoint of the concern you expressed in your letter, you seem to be saying that the only useful contribution that Defense could make to the budget problem you face would be to show a net decrease in outlays for Fiscal Year 1972. All the scrubbing in the world of so-called ineffective or low priority programs will not result in a net decrease without jeopardizing national security. In a separate letter, however, I will send you a list of possible decreases combined with a list of possible increases for whatever use this may be to you.

We make no claim, of course, that we are or that we can operate at 100 percent efficiency. As you know, however, the Blue Ribbon Action Committee has been hard at work, under Dave Packard's leadership, seeking to translate the year-long, comprehensive, in-depth study of the Defense Department -- a more comprehensive review of any Department than has been made in this Government in more than a decade -- into increased efficiency. The study itself took a concentrated year of effort, and anything more than a superficial attempt to gain increased efficiency requires similar concentrated attention and time. We are moving ahead as rapidly as possible on the 113 recommendations made by the Fitzhugh panel.

To turn to the central issue that is of concern to you, George, namely a healthy economy, I would like to recall my many discussions this year and last year, including those with the National Security Council and with your predecessor, Bob Mayo, related to the impact on the economy of Defense cuts.

Starting in April 1969, I repeatedly made the point in meeting after meeting that, in my view, a major issue that would occupy the attention of the American people in the Congressional elections would not be (1) the war in Vietnam, (2) the military-industrial complex, or (3) the size of the Defense budget, but that it would clearly be the unemployment levels in the state of the economy. Those forecasts have been borne out but are now past history.

What we now need to do is to look to the next two years and seek to avoid if we can generating additional adverse impacts on the economy.

Needless to say, my primary responsibility has been and will continue to be national security. There can be no compromise on that. But if we are going to insure the President's multiple

objective, and if we are to have a strong national security posture, I must share the concern of others in the Executive Branch for the state of the American economy.

As the President and I, among others, have stated publicly on numerous occasions, the transition from a war-time economy to a peace-time economy is a difficult problem and inevitably will cause dislocations and turbulence. That transition can be virtually complete by the time the President ends his first term in office. It will be if we follow proper budget and fiscal policies.

The President faces a major deficit in Fiscal 1972, largely as a result of fiscal policy and inflationary pressures he inherited. Now that we have begun to put order back into the Federal fiscal house, we must as a matter of priority discriminate in our selection of programs for cutting or decreasing our Federal outlays so as to strengthen the economy in the next 24 months.

As we face the second half of President Nixon's first term, we have urgent national security needs that argue again selectively for increased outlays. The Federal Government also has an obligation to take those actions necessary to move the economy to full employment at reasonably stable prices.

In the past 15 months, since June 1969, the Department of Defense has been responsible for releasing approximately one million people from Defense-related roles. In that same period, unemployment increased by roughly the same amount. Though there may not be a direct relationship between the large cuts in Defense manpower and large increases in unemployment, there can be no question that there is a co-relation. In the next 12 months, under the budget we submitted to the Congress for Fiscal Year 1971 -- a budget that is not yet fully funded -- we anticipate a similar release of approximately one million Defense-related people, or a total of some two million in about two years. It seems clear to me that any actions we take with regard to Defense spending should be taken with these facts in mind.

Apart from our manpower-related costs, it is clear that Defense spending in the durable goods area will generate more lasting benefits to the health of the economy, to the general employment picture, and thus to the strength of our country than increased spending in many other areas, such as Federal transfer payments. Increased Defense spending in procurement accounts -- particularly of needed items whose purchase was deferred in past years because of the war in Vietnam and which are needed to implement successfully the Nixon Doctrine, both with respect to US forces and forces in allied and friendly nations -- will result in a quicker return on

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tax revenues than similar increased amounts spent for transfer payments. This will impact directly on manufacturing employment which, as you know, is one of the hardest hit areas in the unemployment picture we face in this autumn of 1973.

I have asked Bob Moot and Gardiner Tucker to meet further with your people in continuing attempts to communicate these basic truths and to review in very specific terms what has happened, as predicted, and what we can do for the future to achieve all of the President's top priority objectives in national security matters and in domestic requirements.

Sincerely,



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Date: JAN 26 2012

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270

Paragraph transcriptions from document: Gerald R. Ford Presidential Library, Melvin R. Laird Papers, Folder Shultz, Box 1C. Top Secret. 20 October 1970.

- 1) "Apart from our manpower-related costs, it is clear that Defense spending in the durable goods area will generate more lasting benefits to the health of the economy, to the general employment picture, and thus to the strength of our country than increased spending in many other areas, such as Federal transfer payments. Increased Defense spending in procurement accounts – particularly of needed items whose purchase was deferred in past years because of the war in Vietnam and which are needed to implement successfully the Nixon Doctrine, both with respect to US forces and forces in allied and friendly nations – **will result in quicker return of**" [[Click here to return to the document](#)]

OF DEFENSE

January 15, 1970

WASHINGTON, D.C. 20301

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: FY 72-76 Fiscal Guidance Memorandum

I am forwarding herewith tentative fiscal guidance for the FY 72 Planning-Programming-Budgeting (PPB) cycle. Please submit your comments within four weeks. This will enable Mr. Laird and me to review and discuss them with you before issuing the final Fiscal Guidance Memorandum (FGM) on March 4.

The total TOA figures for FY 72 through FY 76 are in FY 70 dollars which will allow you to cost your forces at current prices.

The total figures for DOD have been given careful consideration in view of the probable economic resources of the country over the FY 72-76 period, the non-DOD demands on the Federal budget, and, given the attitude of the Congress and the general public, the likelihood that funding at these levels can be obtained. It is important to recognize that unless there is some change in the international situation it is unrealistic to plan on higher levels of funding than those given in this guidance.

The final FGM should establish, subject only to minor changes, the division of funds between strategic and general purpose forces; the levels of funding for Research and Development, Intelligence, and Support to Other Nations; and the division of funds among the four Services. In arriving at the final fiscal guidance, it will be necessary to address such major force level questions as the number of divisions, tactical wings, and carriers, and the major new strategic force systems. You should therefore concentrate your review, analysis, and comment on these major questions, leaving the detailed allocation of funds to subsequent phases of the FY 72-76 PPB cycle.

In your comments, please be guided by the following:

- (1) The strategy guidance.

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Page 1 of 2 pages
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Date: JAN 26 2012

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2

(2) If you recommend an increase in one category, you should identify reductions in other categories in order to stay within the overall fiscal totals. Any change recommended by a Service Secretary which would affect the total for another Service should be provided to the Secretary of that Service in time for him to include comments on the proposal in his submission to me.

(3) Any recommended changes should be consistent with the Southeast Asia planning assumptions included in the Fiscal Guidance Tables. Appropriate adjustments to these assumptions will be made only as specific decisions concerning Southeast Asia deployments are announced.

I would like to call your attention to the fact that the fiscal guidance assumes that we can make substantial reductions in General Support costs (Base and Individual Support, Training, Command, and Logistics). With our new strategy and the assumed Southeast Asia redeployments, I believe reductions of this magnitude are feasible. If we cannot make such reductions, we will be forced to make deeper cuts in force. In view of this, the General Support area should receive your careful attention. You should nonetheless ensure that adequate war reserve stocks of ammunition and other expendibles, unit training, and so forth, are maintained in balance with the planned forces.

Again, let me emphasize, in preparing your comments please keep in mind that actual out-year totals are unlikely to be greater than those shown, and may be smaller.

Enclosed are: (1) the tentative Fiscal Guidance Tables for FY 72-76; (2) comparable data for FY 70 and 71 for reference; (3) the assumptions concerning deployments to Southeast Asia on which the fiscal guidance will be based.

The tentative Logistic Guidance Memorandum will be issued separately. Your review of it should be an integral part of your review of the fiscal guidance. Please provide your comments on the logistic guidance along with your comments on the fiscal guidance.

For your information, the data used in drafting the tentative fiscal guidance are available from my staff.



Enclosure

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 26 JAN 2012 Authority: EO 13526
Declassify: X Deny in Full: _____
Declassify in Part: _____
Reason: _____
MDR: 12-M-0436

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January 15, 1970

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Authority: EO 13526

Chief, Records & Declass Div, WHS

Date: JAN 26 2012

TABLE 8 -- FORCES AND ACTIVITY LEVELS FOR SOUTHEAST ASIA
(U.S. Force of 260,000 Men at End FY 71)

	End FY 71	End FY 72	End FY 73
U.S. MILITARY FORCES			
<u>Army</u>			
Maneuver Battalions	27	1 ^a	-
Artillery Battalions	41	2 ^a	-
Helicopter Companies	77	42	-
<u>Navy</u>			
Attack Carriers (CVAs)	2	1	-
Tactical Air Sorties/Month	3,600	1,800	-
Offshore Combat Ships	60	29	-
Support and Coastal Ships	115	55	-
<u>Air Force</u>			
B-52 Sorties/Month	1,200	600	-
Tactical Air Sorties/Month	10,000	5,000	-
Fighter/Attack Squadrons ^{a/}	21	11	-
Gunships: Unit Equipment (UE)	41	41	-
Reconnaissance Aircraft: UE	74	36	-
SOP Aircraft: UE ^{b/}	85	47	-
SEATACS/TEWS: UE ^{c/}	531	261	-
U.S. MILITARY PERSONNEL (Thousands)			
<u>In South Vietnam</u>			
Army	205.0	115.0	25.0
Navy/Marine Corps/Coast Guard	10.4	6.6	1.9
Air Force	44.6	23.6	2.6
Total in South Vietnam	260.0	145.2	29.5 ^{d/}
<u>In Thailand ^{e/}</u>			
Army	9.0	6.8	2.5
Air Force	24.6	13.3	2.0
<u>Offshore (Navy)</u>			
	32.5	16.3	-
<u>Addition to Baseline Forces ^{f/}</u>			
Army	316.0	140.0	-
Navy/Marine Corps/Coast Guard	27.0	11.2	-
Air Force	109.1	67.0	-
Total Addition to Baseline Forces	452.1	218.2	-
VIETNAMESE ARMED FORCES (VNAF) AND FREE WORLD FORCES			
Tactical Air Sorties/Month	5,560	5,560	5,560

- ^{a/} Includes F-4, F-100, F-105, B-57, A-1, and A-37 squadrons; some of the A-1 and A-37 squadrons are from the Special Operations Force (SOP).
- ^{b/} Does not include any A-1 or A-37 squadrons (see footnote a); nor does it include gunships which are shown separately.
- ^{c/} Southeast Asia Tactical Air Control System/Tactical Electronic Warfare System.
- ^{d/} Approximates the 24,200 Termination-Day (T-Day) force approved by the Joint Chiefs of Staff (JCS) on November 13, 1969.
- ^{e/} Includes only forces related to the Vietnam-Laotian hostilities and does not include Military Assistance Advisory Group (MAAG) forces for the Thais.
- ^{f/} Includes those in-country, Continental United States (CONUS) support, and pipeline forces not included in the baseline program.

Tentative
 Fiscal Guidance

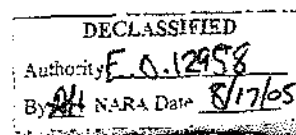
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January 15, 1970

TABLE 9 -- INCREMENTAL BUDGETARY COSTS FOR ALTERNATIVE SOUTHEAST ASIA PLANS
 (In FY 70 \$ Millions)

	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>
ILLUSTRATIVE FORCES						
<u>U.S. Forces</u>						
Army						
Ground Ordnance	\$ 660	\$ 370	\$ 50	\$ -	\$ -	\$ -
Military Personnel	2,320	1,470	490	-	-	-
Other Costs	2,600	1,580	690	-	-	-
Navy/Marine Corps						
Air Ordnance	330	110	-	-	-	-
Ground Ordnance	90	-	-	-	-	-
Military Personnel	740	190	80	-	-	-
Other Costs	710	100	30	-	-	-
Air Force						
Air Ordnance	800	260	30	-	-	-
Military Personnel	1,280	870	340	-	-	-
Other Costs	640	600	260	-	-	-
<u>MAP/MASF</u>						
Army	1,520	1,640	1,370	880	660	660
Navy/Marine Corps	100	40	40	30	20	20
Air Force	260	320	280	180	160	140
Defense Agencies a/	- 10	-310	-310	-130	-130	-130
TOTAL ILLUSTRATIVE FORCES	\$12,040b/	\$7,250c/	\$3,350	\$960	\$710	\$690

- a/ If there were no war, it is assumed that there would be a MAP to improve allied forces in Southeast Asia. Thus, the MASF costs attributed to the war should be offset by these MAP costs; this is done here by reducing the estimated Service expenditures for MASF by \$310 million each year in FY 71-73 and by \$130 million each year in FY 74-76. In FY 71, there is a special appropriation of \$300 million for Southeast Asia combat readiness; this appropriation is reflected in Defense Agencies for FY 71.
- b/ This total includes funding for all expected ordnance consumption in Southeast Asia. Office of the Secretary of Defense (OSD) projections of ordnance consumption indicate that the FY 71 Service budgets will result in an inventory drawdown of about \$750 million. Thus, the Services included a total of only \$11.29 billion for the war in the FY 71 budget.
- c/ Detail does not add to total because of rounding.



MEMORANDUM

THE WHITE HOUSE
WASHINGTON

August 18, 1979

~~TOP~~
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MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *HK*

SUBJECT: August 19 NSC Meeting on the Defense Program

Background

On June 2, you directed (see Tab A) the DPRC to review the implications of the issues raised by the Secretary of Defense in his memorandum of May 31, 1970 (see Tab B).

I presented a preliminary review of the DPRC work to you in San Clemente on July 28. At that time you had a number of questions. Subsequently, I conveyed these questions to the DPRC (see Tab C). The paper we will be considering in the NSC was revised to address the issues you raised.

Much thoughtful work has gone into preparing this paper and, while we continue to have a number of basic questions, we can act with much greater confidence as a result of exploring the issues in depth as we have.

It is generally agreed that the Department of Defense can and must accept some budgetary reductions for FY 72. Following are the major issues:

All Volunteer Force

It is agreed that there can be reductions of \$700 million in FY 72, and perhaps more, without seriously affecting the credibility of your commitment to the All-Volunteer Armed Force.

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 By AH NARA Date 8/17/05

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2

Strategic Force

The DPRC agreed that we must not make visible reductions in our strategic forces which would undermine our position in SALT. However, there are ways of reducing costs without seriously affecting the visible force and without serious loss to our strategic capabilities.

Strategic Bombers. The Department of Defense Current Program reduces B-52 bombers by 76 aircraft while adding about 40 FB-111s, giving a force of 503 bombers in FY 72 as compared to the existing 540 bomber force. If we accept that there can be no visible reductions to the strategic bomber force, we may still be able to develop options which reduce operating costs for the retained force.

Titan Missiles. Ultimately, we intend to phase out Titan missiles since they are both inaccurate and unreliable.

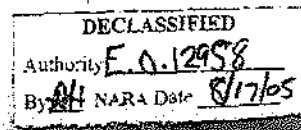
Safeguard. If we get a SALT agreement by July of 1971 which limits or bans ABM, we would be able to save more than \$1 billion for the NCA option or about \$2 billion for the zero option.

If SALT discussions continue beyond January 1971, however, we must send up the next phase of the program in the FY 72 DOD budget. We can consider a full-speed-ahead program for Safeguard in FY 72, or we can select the option of zero, one, or two new sites for FY 72, which will mean smaller outlays. However, slowing down the program delays the completion of Safeguard two to four years and increases total costs \$1 to \$3 billion.

Air Defense. There is general agreement that we can make significant reductions in CONUS air defenses. Not only is our defense relatively ineffective against Soviet low-level attack techniques, there is also the question as to the value of building air defenses without having a missile defense.

We may want to make some qualitative improvements in our air defense at a later date, but no decisions are needed now.

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3

General Purpose Forces

The DPRC looked at reductions of \$2.4, \$3.0, and \$5.0 billion in outlays for General Purpose Forces. It was generally agreed that a reduction of \$5 billion would seriously impair the capability of our General Purpose Forces and should not be considered.

The likely reductions appear to be in the area of tactical air forces, attack carriers, anti-submarine warfare (ASW) forces, and amphibious task forces.

While we can probably make these reductions without serious risk, we do not have a good understanding of the role of tactical air forces and their contribution to our capability. It may well be that some of the missions for tactical air forces do not make an important contribution (we believe this to be so in Vietnam), but I believe much more thoughtful work needs to be done.

Similarly, we do not to my satisfaction understand the role and capabilities of our ASW forces. This will be covered in the Defense review I am starting at San Clemente.

Ground forces remain the same in all the feasible alternatives. We will have about 830,000 men in the Army, the lowest level since the Korean War. Yet, there are serious questions about the adequacy of our NATO posture and many argue that we should put more reliance on our nuclear deterrent. However, with a balance in both strategic and tactical nuclear forces, which now exists, if we reduce our General Purpose Forces too far, we may be inviting exploitation in the area of our greater weakness.

In summary, I think we have reasonable understanding of our strategic forces and have developed sensible options, although some additional work has to be done. While there is much less certainty surrounding our General Purpose Forces, I think we have identified suitable areas for reduction, given that reductions must be made.

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Authority	E.O. 12958
By	AA NARA Date 8/17/05

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4

The NSC Meeting

I recommend that:

- you defer decision on specific items during the NSC meeting;
- you state that, after deciding, you will provide revised budgetary guidance and your priorities for shaping the defense posture.

Your talking points are in your book.

TOP SECRET

~~TOP SECRET~~

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301



SYSTEMS ANALYSIS

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

SUS-0552

Date: 26 JAN 2012 Authority: EO 13526Declassify: X Deny in Full: _____

Declassify in Part: _____

Reason: _____ MDR: 12-M-0438

MEMORANDUM FOR SECRETARY OF DEFENSE

SUBJECT: NSDM 84

DECLASSIFIED IN FULL

Authority: EO 13526

Chief, Records & Declass Div, WH

Date: 12 JAN 26 2012

NSDM 84, attached, gives new budget guidance for Defense 5 year planning. I believe it is realistic in terms of the overall Federal budget, and conforms closely with the option we would prefer if we had to cut. It does not address any of the questions of foreign policy or commitments which we raised in the DPRC in connection with Defense reductions.

Our current plans and the new guidance give the following outlays, including projected inflation, future pay raises, the all-volunteer force program, and support of allies:

	FY 72	FY 73	FY 74	FY 75	FY 76
Current Plan	79.6	80	81	83	86
NSDM 84	74.5	75	76	78	79
Difference	-5.1	-5	-5	-5	-7

In the DPRC paper the FY 72 current plan was projected as \$79.1B. Since then revised materiel costs have added \$0.5B. Thus the NSDM 84 contemplated a \$4.5B reduction in FY 72, but actually requires a \$5.1B amount.

The guidance specifies a reduction in the current all-volunteer force program from \$2.0B to \$1.3B in FY 72, but keeps to the current plan (\$3.5B/yr) thereafter

It specifies no 'visible' cuts in strategic programs except in air defense for FY 72 (pending SALT). It calls for reductions in air defense forces and bomber operating costs. These would cut \$0.55B in FY 72. In addition, I believe the tentative decisions Dave Packard has made about Strategic forces this week are consistent with the guidance (although there may be some question about the reduction from 12 to 9 squadrons of -52 C-Fs as they phase out of SEA). They would cut an additional \$0.5B from FY 72.

Downgraded to Secret
Date: 12 JAN 2011
Chief, Records & Declassification Division, WHS

OSR DOC 10-3

12-V-0001

9/17/20

4

12-M-0438 R1

DOWNGRADED AT 12 YEAR
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2

Paragraph 3 of the NSDM gives priorities for General Purpose Force cuts and sets a minimum of 16-1/3 divisions. Wayne Smith informs me, however, that Kissinger has been under "great pressure" over this paragraph, and plans to send a new memo saying these are "tentative priorities" and calling for the submission of alternative general purpose force structures within the new budget guidance through the DPRC to the President by October 15th so the President may consider the matter further. I have registered a strong protest through Smith about the requirement to submit further alternative forces or seek further guidance at this late date. NSDM 84 would be better without paragraph 3, but with or without that paragraph it gives us adequate guidance to prepare our proposed 5 year defense program. We do not have time to await further guidance, and I believe it is inconsistent with your prerogatives as Secretary of Defense to impose detailed General Purpose force structure priorities.

Paragraph 3 calls for no fewer than 16-1/3 active divisions. This is consistent with the DPRC paper which maintained 16-1/3 divisions except in the low program at -\$7B. The number is determined by the JCS evaluation of NATO requirements. Our continuing study of NATO could lead us to fewer divisions (manpower) in the out years with better equipment (tanks, air power). I do not believe we are yet ready to surface this issue, however.

In summary, the NSDM appears to be based on smaller cuts in Strategic forces in FY 72 than the various options presented to the DPRC and on cuts in General Purpose forces about \$0.5B deeper than the "reduced option" in the DPRC paper. The NSDM itself, however, constrains us very little in how we structure our program within the new fiscal levels.

With this new guidance we must now establish an expedited procedure to produce our 5 year defense plan. If Congress may reconvene as early as January 4, then we must be ready to submit the budget by January 18. Then all major defense force decisions should be made by December 15th. The critical question is the length of time needed for the joint OSD/OMB budget review. This has taken as long as 2 months when major cuts have been necessary in the process. I presume further cuts beyond NSDM 84 will not be forthcoming this year, however, and that we will issue complete PDMs at the NSDM 84 level. It should then be possible to complete the budget review in 6 weeks, so the Services' budget submissions can be in by November 3rd. The Services need at least 2 weeks to prepare budgets after final program decisions. If we allow 2-1/2 weeks, then fiscal decision memoranda must be issued by October 16th. This clearly leaves no time to issue revised fiscal guidance or ask for revised POMs. By pushing the staffs very hard we can: Produce issue papers for Mr. Packard by September 21st; embody his decisions into draft PDMs by September 28th, allow one week for Service reactions (October 5) and issue final PDMs on October 15th. This will strain the excellent participative management we have practiced to date. I would much rather give the JCS and the Services a week to react to the issue papers before they go to Dave, and to allow more time for dialogue between Dave and them before issuing PDMs, but this would compress the budget review to 4 weeks, and that may not be feasible. I would, of course, manage some informal collaborations.

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The proposed schedule:

September			October			November			December			January											
14	21	28	5	12	19	26	2	9	16	23	30	7	14	21	28	4							
Issue Papers to DepSecDef			Draft PDMS to Services & JCS			Service and JCS reclamations			Final PDMS			Budget submission			6 weeks for OSD/ OMB review			Last DoD force changes			Last minor budget changes		

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Date:

JAN 26 2012

When you talk to the Services Monday morning, you may find some confusion because our planning and budget work is in FY 1971 dollars while NSDM 84 is in FY 1972 dollars. Therefore, I am also attaching a summary of the NSDM 84 results expressed in FY 1971 dollars.

Cardinal Tucker

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E.O. 12958, Sect. 3.6

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By KW NARA, Date 4/30/2008

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THE SECRETARY OF DEFENSE
WASHINGTON

12 NOV 1970

MEMORANDUM FOR ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: Defense FY 72 Fiscal Guidance (U)

I would like to make the position of the Department of Defense clear on the issue of the Defense forces and budget for FY 72. Our view is that the force levels which we described at the DIRC meeting on Monday are the minimum acceptable for national security. We may be able to support these force levels within the NSDM-84 funding for FY 72. But, readiness and responsiveness will almost certainly suffer as will our modernization effort. To keep those forces at an acceptable level of readiness, and provide sufficient funds for modernization so that the quality of our forces will be adequate in the out-years, we need at least \$600 million in outlays above the NSDM-84 fiscal guidance level for FY 72.

In addition, as I indicated at Monday's meeting, we need to increase the funds for assistance to allies (MAP, MASF, and credit sales) by about \$800 million. The outlay impact of this increased program together with the outlays from the FY 71 supplemental will add about \$600 million to our FY 72 outlay total. Thus, our guidance for FY 72 must be at least \$75.7 billion rather than the \$74.7 billion in NSDM-84.

I share your concern about the readiness of our forces. Unless they are ready to move to a combat theater promptly and unless they are equipped and supplied to fight, our billions of dollars of investment may be wasted. In addition, our flexibility to respond to unanticipated contingencies will be reduced and the President's options narrowed. Among the critical readiness problems we need to correct are:

-- Air munitions stocks. We need added funds to support the Southeast Asia sortie rates assumed in our August DPMC presentation without drawing down further on our worldwide stocks. Even if we are able to reduce our sortie levels in FY 72, the added production is needed to replenish our stocks, especially for a NATO war. It also will provide the requisite flexibility should higher activity levels in SEA prove necessary.

-- ASW weapons and equipment. We need to increase production of torpedoes and modern sonobuoys. Our "war at sea" analyses indicate that these items are essential to our meeting successfully the Soviet submarine threat.

GROUP 2
downgraded at 3 year intervals;
Declassified after 12 years.
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By KW NARA, Date 4/1/88

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-- Our forces in the Mediterranean. We need to improve the capability of our deployed forces in the Mediterranean theater to face the Soviet electronic threat. The 6th fleet's ability to face this threat has been seriously neglected during the SEA conflict, as priority has been given to the 7th fleet.

-- Operation and maintenance funds. We must not cut back too severely on operations funds for spare parts, training and other items that directly affect the readiness of our forces or reduce their flexibility to react to unforeseen developments.

While readiness of today's forces has priority, we must also provide sufficient modernization to ensure that our forces will be capable of meeting the threat in the mid and late 1970s. Because of the constraints on the rate we can phase-down manpower, we will be forced to take deep cuts in procurement in FY 72 in order to meet the NSDM-34 target. Within the funds available for FY 72 we may only be able to allocate \$12 to \$13 billion (in constant 1970 dollars) to non-SEA procurement compared to \$15 billion in FY 70 and more than \$18 billion during the early 1960s. Cuts of this magnitude, if sustained for any period of time, will seriously undermine our capabilities later in this decade and foreclose a range of options to the President.

Of equal importance is our effort to build the capability of our allies to assume a greater share of our mutual defense responsibilities. A fundamental assumption of our strategy and force planning is that the Nixon Doctrine will be implemented. In Europe we have a major diplomatic effort underway to convince our allies that they must improve their forces. In Asia we are undertaking an aggressive security assistance program to expand and modernize allied military strength. The result should be a much greater ability for these nations to defend themselves. It is this greater allied capability that makes reduced U.S. general purpose forces an acceptable risk.

In our initial fiscal guidance we planned to increase our assistance to allies substantially over the FY 71 levels. The need for further increases is now more essential than before, especially in view of our real dollar declining defense budgets. I estimate we will need about \$800 million more for support of allies in FY 72. About \$300 million more will be required for MASF to support allied forces in SEA, primarily the RVNAF. Cambodia will require about \$200 million in MAP. In addition we must plan to move ahead soon on the International Fighter program if we are to have an aircraft suitable for our allies' use later in the 1970s. Depending on the model selected and the pace of the program, we may need as much as \$150 million in FY 72. Finally, we should be prepared to continue the present large scale military credit sales program for Israel into FY 72. Therefore, we need to allocate an additional \$200 to \$300 million for credit sales for FY 72. The FY 72 outlay impact of these added funds for support for allies together with the outlays next year resulting from the FY 71 security assistance supplemental are estimated at about \$600 million.

In my judgment, the resources we may reasonably expect to obtain for FY 71 are indeed the rock bottom needed to protect U.S. security interests. In turn, \$75.7 billion for FY 72 is likewise the minimum which can provide reasonable flexibility to the President for preserving national security at tolerable risks.

~~SECRET~~

David Packard

CLERICAL FILE



THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

RCR:Dfb
27 November 1970

~~TOP SECRET - EYES ONLY~~

MEMORANDUM FOR THE RECORD

Subj: Budget Planning (U)

1. Dr. KISSINGER asked to see the Chairman, JCS at noon today. The subject of this meeting was to discuss budget planning for FY-71.

2. Dr. KISSINGER opened the meeting by stating that the President may decide to submit a DOD budget request above the fiscal guidance of \$74.5B. Dr. KISSINGER stated that he was aware of the fact that the JCS obviously were basing their force planning on present fiscal guidance, and that it may turn out in the final analysis that the current level will constitute all we get. However, he said that Soviet attitudes were of great concern, that he saw nothing in their behaviour that might be interpreted as consistent with a desire for a detente. On the contrary, their world-wide strategy seems to be getting rougher and rougher, starting with SALT and extending to the Middle East and Cuba. He characterized the erratic movements of the submarine tender off Cuba as either petty or a deliberate attempt to worsen our relationships.

3. In view of this unsettling situation, Dr. KISSINGER thought the President might give serious consideration to an increase in the Defense budget. He thought the President might consider a new level as much as \$79.5B, provided he is given a clear concept of just what we would buy and how such increases would affect his policy options. From an administrative viewpoint, Dr. KISSINGER recommended that we package five (5) different increases in \$1B increments, with each increment containing two (2) different options.

4. The CJCS then described his concept of how the Defense budget should be structured, based on four (4) major objectives:

- Force levels of a pre-determined number,
- The logistics back-up necessary to give this force sustained combat power,
- A modernization program,
- Research and Development.

~~TOP SECRET - EYES ONLY~~

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Date: JAN 26 2012

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

OSR DOC 10-4
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Date: 26 JAN 2012 Authority: EO 13526

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Declassify in Part: ☐

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Date: 10/1/2011
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JAN 26 2012

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5. Under such a concept the CJCS thought that a \$1B increase might reasonably result in an allocation of the total amount in one-quarter slices for each of the major objective areas defined above. As we proceed toward a \$5B increase, there might be a significant increase in number of bombers, interceptors, carriers, ASW forces, and possibly, two or three tactical fighter wings and two more Army divisions. In addition, such augmentation should provide support and equipment necessary to the sustaining power of the overall force.

6. Dr. KISSINGER questioned the add-on of two additional divisions, commenting that it was his instinct that we would be better advised to hold at 16 plus division level, then go for modernization in any budget increases. He recommended that any large increase in manpower be reflected only at the extreme end of a budget increase, rather than in the early phases of any augmentation. He thought it fully conceivable for the President to increase the defense budget but not to ask for a higher Draft. The CJCS agreed, and reassured Dr. KISSINGER that he had mentioned an increase in ground divisions only as one of several options possible in a budget increase. Both agreed that it would be far preferable to maintain present force levels, while using any increased dollar levels to modernize that force.

7. Dr. KISSINGER emphasized that the incremental packages which he envisioned must be general in detail, yet specific enough to give positive direction to the Department of Defense in the event the President should select one for implementation. BG HAIG added that it would be useful for each option to provide the President with a positive statement as to how its acceptance would improve both the President's position and our national security. Dr. KISSINGER concluded this portion of the meeting by reaffirming his deep concern that the Soviets are fully aware of our force drawdown, and the US must make some tough decisions in early 1971 if we are to stem the tide of USSR initiatives. He added that it was not in keeping with his present job to be pessimistic, but as a historian he held a very bleak outlook as to the future unless we can achieve the necessary military strength to influence Soviet decision-making. The CJCS agreed, adding that we must turn the present trend around.

8. Dr. KISSINGER commented on one additional matter concerning our withdrawal of forces from Southeast Asia. He felt it absolutely necessary to keep the Navy and Air Force forces in Southeast Asia as long as possible even though we may have to accelerate the withdrawal of Army forces. If we do otherwise, he thought that our posture in Southeast Asia would come apart, all at the same time. He asked the CJCS to provide him

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with some idea of our time tale for Navy/Air Force withdrawals. The CJCS replied that he would do this, but such action must be predicated on the size of our end strength in Southeast Asia at various dates. These end strengths, in turn, would be predicated on national decisions which have not been made. Dr. KISSINGER asked the CJCS to take whatever action is necessary to ensure that we retain our air strike capability in Southeast Asia far into the future.

9. In summary, Dr. KISSINGER would like to have the following:

--Five packages, consisting of two options each. Each package would be in increments of approximately \$1B each.

--The packages should be designed to stem the Soviet threat, while at the same time, improving our domestic economic posture.

--Any small personnel increases should be placed in the first package in order to preserve skills and to restore losses in efficiency which have resulted from hidden budget cuts in the past.

--Emphasis throughout should be on modernization, which in turn will serve as a means of economic pump priming.

--At the breakpoint (possibly about \$3B) we should start to add dramatic combat capability.

--Keep packages general in nature, yet specific enough to permit the issuance of credible White House direction, e.g. "increase in aircraft interceptors," rather than "increase of 75 planes."

--Timing is important. All packages should be ready by 4 December.

--Finally, we need a redeployment plan which reflects the drawdown of Navy and Air Force forces for each of the projected overall manpower end strengths in Southeast Asia. (Maintaining strong Navy/Air Force strength as long as possible.)

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Ch XI
NATO

THE SECRETARY OF DEFENSE
WASHINGTON

20 FEB 1969

MEMORANDUM FOR THE PRESIDENT

SUBJECT: NATO Defense Issues

European leaders and General Lemnitzer are likely to raise with you on your forthcoming trip some important defense issues. For your background information as to how these issues look to us in the DoD, the following summary may prove helpful to you. JCS comments, keyed to this memorandum by footnotes and including differences of view on a number of issues, are attached as Tab E hereto.

The Adequacy of NATO's Conventional Forces

It is sometimes said that NATO's conventional forces are today so out-classed by the Warsaw Pact that NATO would have to use nuclear weapons within a few days, or even hours, of any substantial attack. General Lemnitzer also believes that his NATO forces are not equal to the opposing Warsaw Pact forces, and that they are not capable of engaging in sustained combat.

The adequacy of the balance of conventional forces in Europe is a subject of considerable differences of view in the Alliance and in the US.

All elements of the DoD are agreed that there is not a hopeless superiority on the part of the Warsaw Pact; but there is considerable difference of opinion about what advantage, if any, the Warsaw Pact does have over NATO, under what circumstances, and how that advantage, if any, should be measured.

The OSD staff and my last two predecessors have generally taken the view that NATO and Warsaw Pact forces are close to being in balance in a variety of important respects, and that a small increase in expenditures would improve the quality of NATO forces and reserves so that a balance would be unquestionably achieved.

The JCS believe that there is neither a "balance" nor a hopeless Pact superiority; instead they believe that there is a distinct, overall Pact edge in conventional capability which could be decisive unless our Allies increase their conventional forces, and unless the US maintains and improves its own forces now in Europe.

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

5 USC 8552

Date: 26 JAN 2017 Authority: EO 13526

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Reason: ☐ MDR: 12-M-0490

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We shall review the issue of the balance of forces in Europe and expect to have a report for you shortly. We are, of course, aware of General Lemnitzer's views, and shall take them fully into account.

Some background may be useful:

NATO's current strategy, formally adopted two years ago, calls for a range of adequate forces across the whole spectrum of military capabilities--nuclear and conventional--to meet whatever contingency may arise with a response suitable to the aggression. In effect, the strategy calls for greater emphasis on conventional forces, since these had been neglected for years in favor of nuclear forces, which were generally agreed to be adequate.

The United States has for years urged its Allies to provide better conventional forces. (There are some Europeans, of course, who continue to believe that the best defense is the threat of an immediate nuclear response to almost any aggression. Having a substantial conventional option makes that threat less credible, in their eyes, and is therefore undesirable. The US has argued that good conventional forces show a determination to fight, and the capacity to engage strong conventional forces at once in a forward defense is a better deterrent than the incredible threat to go to nuclear war even over smaller aggressions.)

The debate over the feasibility of good NATO conventional forces turns in part on how close to our goal we are now. Statements as to the effectiveness of NATO's existing conventional forces turn on such matters as how one weighs the effect of larger numbers of Warsaw Pact divisions against the effect of the existing rough balance in numbers of men in the opposing forces in Europe's Center Region; the significance of the various "qualitative" indicia of combat capability, such as different types and quality of aircraft, different amounts and quality of major equipment pieces, and different capacities for support, logistics and ammunition replenishment, etc.; how one gauges the advantage of initiative, the likelihood of warning time, relative speed of reinforcement, and so forth. Some of these factors are discussed in more detail at Tab A.

We will in the near future be reviewing the conventional balance and related issues within the DoD and in the course of the NSC review of NATO strategy and alternative force postures. Without prejudice to the outcome of that review, it is well to remember that some European countries might welcome a convenient rationale for cutting back their own defense effort, in favor of a cheaper, if more dangerous, reliance on the US nuclear guarantee. The idea that NATO is hopelessly outclassed in conventional warfare would be likely to increase Congressional and domestic pressures in the US to reduce US forces in Europe. It would be said that if the whole conventional effort is pointless anyway we might as well withdraw some of our expensive conventional forces from Europe and rely more on nuclear weapons.

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I would therefore counsel, pending completion of the NSC review, against any suggestion that the United States has departed from its past emphasis on the importance and feasibility of improved NATO conventional forces.

Burden Sharing

The above considerations are closely related to the burden-sharing issue. The United States has told its Allies for the past several years that they can and should take over a greater share of Europe's direct defense. The US now devotes about 10% of its gross national product to defense; our European Allies average around 5%, with Germany at 4.5%. (Arguments that the US devotes far less than 10% of GNP to Europe-oriented forces ignore the fact that NATO is an alliance to defend North America as well as Europe.) Congress has shown increasing irritation with Europe's failure to do more to redress this imbalance, and to help us relieve the US balance of payments deficit on military account caused by our deployments in Europe (about \$1 billion). Pressures for a substantial reduction in our Europe-based forces have grown progressively stronger; Czechoslovakia has provided what may well be only a temporary respite.

The US has urged that the European allies make their existing large conventional forces fully effective by manning, training, equipping and supporting them adequately. We have asked that they provide adequate stocks of war reserves, and design mobilization systems capable of providing selective reinforcements rapidly whenever needed. Our success has been limited. Even in the wake of Czechoslovakia, only modest improvements have been pledged by some countries.

The Europeans will be watching closely for any sign from you that their worries are over; that their effort is adequate; or that balance of payments is essentially our problem, not theirs. I believe we should not suggest, even by silence, that these are our views. To do so would, in my judgment, risk dissipating what little momentum there now is in the European improvement effort, and complicate our forthcoming dialogue with Congress.

US Force Levels in Europe

There is some concern in Europe about the durability of a substantial US military presence on the Continent. Here, I would judge the need to be for a nice balance between (i) reassurances about the American commitment to NATO, which are clearly in order, and (ii) polite reservations in response to any invitations to "stabilize" (i.e., freeze) US force levels in Europe, which might pose serious Congressional and policy problems for us.

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US Forces in Europe

The United States now maintains in Europe and the Mediterranean area about 320,000 military personnel, organized in 4-1/3 divisions, 2 armored cavalry regiments, 32 air squadrons (640 aircraft), the Sixth Fleet of 25 combatant ships in the Mediterranean, and the support and logistic units for these forces. Additional conventional and nuclear forces committed to or available for Europe are described at Tab B.

Balance of payments problems, and Congressional pressures (which stem in part from dissatisfaction with burden-sharing within NATO) have exerted a general downward pressure on US force levels in Europe. Force removals from France in 1967, and last year's redeployment of some Army and Air Force "dual-based" units from Germany reduced authorized personnel spaces in Europe by roughly 50,000. (Actual reductions in personnel were only about half that number.)

We are currently reviewing (and implementing some minor portions) of a program of streamlining of our headquarters and administrative and logistic forces, designed to eliminate some 34,000 additional military personnel spaces in Europe by mid-1973. No major combat units are involved. The program is designed to save annually \$400 million in budget costs and \$150 million in foreign exchange costs when fully accomplished in 1972/3.

Combat and Logistics Readiness of US Forces in Europe

General Lemnitzer has told my staff that the combat readiness of US forces in Europe needs substantial upgrading; that the forces have no line of communications (LOC); have a critical aerial port problem; lack adequate storage facilities for POL (petroleum, oil and lubricants) and ammunition; and are short of tanks and modern tactical vehicles, electronics counter-measures equipment and modern tactical aircraft.

We have looked into this matter and find actions underway to cure many of the problems by June 30, 1969. The fact is that readiness in all Services is not as high as we would like. The basic reasons for our reduced readiness are twofold; (1) the priority diversion of resources to Southeast Asia; and (2) the on-going process of adjustment to the removal of our line of communications and air bases in France. Aging tactical vehicles and ships, lack of facilities (aerial ports, depots and storage space for ammunition and petroleum, oil and lubricants), and shortages of some types of ammunition, vehicles and repair parts are the principal deficiencies. Personnel shortages have largely been made up, but lack of experienced middle range leaders and senior enlisted technicians obtains in Europe as elsewhere. We are now taking a series of actions and studying others to improve the combat support of our forces in Europe. Although remedial actions will overcome many of the problems by June 30, 1969, it will take two to three years to build all of the storage space that is required.

(More detail on the current logistics posture in Europe is at Tab C.)

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Germany

1. Defense Effort. The FRG, second largest nation in NATO in both population and economic power, does not make a defense effort commensurate with its strength. The German defense budget is about 4.5% of GNP, compared with about 10% for the US. Of the other principal NATO nations, the UK and France also make relatively greater defense efforts than the FRG. The previous Administration has pressed the Germans for years to do more in the defense field, and after Czechoslovakia urged that they increase their defense budget by about 15%. Such an increase by the Germans would have restored a 9% reduction in projected defense expenditures which the Germans made in 1966/67, and permitted some improvements in their forces, and some help with our foreign exchange problems in Germany. Instead, the Germans plan an increase of only about 3%, to be used largely for pay and benefit increases.

2. Offset. Our annual adverse balance of payments on military account will, in the absence of special arrangements, average \$700 million in Germany and \$200-300 million elsewhere in NATO Europe for FY 1970-72. We are about to begin (in March) formal "offset" negotiations with the Germans. Both the Germans and we would prefer a long-term solution, to avoid the annual political strain of these negotiations. In recent years the Germans have filled most of the gap by purchasing US securities; this only postpones the problem. In exploratory talks last fall the major new US proposal was that the Germans assume about \$400 million annually of US costs paid out in Germany (mainly local employees' pay and upkeep of US facilities). The Germans find this proposal very difficult to accept for political and financial reasons, but have suggested no satisfactory substitute.

In my opinion the offset problem is one of the most difficult facing us in the Congress. Clark Clifford discussed it with Chancellor Kiesinger and Minister of Defense Schroeder on behalf of President Johnson in October 1968, stressing the importance to both of us of reaching a satisfactory long-term agreement to offset the foreign exchange cost of our military expenditures in Germany. (You may wish to see especially pages 5-7 of the memorandum of conversation attached at Tab D.)

You will probably meet suggestions that in return for FRG offset agreement the US commit itself to stabilizing US forces in Europe at their current level. While a satisfactory agreement would assist you to deal with domestic pressures to withdraw American forces from Europe, I am in agreement with the State trip papers cautioning you against any pledge on this score. We may need our flexibility, not only to streamline and save costs, but also to make use of our growing strategic mobility in the early '70's.

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3. Streamlining of US Forces in Germany. We have recently informed the German Government (both in NATO forums, and bilaterally) of certain portions of our plan, mentioned above, to save money and foreign exchange by streamlining our military establishment in Europe. If the Chancellor asks about this, or about newspaper reports (which have revealed the scope of the entire plan), you might assure him that what is involved is largely administrative streamlining, that we are reviewing a set of proposals for such streamlining, and that we have no plans to withdraw major combat forces.

France

French defense officials have recently expressed interest in closer cooperation with the US and NATO on military matters, including nuclear questions. Some of these approaches are undoubtedly known to de Gaulle; others may have been deliberately made without informing him.

We shall soon be discussing in the NSC machinery a variety of possible ways of cooperating more closely with France, even in the nuclear area. (For example, it may be possible to talk about nuclear planning without requiring France to join the NATO Nuclear Planning Group outright, by devising, together with our allies, a form of association or discussion with the French acceptable to all.) Until such a thorough examination of the existing and new possibilities has taken place, I would conclude only that (a) closer French cooperation with NATO would be to the advantage of France, as well as of the Alliance; and (b) we should be willing to work toward closer bilateral military cooperation with France whenever possible, and be willing to explore new ideas from any source.

"European Caucus"--a Note of Caution

The US has long advanced the general principle that European unification is our goal. In the defense field nothing solid seems to be on the horizon. The so-called "European caucus" is really British Defense Minister Healey's idea to try to develop common European views on a variety of defense issues. So far it has amounted to no more than dinners on the occasion of NATO meetings attended by a number of European Defense Ministers. The Germans are extremely leary of it because they fear trouble with the French over it and also fear that a European grouping could hasten American disengagement. The "European" character of the dinner group is rapidly expanding to include all countries but the US and France. Many Europeans suspect that the main substantive business of the group will be British attempts to sell British aircraft projects to the continental Europeans, and to make a bid for leadership in Europe in a forum where the French are not present.

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While we have generally encouraged any sign of greater European cohesion, we have also said that we hoped that any European group would offer positive European contributions, such as greater European defense effort, as well as joint demands upon the United States.

It is not entirely clear that the current trend of the European caucus is an unmixed blessing for the United States. Ambassador Cleveland has strongly warned against the anti-US tendencies latent in the European caucus and has suggested mildly discouraging it. Mr. Nitze, in a conversation with Minister Healey on January 16th, raised a note of caution and expressed his hope that the European caucus would balance any demands upon the United States (for example, positions to be taken with the Soviets in the strategic arms talks, US force levels in Europe, etc.) with constructive offers of what the Europeans as a group could do for the joint defense and to relieve American problems.

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Attachments:

- Tab A - The Balance of Forces in Central Europe (S)
- Tab B - Additional US Forces Committed or Available to NATO (S)
- Tab C - Logistics Posture of US Forces in Europe (S)
- Tab D - MemCon of Clifford/Schroeder Meeting in Bonn, Oct. 12, 1968 (S)
- Tab E - JCS Footnotes on Memorandum (S)

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DEPARTMENT OF THE ARMY
WASHINGTON, D.C. 20310



7 July 70
Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 28 JAN 2011 Authority: E0 13526
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Declassify in Part:
Reason: MDR: 12-M-8942

MEMORANDUM FOR: DEPUTY SECRETARY OF DEFENSE
SUBJECT: NATO Strategy and Logistics Guidance

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Chief, Records & Declass Div, WHS
Date: JAN 30 2012

Over the past several years the U. S. strategy with regard to NATO has been subjected to numerous reappraisals. The net effect of these to date has been a reaffirmation of the suitability of the NATO policy of "flexible response." Under that policy a nonnuclear attack by the Warsaw Pact would be met in kind up to the point where either its size or its duration threatened the integrity of NATO forces or territory. This had been my understanding of the meaning of "initial defense" in Europe. Your strategy guidance stipulated that our peacetime NATO forces and their logistical support need not be able to sustain a defense against a major attack for longer than about 90 days. This was consistent with the strategy announced in NSDM-21.

When NSSM-84 called for a new study of U. S. strategies and forces for NATO, it included a requirement for considering "different initial defense strategies (for example, 30 or 60 days rather than 90)."

Viewed in this recent context, and in the light of logistics guidance memoranda over several recent years, limiting our capability for conventional combat in Europe to a period of 90 days may appear at first to be a continuation of a long-standing interpretation of NATO strategy. It is in this light that NSSM-84's 60 and 30 day alternatives are "different initial defense strategies." However, based on a recent rereading of DPMs which go back to the early 1960s, I am convinced that even the 90-day limitation, if applied to force design as well as to logistics guidance, is itself a substantial change from earlier interpretations of the capabilities required to support NATO's flexible response policy.

A few quotes will show why I am so convinced. The first two are from the Memorandum for the President on "Recommended FY 1964-1968 General Purpose Forces."

"One of the most critical weaknesses we inherited was the lack of adequate stocks of equipment and ammunition for all three services to fight a nonnuclear conflict for a significant

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Date: 24 JUL 2011
Chief, Declassification Division, WHS

1/ Dep Sec Def Memorandum, Strategy Guidance, dated 28 January 1970. 9791

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SUBJECT: NATO Strategy and Logistics Guidance

period of time. ...To correct these serious logistic deficiencies my FY 1963 guidance ... set an an ultimate objective sufficient balanced stocks to cover the period between the outbreak of a large-scale nonnuclear conflict and the time increased wartime production equals wartime consumption. As a strictly interim measure, I set the period at six months for FY 1963, pending study of the D (D-Day) to P (production equals consumption) period for each time."

"For FY 1964, I recommended budgeting \$3.3 billion on Army equipment. At this level, the budget provides sufficient funds to procure the initial complement of combat equipment required for 16 active and 6 priority divisions plus such replacements, spares, and combat consumables as are necessary to permit 16 divisions to operate in combat for the entire period between D-Day and the time when the production resources of the country can furnish equipment equal to combat consumption."

From our intent to provide D to P support for all active forces, including those deployed in and oriented toward Europe, it can be deduced that the flexible response strategy was seen as requiring a capability for indefinite conventional combat.

Subsequent DPMs recognized reasons for backing away from such ambitious logistic goals. The first such reason was the then current (and still largely so) inability of our European allies to sustain their forces to the same degree as we planned to sustain ours. The following are excerpts from the General Purpose Forces DPM of 6 November 1964.

"The Army has been authorized in the past, except for aircraft, to procure both equipment and ammunition to sustain a 16-division force from D-Day until P-Day, when production equals combat consumption."

"I recommend approval of: the acquisition of ammunition for 14 divisions on a D-P basis and for 6 months for the other 8 divisions which constitute the forces to be deployed to Europe by M+30. Equipment for combat support will be provided for 6 months for the 22 divisions. In case the 6 months support level for individual items of equipment substantially impairs the Army's ability to fight 14 divisions indefinitely, procurement beyond a 6 months reserve level will be proposed for approval. Our forces in Europe will continue to be at a substantially higher level of supply than our Allies."

Still later, and possibly under the stress of meeting the requirements for our growing involvement in Southeast Asia, the guidance was reduced

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from six months to 90 days. By and large, however, the gradual diminution in objective level was presented as a matter of logistic guidance only, with no evidence of necessary implication regarding similar constraint on forces, or of anticipated duration of conventional combat. 2/

As an example, the 7 January 1969 DPM on "NATO Strategy and Force Structure" contained a plan to maintain 11 Army divisions (eight active, three reserve) "primarily for NATO/Europe," and to provide them with initial allowances and 90 days of equipment, ammunition, and supplies. The same DPM also stated that the 11 division force "represents only about 35% of the total U. S. land forces programmed worldwide for mid-1969. The NATO force could therefore be substantially supplemented by forces drawn from our Strategic Reserve or from forces held for other theaters." Since both latter classes of forces are provided equipment, ammunition, and supplies for indefinite combat (i.e., D to P) there were reasonable grounds for deducing that, as of early 1969, sustained conventional combat in Europe was still conceived as a viable option.

That option appears to have died only with NSDM-27 as interpreted by your subsequent strategy guidance. Thus, although the President's policy with regard to Europe has usually been represented in the press as maintaining the status quo at least through FY 1971, it is in fact open to other interpretation.

I have been unable to find evidence to support a belief that it would work to our advantage to limit our choice, at the end of 90 days conventional combat in Europe, to one between surrender and escalation. Yet, rigid application of the 90-day constraint to both logistics and force planning could lead to that result. For that reason I have had my staff take a quick look at what possibilities might exist if the 90-day constraint were applied only to logistics guidance in continuance of previous policy. Briefly, it appears that we might be able to fight in Europe for longer than 90 days -- three months at consumption levels associated with intense combat followed by a month or more at sustaining rates -- provided we were

2/ One specific exception to the latter (i.e. duration) is the DPM on "NATO Strategy and Force Structure," 21 September 1966, which stated that "the U. S. should revise its Europe-oriented forces to become more balanced with respect to the realistic limits of NATO's overall nonnuclear capability and those nonnuclear contingencies which are most probable." That DPM went on to recommend 60 combat days' stockage in Europe and total procurement of 90 combat days' stocks for our Europe-oriented forces as "an interim objective." Even here, however, the reference to "overall" capabilities appears to refer to shortfalls in our allies' forces. Also, the DPM was written during a time when support of SEA-deployed forces was becoming increasingly difficult.

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not engaged elsewhere and therefore could divert stocks held for other purposes. Availability of tanks is the limiting factor identified so far, and even this is not a severe limit since our assets would be more than 90% of requirements until about D+4 months. Further study is required, and I am directing my staff to undertake it. I suggest that this one-month bonus, if it really exists in our currently proposed program, would be sufficient cause for considering an interpretation of your strategy guidance which would limit the 90-day constraint to logistics guidance only. This would allow continued planning for deployments thru M+90, and conceivably beyond, in those cases where additional forces might contribute to favorable resolution of a conflict without resort to nuclear warfare.

Broadening the President's feasible choices, at no increase in cost, would be the most important reason for such a reinterpretation. Associated with that reason is a consideration not frequently discussed. Even assuming that our allies will continue to improve their capabilities for sustained conventional combat, it is difficult to predict the full range of possible reasons that might induce them to stop fighting before their resources had been exhausted. If such a situation arose, our committed forces would deserve a fair chance of being able to fight their way either to a coast or to defensible terrain from which they might be extracted. In such a situation, our people at home also would deserve a fair chance to disengage without risking their own destruction for the sake of allies who were no longer attempting to defend themselves. Granted, the situation I have described is unlikely. But the bonus capability I mentioned would be inexpensive insurance against the intolerable loss that such a situation might otherwise entail.

It is necessary to distinguish between the choice of objectives and the determination of the rate at which we proceed toward them. It would be unreasonable for the U. S. to expend resources in the short run to provide a capability for sustained combat out of all proportion to the capability of our Allies. It is also true, therefore, that to the extent our Allies are slow to improve their capability we must stand ready to escalate, not because it offers a clear advantage, but because there would be no real alternative. Similarly it is true that, should our Allies totally reject programs needed to improve substantially the ability to sustain their forces, we would have to seek a modification of our strategic concepts. Because of these facts it is proper to limit the logistic guidance so that we preserve a reasonable balance between U. S. and other NATO force capabilities. At this time the 90-day constraint does this. The balance between U. S. and allied capabilities is reasonable in the sense that U. S. forces have consistently been considered as setting a standard for our allies to emulate.

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As outlined earlier, the 90-day constraint, so long as it is applied only to logistics guidance and not to force planning, allows a capability to fight longer. That capability also results partly from the use in Europe of forces supported for indefinite combat elsewhere and partly from the diversion of assets held in CONUS for the support of allies. But the critical element appears to be how much we buy for our NATO-oriented forces, particularly as regards ammunition. With 90-day NATO guidance and diversion of other assets, ammunition is not a constraint. There are indications that this would probably no longer be true under 60 or 30 day options as considered in NSSM-84. With logistic guidance geared to such severely limited objectives, we could thus expect to lose the "bonus capability" and its resultant broadening of options, despite the equipment surpluses that might be generated as a result of lowered AAOs. This is another area where more study is required, and we are pursuing it.

With regard to the 60 and 30 day options, it should be noted that, at least for the major items of equipment we have been able to examine so far, there would be no large direct savings due to reducing logistic guidance. Under current fiscal constraints, we are not programming substantial buys during the next few years.

In summary, then:

- 90-day logistic guidance is not inconsistent with our historical interpretation of NATO policy, but application of the same constraint to force planning is. Such application is also unduly restrictive in that it denies us flexibility and thus increases the likelihood of escalation to nuclear warfare.

- A 60 or 30 day initial defense strategy would not lead to large direct savings in equipment costs. Either would obviously aggravate the loss of flexibility. Although I have limited myself to discussing the effects of varying guidance levels on our own forces, adoption of such limited objectives would also surely cause serious reverberations within the NATO alliance, and would impact on stability in Europe as a whole.

For the reasons outlined above I recommend that, at this stage of the planning and programing process, you permit the services to proceed as if the 90-day constraint applied only to logistic guidance and not to strategy or force planning. Meanwhile my staff will continue to press toward refining the data which, hopefully, could provide you with a basis for issuing new guidance.

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I also recommend that you use your office to insure that the illusory advantages of a shorter (i.e., 60 or 30 day) guidance be clearly portrayed in any discussion of NSSM-84.

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Date: 23 Jan 2012 Authority: EO 13526

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Reason: _____ MDR: 12-M-2441

10 JUL 1969

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN, JOINT CHIEFS OF STAFF
ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF DEFENSE
(INTERNATIONAL SECURITY AFFAIRS)
ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS)
ASSISTANT SECRETARY OF DEFENSE (SYSTEMS ANALYSIS)

SUBJECT: REDCOSTE

- REFS: A. SecDef Memorandum, Subject: Approved REDCOSTE Plan,
dated 10 December 1968
B. PBD 420, dated 10 December 1968
C. PBD 420R, dated 18 December 1968
D. DepSecDef Memorandum, Subject: REDCOSTE Decisions,
dated 28 March 1969 1537
E. PCD Z-9-703, dated 23 April 1969

The President on 5 June 1969 approved for implementation the conclusions set out in the Memorandum for the President, prepared by the NSC Under Secretaries Committee (see attachments).

The President's decision in effect (a) reaffirms previously agreed REDCOSTE proposals and approves the proposed implementing schedule, (b) approves Committee conclusions on other REDCOSTE measures which had been pending, (c) requests that we proceed promptly with our studies of additional reductions, and (d) establishes guidance concerning the manner in which the REDCOSTE adjustments should be carried out in order to minimize their political impact on US relationships with our European allies.

As a result of the basic REDCOSTE memorandum of 10 December 1968, as amended by other references listed above, various REDCOSTE measures have already been initiated. I desire that the Military Services now proceed promptly with planning for and implementation of the remainder of the REDCOSTE proposals, as outlined in the Memorandum for the President and its enclosures. Even though implementation of some of the actions is dependent upon responses from our European Allies (e.g., the disposition of the Sergeant Missile Battalion in Italy), planning for such measures should be completed for possible implementation.

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Chief, Records & Declassification WHS
Date: JAN 03 2012

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Implementation of those measures which would (1) affect mutual arrangements, (2) cause the release of facilities or a reduction of significant numbers of local employees, or (3) be highly visible, must await notification of host countries. The Department of State and OASD (ISA) are currently preparing and will shortly dispatch guidance to various US Embassies, with information copies to USCINCEUR, instructing them accordingly. US military field agencies and the Embassies concerned must coordinate closely on such measures to minimize any adverse political impact, especially in light of the reaction to Canada's decision to reduce her combat forces in Europe. Once the necessary notification of the host nations has been carried out, the Military Departments should, after obtaining OASD (ISA) concurrence on implementing instructions, direct their field agencies to implement the measures concerned.

General public affairs guidance is contained in Tab A to the attached Memorandum for the President. This will be furnished to USCINCEUR by OASD (PA). Additional guidance, as required, will appear in joint State/Defense messages to our Embassies and military commands.

You will note that adjustments in timing and in the precise numbers of the reductions are recognized as a possibility in Tab A of the attached Memorandum for the President. However, any such adjustments must be made within the limits of the overall REDCOSTE reductions as contained in the Memorandum for the President and reflected in appropriate PCDs; the overall level of reduction, as approved by the President, must be achieved within the three-year time frame, (or longer, if necessary, for those measures which depend on acceptance of tactical missions by the Allies). Within this framework, reprogramming actions in the planning and implementation of REDCOSTE are authorized in coordination with OASD (Systems Analysis) and OASD (Comptroller). Service plans for achieving these savings on this schedule should be submitted in detail as soon as possible and no later than 31 August, taking into account the basic REDCOSTE plan of 10 December 1968 as modified by subsequent decisions.

I have noted the JCS suggestion that the REDCOSTE progress reports be sent directly to me from the Service responsible for the various items, with a copy to the Joint Staff. In view of my desire to have a single document in which I can monitor the progress of REDCOSTE, I would appreciate it if the JCS would continue to act as the focal point for forwarding Service comments on REDCOSTE. The format for the March report is adequate, but I would like a little more detail and an item-by-item summary of the implementation scenario. (Item numbers should be keyed to the 10 December REDCOSTE memorandum.) Items 10, 12, and 29.1 may be dropped from the report. Item 29.5 should continue to be included, reporting assigned and authorized end-strengths, and any actions taken under normal personnel surveys.

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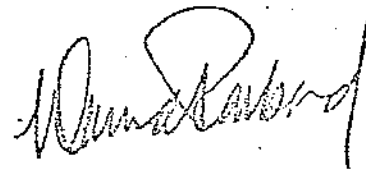
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You will note that Mr. Kissinger's 5 June memorandum to Mr. Richardson refers to further studies dealing with (a) US manning of NATO staffs, (b) the question of the retention of USAFE at Wiesbaden, (c) the increase and acquisition of other air bases in Germany, (d) further Air Force reductions in Europe, including the Wiesbaden area, and (e) the question of further reductions of activities at Athens International Airport. Items (a) and (b) are to be considered again in the context of Presidential decisions concerning the future level of US forces in Europe and our long-term attitude toward NATO. (In addition, Item (a) is to be dealt with in the course of normal personnel surveys and in the context of our efforts to share the defense burden with our allies.) Item (c) is being handled separately. We should, however, proceed with the other two studies (Items (d) and (e)) at once.

Accordingly, I desire that OASD (International Security Affairs) chair a group, including representation also from OASD (Systems Analysis), the Joint Staff, and Department of the Air Force, to prepare and submit to the Secretary of Defense a joint study on Item (e). The study should be submitted as soon as possible within the first quarter of FY 1970.

I also desire that Department of the Air Force develop proposals for further personnel savings in Europe (Item (d)) and submit them to the Secretary of Defense as soon as possible within the first quarter of FY 1970.

The White House has directed that no copies of the Memorandum for the President or retransmissions of the complete text will be sent to overseas posts.



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1. Memorandum for the President,
26 May 1969
2. Memorandum for Under Secretary
Richardson, 5 June 1969

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date:

Copies to:

Director of Defense Research & Engineering
Assistant Secretary of Defense (Administration)
Assistant Secretary of Defense (Installations & Logistics)
Assistant Secretary of Defense (Manpower & Reserve Affairs)
Assistant to the Secretary (Atomic Energy)

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

5 SEP 1969

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT
FOR NATIONAL SECURITY AFFAIRS

SUBJECT: United States Forces Committed to NATO (U)

Each year at this time we prepare a report to NATO which is both a forecast of our force commitments to NATO for the following calendar year (in the present case 1970) and an updating of the commitment for the current year. In the report to be submitted to NATO next week we shall be obliged to report a reduction in our commitment of certain naval units and a reduced readiness in some army units based in the United States. These changes may cause political problems with our Allies, particularly if the current review of the FY 1970 budget results in still further reductions in our NATO commitments. In light of the President's strong personal interest in any actions which might affect the state of relations within the Alliance, we want you to be informed of these actions.

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The important changes in our report are, first, a reduction of our Navy commitment (effective now and for CY 1970 as well) by one attack carrier from a current total of ten, by six ASW carriers from a total of eleven, and by 48 destroyers (now mothballed on the Pacific Coast) from a total of 100. Second, we report a reduced readiness in the Army Strategic Reserve units and -- more importantly from the political point of view -- in the dual-based elements of the 24th Infantry Division. In the 1967 Trilateral Talks with the UK and FRG, we undertook to keep these latter forces ready to return to Europe within 30 days. The changes to date do not reduce the levels of our ground and air forces committed to NATO in Europe or dual-based, nor of our fleet in the Mediterranean. However, further changes in our NATO-committed forces may be required as a result of reductions in defense expenditures already announced and under review.

I believe that our rationale for reporting these reductions is a sound one: The present state of these forces makes our current commitment of them unrealistic, and we ought to be honest about it. The Department of State concurs in this view.

The procedures of the NATO Annual Review, of which our present report is a part, represent the normal method recognized in the Alliance for multi-lateral consideration of national contributions to NATO defense. When impracticable to utilize normal procedure, the government concerned informs the Council and the appropriate NATO Military Authorities of the changes contemplated. This is done, whenever possible, in time for

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

5 U.S.C. 552

Date: 7-1-74 Authority: EO 13526

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Reason: 7-1-74 M-2947

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Date: 06-20-2011
Chief, Declassification Division, WHS

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Since our 1970 commitments will be undertaken during the December 1969 Ministerial Meeting, we consider the period intervening between the submission of our report and the Ministerial Meeting as a period of consultation.

We shall instruct our Mission to NATO to support these reductions in NATO forums by describing them as one aspect of the President's basic policy of realism and candor in our dealings with our Allies and of the avoidance of promises which we cannot realistically expect to keep.

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TALKING PAPER FOR THE DEPUTY SECRETARY OF DEFENSE AND THE CHAIRMAN,
JOINT CHIEFS OF STAFF - DEFENSE PROGRAM REVIEW COMMITTEE (DPRC)
MEETING OF 15 JANUARY 1970

SUBJECT: Reductions in US Forces Committed to NATO in CY 1970

ISSUE: Should the United States further reduce its commitment to
NATO of Category A and B naval forces at this time?

BACKGROUND:

a. The President approved on 20 October 1969 a recommendation that the Defense Program Review Committee (DPRC) review further reductions in forces committed to NATO and submit recommendations to him prior to implementation or public announcement.

b. National Security Decision Memorandum #26 directs, inter alia, that the DPRC will review the diplomatic, military, political and economic consequences of issues requiring Presidential determination that result from proposals to change US overseas force deployments and committed forces based in the US.

c. Last October, the US Reply to the NATO 1969 Defense Planning Questionnaire was distributed to NATO nations. It announced some reductions in US force commitments for CY 1969 and in planned commitments for CY 1970. At the same time, Ambassador Ellsworth informed NATO of additional reductions occasioned by Project 703 but not yet incorporated in the DPQ Reply. Most of the reductions were in naval forces.

d. NATO was also informed at that time that the President has directed that he will personally review any further changes that might affect forces committed to NATO and that NATO will be consulted well in advance of any Presidential decision.

e. On 17 October 1969, the JCS recommended the permanent transfer of four (4) destroyers (DD) from the Atlantic Fleet to the Pacific Fleet.

f. On November 24, the JCS submitted to SecDef a proposed Corrigendum (amendment) to the DPQ Reply, which would further reduce our naval force commitments (over and above reductions already made known to NATO) by 3 Category A destroyers, 9 Category A maritime patrol aircraft, and 12 Category B destroyers. Reductions affect only NATO's Atlantic Command forces; forces for its European Command are not changed.

g. The Secretary of Defense, in the 3 December 1969 NATO Defense Planning Committee (DPC) Meeting, said that:

(1) We are, in the FY 71 Budget, planning to maintain US combat forces in Europe at essentially the same level as the one that now prevails.

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Date: JAN 23 2012

Office of the Secretary of Defense

Chief, RDD-ESD, WHS

Date: 23 JAN 1970 Authority: EO 13526

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(2) In this (FY 70) and in the forthcoming fiscal year (FY 71) some adjustments will be necessary.

(3) Some further adjustments may be required in Category B and C naval commitments. ^{1/}

Subject to these qualifications, the US made firm force commitments for CY 1970 at the 3 December meeting.

DISCUSSION:

a. The present US Reply to the DPQ held by NATO is not accurate, and we need to update that document promptly to permit NATO force planning to proceed on the basis of valid commitments. Failure to do so will preclude effective US participation in NATO defense planning, including development of 1971-75 NATO force goals, and will increase Allied fears concerning our real intentions.

b. The related question of the permanent transfer of four (4) destroyers (DD) from the Atlantic Fleet to the Pacific Fleet is of importance to the DPRC only in the sense that it, in conjunction with certain other adjustments, would result in reducing the NATO commitment by three (3) Category A destroyers.

c. Options

There are several options, each of which is discussed briefly in the Issues Paper (Tab A).

d. Procedures

If the DPRC reaches agreement on all items, and decides to proceed with reductions in Category A, the President should be advised and Ambassador Ellsworth should be instructed to consult the NATO Allies promptly on the reductions; the DPRC would subsequently convey the Allied reactions, together with recommendations, to the President for final decision.

If the DPRC is unable to reach full agreement, we think the matter should be submitted to the President for his preliminary guidance prior to any consultation with the Allies.

RECOMMENDATION:

ISA and the Joint Staff disagree.

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- 1/ Category A (forces available within 48 hours)
 Category B (forces available in 30 days)
 Category C (forces available after 30 days)

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 Date: JAN 23 2012

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ISA recommends:

Option D - maintain present Navy Category A commitments, positioning both destroyers and maritime patrol aircraft in the Atlantic. Reasons: Adverse political impact to be expected from further reductions outweighs the military disadvantages of holding the line on commitments. NATO has already had heavy dose of reductions in US commitments: one Category A CVA; six CVSs (two in Category A); forty-one Category C destroyer types; and others. We weathered that storm, but further Category A reductions now could have an extremely serious effect, and be interpreted as a retreat from high-level Administration assurances. NATO Allies were told in December to expect further adjustments in Categories B and C, so there is no objection to proposed Category B reductions--but impression given in December was that there would be no further reductions in Category A naval forces.

Joint Staff recommends:

Option A - make the reductions as recommended by the JCS. Reasons: The JCS considered the political implications in making their recommendation. They also considered the many recent indications that our Allies have come to expect, and are in fact conditioned to, further reductions. Paramount in the JCS recommendation is their estimate of the military implications of further reductions in the Pacific Fleet in the face of the increasing threat of the Soviet naval presence, particularly the submarine threat. In the opinion of the JCS, this threat to the US and to its Allies cannot be ignored even at the expense, when necessary, of the formal US commitment to NATO.

Approved by



Assistant Secretary of Defense, ISA

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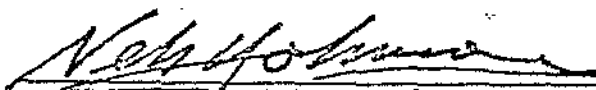
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Date:

JAN 23 2012

Approved by



Director, Joint Staff

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

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Date: 3 Jan 2012 Authority: EO 13526

THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

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Reason: _____ MDR: 12-M-6447

19 FEB 1970

MEMORANDUM FOR THE PRESIDENT

SUBJECT: United States Force Commitments to NATO

Your decision is needed on whether we should at this time make additional reductions in our commitment to NATO of US naval forces in the Atlantic.

LAST YEAR'S REDUCTIONS

You will recall that last October we informed NATO, through the US Reply to the NATO 1969 Defense Planning Questionnaire, that we were making some reductions in US force commitments for CY 1969 and in planned commitments for CY 1970. At the same time, Ambassador Ellsworth informed NATO of some additional reductions required by FY 1970 defense expenditure cuts but not yet incorporated in our DPQ Reply.

Most of the reductions highlighted to NATO in October were in naval forces:

One (1) attack carrier (CVA) (out of six assigned in Category A: available within 48 hours). * Total commitment in all categories was ten.

Six (6) antisubmarine warfare carriers (CVS) (two out of four in Category A). Total commitment was eleven.

Forty-nine (49) destroyer types (12 out of 116 in Category A). Total commitment was 259.

Five (5) submarines (SS) (out of 36 in Category A). Total commitment was 36.

Twelve (12) maritime patrol aircraft (MPA) (out of 123 in Category A). Total commitment was 219.

In approving these reductions, you instructed the Defense Program Review Committee (DPRC) to review any further reductions in forces committed to NATO and submit recommendations to you prior to implementation or public

* Category B: available in from 48 hours to 30 days.
Category C: available after 30 days.

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announcement. You also instructed, and NATO was so informed last October, that you would personally review any further changes that might affect forces committed to NATO and that NATO will be consulted well in advance of your decision.

We told NATO last fall that our budgetary reductions had been carried out so as to minimize the impact on our NATO-committed forces, and that the actions did not affect your commitment to maintain substantial forces in Europe. While our Allies were informed that our defense budget review was not yet complete and that Category B and C naval forces would require adjustments, we told them we did not anticipate any further reductions in our combat forces committed to NATO.

At the 3 December 1969 NATO Ministerial Meeting in Brussels, I told the Ministers that:

- (1) We were planning, in the FY 71 budget, to maintain US combat forces in Europe at essentially the same level as the one that now prevails.
- (2) Some adjustments would be necessary in Fiscal Year 1970 and 1971.
- (3) Some further adjustments might be required in Category B and C naval commitments.

ADDITIONAL REDUCTIONS

As you are aware, there have been budget actions which have led to the necessity to reduce total Navy operating forces.

The Joint Chiefs of Staff now propose, and I concur in, the following additional reductions in our CY 1970 naval force commitments to NATO beyond those already communicated to NATO last October:

Three (3) destroyers in Category A.

Twelve (12) destroyers in Category B. (Five (5) of these are a programmed increase in our commitment that is no longer feasible.)

Nine (9) maritime patrol aircraft (1 squadron) in Category A.

One submarine in Category A.

One destroyer escort in Category B.

The proposed Category B reductions are not troublesome; NATO has been led to expect such adjustments, and they are also less sensitive than changes in Category A (immediately available) forces.

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MILITARY CONSIDERATIONS

In making these proposals, the following has been taken into account. In the distribution of our naval forces we must strike a proper balance between national requirements in the Pacific, including those needed in support of our operations in Southeast Asia, and NATO requirements in the Atlantic. A NATO war involves naval forces in the Pacific as well as the Atlantic. Currently, there are about 106 Soviet submarines in the Pacific, of which 36 are missile launchers. These forces pose a threat to the US which cannot be ignored. We must look to the defense of the West Coast, Hawaii, and Alaska against missile attack; maintain the sea lines of communication to Hawaii and Alaska; and protect the movement of Allied shipping throughout the Pacific. While there are more Soviet submarines in the Atlantic and Mediterranean than in the Pacific (238 including 66 missile submarines), the combined NATO resources provide almost twice the ships to combat the NATO threat in an area only one-fifth as large as the Pacific. Interfleet transfers of ASW assets are required to provide the best balance of ASW capability and provide resources required to support the operations of the Seventh Fleet in the Western Pacific.

POLITICAL CONSIDERATIONS

There will be adverse political impact from further reductions in Category A naval forces. Allied reactions to last fall's substantial reductions were uniformly negative; a number of countries made it clear that our actions would hurt their own efforts to maintain or improve their NATO defense contributions. More Category A reductions now might be interpreted as a retreat from high-level Administration assurances about maintaining our forces and the priority we give to NATO. While technically we have reserved the possibility of further cuts in any of our committed forces, the Allies could possibly have been given the impression that further adjustments would be limited to Category B and C naval forces.

On the other hand, it is arguable that the repercussions from further Category A cuts will not be severe. Our Allies have traditionally been more sensitive to changes in committed forces located in Europe than to our naval commitments to SACLANI. Moreover, we have maintained our Category A naval forces committed to SACEUR for use in the Mediterranean. Furthermore, the majority of the naval reductions have been taken outside the NATO area. Most countries should appreciate that, in a sense, the current issue arises only because NATO has no "Allied Command" for the defense of NATO's Pacific "flank", and therefore this task must fall almost entirely on the United States.

OTHER OPTIONS EXAMINED

We have examined three other possible alternatives:

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a. Make no Category A reductions at this time; proceed with Category B reductions.

b. Reduce Category A commitments as proposed but report all such units as Category B commitments; proceed with other Category B reductions.

c. Same as Option b, except that nine maritime patrol aircraft would be carried as a modified Category A commitment; they would be deployed on the West Coast but reported to NATO as available within 48 hours.

While the political impact of reducing Navy commitments would largely be avoided by accepting Option a, this would result in an imbalance between the fleets, and provide inadequate support for the war in South-east Asia, for which early interfleet transfers are required in support of deployment schedules. Options b and c would avoid the latter problem but not the former. The Joint Chiefs of Staff have valid objections to each of these alternatives.

DEFENSE PROGRAM REVIEW COMMITTEE (DPRC)

The program engendered by our proposed reductions was examined by the DPRC on 15 January. This memorandum results from that meeting.

DEPARTMENT OF STATE POSITION

The Department of State has considered the foregoing and requests that the State position, differing from Defense, be made known to you as follows:

The Department of State recommends Option a -- that we make no Category A reductions at this time but proceed with Category B reductions.

While not challenging the military merits of the case, the Department of State believes that the political considerations set forth in the Defense memorandum are overriding in this instance. In particular, the Department holds that a reduction in Category A forces, after we have implied that there will be no such reductions, will adversely affect our credibility within NATO. Every effort should be made to avoid piecemeal erosion of our combat-ready forces in NATO. If such reductions are to be made they should be taken only after completion of the NSSM 84 study of NATO strategy and forces now under way in order not to prejudice the finding to be set forth in that study. Ambassador Ellsworth fully concurs in this view.

DEPARTMENT OF DEFENSE RECOMMENDATION

I have considered the Department of State views expressed above. Nevertheless, due to budgetary constraints and in consideration of the

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military advice of the Joint Chiefs of Staff, I recommend that Ambassador Ellsworth be instructed to initiate consultations with NATO on the proposed reductions, including those in Category A, and the reasons therefore. This should be accomplished as a matter of priority and the Allied reactions reported to you.

Finally, I should note that still more reductions in our NATO-committed forces may be required by the FY 1971 and future defense budgets.

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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

12 AUG 1970

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS

SUBJECT: Reductions in United States Naval Forces Committed to NATO

In a memorandum for the President on 19 February 1970, we asked the President's agreement to consult with NATO authorities on proposed reductions affecting:

Three (3) destroyers in Category A (available within 48 hours)
Twelve (12) destroyers in Category B (48 hours to 30 days)
One (1) submarine in Category A
One (1) destroyer escort in Category B
Nine (9) maritime patrol aircraft (one squadron) in Category A

Subsequent to Presidential approval on 14 March 1970, Ambassador Ellsworth informed NATO on 8 April that the United States was ready to begin consultation on these changes and on 16 April discussions were initiated with SACLANT.

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We consider that consultation on our proposed changes ended on 27 July when Permanent Representatives agreed without comment to a Military Committee recommendation to note remedial measures sought by SACLANT to offset the changes and to urge countries to meet agreed force goals. SACLANT did express an assessment that his anti-submarine warfare capability has reached a level at which his ability to control the Atlantic sea lanes or communication comes into serious question in the face of the large and improving Soviet submarine force.

Since we encountered no political problems in our proposed SACLANT earmarked reductions, I am instructing the Joint Chiefs of Staff and the Navy to accomplish the actions associated with these changes.

State has been informed of the outcome of this matter.

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 63 Jan 2-217 Authority: EO 13526

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Reason: MDR: 12-M-0476

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Date: 23 Jan 76 Authority: EO 13526

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THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

14 OCT 1970

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Authority: EO 13526

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Date:

JAN 03 2012

MEMORANDUM FOR THE PRESIDENT

SUBJECT: U.S. Troop Levels in Europe and Korea

I am writing in reference to Bill Rogers' 22 September memorandum to you on this subject. I agree with the central point implicit in Bill's memorandum: that the collective defense capability of the U.S. and its Allies must be maintained. But, a commitment to maintain the collective defense capability should not be translated into a commitment to maintain a fixed U.S. force level or mix, either in Europe or in those forces held in the U.S. or European contingencies. Both theoretically and practically, any given level of defensive capability should be attainable with varying force levels through the introduction of efficiencies and improvements. We can also redistribute defense burdens between ourselves and our Allies. Indeed, I think it is today more important than ever before, that, together with our Allies, we pursue the most efficient and equitable way possible of achieving our collective defense objectives. To allow the U.S. to be tied to any specific force level or mix -- particularly numbers of troops -- is inconsistent with this effort.

I believe this reasoning is particularly valid for our forces deployed in Europe which are under severe pressure in Congress. This pressure, together with the policy objectives set forth in the concept of partnership in Europe, make it in my view imperative that we move toward a more efficient and equitable NATO defense posture. To this end, I propose the following plan or action:

1. We should secure early Allied commitment to do more for NATO defense, both through direct budgetary support for U.S. forces in Europe and through force improvements to fix those anomalies in the NATO defense posture identified in NSSM-84. Direct budgetary support should be considered essentially a tactical, short-term move to allay Congressional pressures and buy us time to implement our basic longer-range objective of our Allies assuming a greater share of the NATO defense burden.

2. We should at the same time secure early Allied agreement to develop a NATO plan to achieve by 1976 a NATO defense posture at least as capable as today's, but with a reduced, though still substantial, U.S. presence in Europe. The level partly depends on what might be achieved through mark. The principal means of achieving this posture will be the development and implementation of force efficiencies and improvements. The Allies should make the major effort not only because their forces have been qualitatively inferior to ours, but also with a view to increasing their role in NATO defense. This five-year plan would be developed with our Allies at the political levels, as well as the military levels. Its implementation

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would be subject to consultation at each step. It would be subject to revision in light of developments in East-West relations and in the threat.

3. It may be useful to make some moderate reductions in U.S. forces in Europe in FY 1972. They would be made principally in support forces and overhead at little or no loss in combat capability. We would inform our Allies of our intention to make these minor reductions at the same time we consult with them about burden-sharing and long-term commitments. The purpose of these cuts would be not so much to save money as to demonstrate to our Allies ~~and to Congress~~ our firm intention to shift the burden and to economize in the long run. ~~It we wish to save money we could cut forces in CONUS reserved for European contingencies.~~

By the above means, we will have set forth an explicit program for the future which includes both a commitment to maintain substantial U.S. forces in Europe through 1976 and more equitable burden-sharing. I think we can gain Congressional and public support for this program and more broadly for the basic national security policies of this Administration. This program and support for it within the nation should serve greatly to allay uncertainty in Europe ~~about the continued U.S. presence and the strength and surety of the U.S. national commitment to European security.~~

In contrast, Bill Rogers' proposed commitment to maintain U.S. forces in Europe through 1972, without a satisfactory Allied commitment to improvements and more equitable burden-sharing, and without an indication of U.S. longer-range objectives, simply encourages all concerned to speculate about -- and hedge against -- what happens after that. Public and Congressional pressures would not be diminished. European uncertainty would not be allayed. The Soviets would be encouraged to play a waiting game on MBFR and other European security issues, if that is their tactic. Surely an 18-month extension of our present deployment will not count for much in the longer-range view the Soviets often take on such questions.

I realize that the above program may not be fully in accord with proposals not to reduce unless the Warsaw Pact does likewise. We may wish to consider keeping deployed forces as bargaining counters for MBFR. However, I am uncertain about the Soviets' willingness to conclude anything other than a cosmetic agreement. There is some danger that seeking and concluding an MBFR agreement will constrain us from making reductions in U.S. forces in Europe that might be warranted in terms of optimal use of our resources. And it might handicap us in securing the Allied effort and cooperation that we need in order to attain an efficient and equitable NATO defense posture. I think that if we are to move ahead on MBFR it should be with a clear understanding with our Allies that rather than obstruct the program sketched above, MBFR should be designed to complement or advance it.

Turning to U.S. forces in Korea, the Army does tentatively plan to withdraw the 7th Division in FY 1973 -- a reduction of 14,000 spaces from the end FY 1972 strength. This will still leave an Army force in Korea, however, of about 20,000, including a new special mission brigade similar to the one stationed in Berlin. This unit will have responsibility for security at Panmunjom and on the access road leading from the DMZ.

Final decisions have not been taken, however, and our planning is still flexible. We have a full year or more in which to assess the political and military reactions in Northeast Asia to our FY 1971 redeployments before

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final decisions on FY 1973 reductions must be made. I share Bill Rogers' concern about possible political consequences of another sizable force reduction in the immediate future, but I believe there are compelling reasons for planning further redeployments by end FY 1973.

1. Since the ROK Army clearly has the capability to provide the bulk of the ground forces required for its defense, failure to move ahead with U.S. ground force reductions in Korea could call into question the Administration's determination to implement the Nixon Doctrine in Asia. During the Vice President's visit to Seoul, President Park sought specific assurances that there would be no further U.S. troop withdrawals after FY 1971. The Vice President, of course, gave no such assurances.

2. The Army base-line force currently planned for FY 1972 and beyond is 13 1/3 divisions. If the 7th Division must remain in Korea, rather than in CONUS, as currently planned, U.S. flexibility for meeting worldwide contingencies will be significantly reduced.

3. Reducing forces in Korea by 14,000 in FY 1973 also will save some \$55-\$65 million per year over comparable reductions in CONUS-based forces.

With regard to Bill Rogers' concerns about the impact of further U.S. reductions in Korea on Japanese public opinion, Japan is indeed concerned for the long-term stability of East Asia but shares, I think, our conviction that we can safely move to an Asian equilibrium less reliant on deployed U.S. forces. The concerns expressed to me about U.S. troop withdrawals from Korea have centered on a misconception that the Koreans had not been informed sufficiently in advance of our plans.

Japan is more concerned about the strategic power of her two large communist neighbors than about conventional threats in Northeast Asia. As long as her confidence in the U.S. strategic deterrent remains strong, reductions in U.S. force deployments to the area should not be a cause of alarm in Japan. This is not to say that I belittle the possibility of a Japanese decision to develop nuclear weapons, but I think such a decision depends primarily on Japanese confidence in our strategic deterrent and our commitment to defend Japan against nuclear aggression.

I have sent Bill Rogers a copy of this memorandum.

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THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

~~CONFIDENTIAL~~ 1969

MEMORANDUM FOR THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Chemical Weapons on Okinawa

At the direction of the President, the Department of Defense announced on 22 July 1969 that preparations were being made to remove lethal chemical agents stored on Okinawa. No action has yet been taken to implement the President's directive, and I am seriously concerned that continued delay could have an adverse effect on both U.S. - Japanese relations and the credibility of the Department of Defense. I have therefore requested my staff to review the various alternatives for removing the weapons now on Okinawa and to provide, on an expeditious basis, an analysis of the military, technical, and political implications of each.

To facilitate this review, the following information is requested by 15 September 1969:

1. Circumstances pertaining to the decision in 1961 to deploy chemical weapons in WESTPAC, to include:
 - a. nature of threat deployment was designed to counter;
 - b. rationale for requirements level established;
 - c. extent to which decision was coordinated within the Defense Department and with other Executive agencies.
2. Circumstances pertaining to deployment authorizations in 1963 and subsequently, to include, for each deployment, the information requested under paragraph one above.
3. Any changes in the situation that may have occurred since 1965 (the time of the last deployment) which may reduce the continued need for forward deployment of chemical weapons in WESTPAC.

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4. Analysis of the options available for either relocation or disposal of the chemical agents now stored on Okinawa, to include:

- a. consideration of all feasible relocation sites in the Pacific;
- b. return of weapons to Hawaii or CONUS;
- c. detoxification of agents in Okinawa itself or elsewhere in the Pacific;

The pros and cons of each option considered above should take cognizance of such factors as:

- a. the time and cost involved;
- b. risk involved in terminating the forward deployment of chemical agents in WESTPAC;
- c. public sensitivity in the United States and elsewhere to the presence or proximity of chemical agents;
- d. probable adverse impact on impending negotiations with the Micronesians regarding the future political status of the TTPI which would occur if chemical agents were redeployed to Guam.

David R. Packard

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Chief, Records & Declass Div, WHS
Date: SEP 19 2012

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- 2 -

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INTERNATIONAL SECURITY AFFAIRS

~~SECRET~~
ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

8 9 OCT 1969

In reply refer to
I-25,553/69

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Report on Trip to Far East

1. Scope of Report

The principal reason for my recent trip (see itinerary at Tab A) was to attend a meeting of the Security Subcommittee in Tokyo. During my five days in Japan, I visited several US military installations and talked with a number of US and Japanese officials (see Tab B). As a point of comparison, I also had two lengthy conversations with a Japanese national who has been a long-time friend and professional colleague. My side trips included a day each in Korea, Taiwan, Okinawa, and Honolulu.

This report focuses on what I learned about our relations with Japan and the problem of Okinawan reversion.

2. Situation in Japan

My basic impression is that the Japanese are growing increasingly confident, assertive, and even aggressive. James Shen, Vice Minister of Foreign Affairs in Taiwan, said: "We have met them before; they are the same Japanese we knew before the war." He said the traditional spirit was particularly evident in the younger diplomats, who could perhaps best be described as "cocky."

Those Japanese we spoke to were not diffident in outlining plans for rearmament. Representatives of the Japan Defense Agency participated actively in discussions of the Security Subcommittee, a marked departure from preceding years. They were not reticent in describing defense plans, and they remarked several times that forces would expand as rapidly as public opinion permitted. It is also significant that they spoke more in Japanese than in the past. In a private conversation, the Japanese equivalent of our Director of Central Intelligence confided that he is meeting monthly with his Korean counterpart, but out of the public eye.

Major emphasis seems to be on naval forces for the moment, and Japanese interests extend at least as far as the Indian Ocean. The US Naval Commander at Yokosuka described a newly launched Japanese destroyer, designed solely for training, as a ship we would be proud to have in our fleet. The Japanese spoke of back-drawer plans for aircraft carriers and nuclear submarines.

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Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 24 Jan 1972 Authority: EO 13526

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Reason: _____ MDR: 12-M-5448

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As far as overseas deployment of troops is concerned, the idea most openly discussed as a possible first step is to provide contingents, in the form of special police forces, for peace-keeping operations of the United Nations. This proposal was aired recently in Australia by former Prime Minister Kishi and echoed by representatives of the Foreign Ministry in the Security Subcommittee meetings.

None of the Japanese suggested that their economy could not support a substantial expansion in armed forces. On the contrary, some argued that a mild slowing down in economic growth in favor of rearmament might be desirable, on the ground that growth had been too rapid for social and political stability. It was stressed several times that public opinion polls showed those in favor of an adequate self-defense force rising from 57 percent to 80 percent over the last decade.

Japanese officials seem to take it for granted that Okinawa will revert on schedule and on Japanese terms. There seems to be little concern that the questions of nuclear storage and free use will prove to be a stumbling block, except for some nervousness about possible DOD influence in the negotiations. In brief, Japanese officialdom appears confident that it will get its way without tying its hands in any specific way over important issues, such as the future of the Mutual Security Treaty, are accordingly referred to as matters to be resolved once Okinawa is back in the fold. When asked what the US will get in return for reversion, the officials reply: "A friendly Japanese government."

One may wonder whether that friendship is more than skin deep. Japanese leaders are obviously shrewd appraisers of the political scene at home and abroad, and they (like the public) are motivated primarily by the national interests of Japan. Those interests require, for the near future, reliance on the US nuclear umbrella, but there is an uneasiness beneath the surface about how long the United States will have the power and will to act as Japan's protector, particularly outside the arena of nuclear conflict. Japan is therefore thinking seriously about its own military future.

We were informed that the coming four-year plan calls at a minimum for a doubling of defense expenditures, or an increase in excess of 18 percent a year. The actual pace of expansion will probably depend on how public opinion reacts to other worldwide developments. The navy will receive special attention because of concern over the security of trade routes. Oil, mainly from the Middle East, accounts for 70 percent of Japan's consumption of energy.

Air power will expand as well but probably more slowly. Upon our questioning, the Japanese military leaders affirmed that they need every air base they can get. We should therefore expect the Japanese air force to occupy each base as we vacate it, despite the argument of the moment that our bases should be closed because they create a nuisance to the densely populated areas around them.

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Ground forces will grow more slowly for obvious reasons, but some expansion is planned for defense of Okinawa.

There is a significant body of opinion within governmental circles in favor of keeping Japan's nuclear option open. While a high government official affirmed Sato's intention to sign the NPT, he was not willing to predict ratification in the Diet. In the area of peaceful uses, Japan is about to launch a nuclear-powered merchant vessel and continues developing the world's largest electric power system fueled by nuclear reactors.

The present Japan Defense Agency lacks cabinet rank, being instead attached directly to the Prime Minister's office. It is headed by a Director and staffed by civil servants from various ministries, principally the Foreign Ministry. There is widespread talk, however, of creating a separate Defense Ministry once the Okinawa question is settled.

As every reader of the press knows, radical elements are vocal and active on the political scene. Yet there is little doubt that the Liberal Democratic Party retains commanding control at the polls, and the present government probably has the power to shut off most of the violence whenever it chooses to do so. The skeptic may in fact wonder to what extent radical activities are permitted for the time being in order to bolster the government's case for Okinawan reversion. At the same time, toleration of violence raises the danger of political polarization and ultra-nationalistic reaction, developments contrary to our interests in the Far East. Some Japanese are seriously concerned over the possible revival of the militaristic spirit.

3. Situation in Okinawa

One has to see Okinawa to believe it. In terms of location, facilities, and freedom of use, it is simply irreplaceable. Its military importance derives even more from the deterrent implied by free use than from the operational significance of the base in time of actual hostilities. Our military posture in the Pacific will suffer a serious blow when we lose free use of Okinawa.

Even though Okinawans seem to be overwhelmingly in favor of reversion, they cannot be said to be antagonistic toward the United States. On the contrary, relations are basically cordial and friendly. While there are periodic demonstrations protesting our military activities and calling for return to Japan, they are orderly and without violence. If reversion were denied, these relations would steadily deteriorate, but Lt. General Lampert, the current High Commissioner, feels that we could expect conditions to remain tolerable for several years.

The economy is visibly dependent on US military presence. One Japanese economist predicted to me that there will be a mass exodus of Okinawans to the mainland of Japan as US activity declines after reversion, since the

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mainland will never make up fully for the loss of income generated by the US. Most Okinawans seem to have a child-like faith that the US will somehow continue looking after them even though it relinquishes political control and loses military use of its facilities. Some weak signs of concern are beginning to emerge as the decision on reversion draws near. For example, a group of Okinawan businessmen has begun to speak out openly, in the press as well as orally, against imminent reversion, warning of the economic consequences.

As to our own assets, a personal reviewing of them suggests a worth considerably higher than \$600 million. While the eyes can deceive, I should have guessed a valuation two or three times that amount.

4. Situation in Korea and Taiwan

My stay in Korea was hardly long enough to create more than a few quick impressions. The main one is that the time is ripe for Koreanization. The ROK forces are capable of doing the whole job necessary to defend the country if properly equipped. They are poorly equipped today by modern standards, so that a full-scale program of military aid will be expensive. We can trade the equipment for our own forces, however, provided we leave enough troops to maintain the UN umbrella, an important asset.

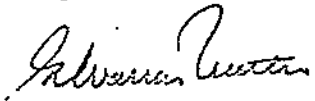
My visit in Taiwan was equally brief, and I was not able to see military forces or installations as I did in Korea. The principal observation I wish to make is that we are running a risk in cooling our relations with Taiwan too rapidly. Our policy seems to be based on the mistaken notion that the only way to solve our problems with Communist China is to abandon Taiwan. If we are not careful, the result may be loss of a valuable friend and ally with no perceptible offsetting gain. Needless to say, the strategic importance of Taiwan grows with the impending loss of Okinawa.

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Date: JAN 03 2012



Doc. 10-13-11

THE SECRETARY OF DEFENSE
WASHINGTON

Honorable Tom McCall
Governor
State of Oregon
Salem, Oregon

8 JAN 1970

Dear Governor McCall:

The President has asked me to respond to your correspondence to him expressing concern over the relocation of chemical munitions and agents from Okinawa to the United States. As you may know, a comprehensive study of our chemical defense policies and program was initiated at my request. This careful review took place under the auspices of the National Security Council, which solicited extensive information from all of the executive branch agencies concerned. On November 25, 1969, the President reported decisions taken on the basis of this review.

We have reaffirmed our often repeated renunciation of the first use of lethal chemical weapons and extended this renunciation to incapacitating chemicals. The President indicated our intention to submit the Geneva Protocol of 1925 to the Senate for its advice and consent to ratification. In addition, on behalf of our Country, the President renounced the use of lethal biological agents and weapons, and all other methods of biological warfare. These steps were taken to reinforce our continuing advocacy of international constraints on the use of such weapons. Our national security requires, however, that we have the capability to deter the first use of lethal chemical weapons against our forces. We can do this only by maintaining limited deterrent stocks under strict safety precautions.

The decision to transfer these stocks was consistent with the Administration's conclusion that our security did not require the deployment of these munitions in Okinawa. Their storage presented no unusual danger to the citizens of Okinawa. They were removed as part of the program of reversion of Okinawa to Japan, not because of any hazard.

The subsequent decision selecting the Umatilla Army Depot in Oregon as the relocation site was based on several factors, among which are its

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Honorable Tom McCall

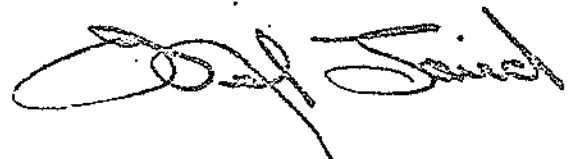
geographic location and its relative proximity to a deep-water Pacific port. I made these decisions with the interests of national security in mind. I do not believe that the transportation to and storage of these items at Umatilla is an unreasonable burden to ask of American citizens in light of the precautions that will be taken.

The Umatilla Army Depot has long served as a storage site for chemical munitions constituting a part of our national deterrent, and it has an outstanding safety record. I am sure you are aware that safety considerations are being given close attention. The Department of Defense has been in close touch with the Department of Health, Education and Welfare and the details of the Department of Defense transportation plan are being coordinated with the Surgeon General from the standpoint of the public health and safety. Also the President's Office of Science and Technology works in close coordination with the Department of the Army to further assure that the program's safety measures continue to meet the highest standards. If you wish, I will be pleased to arrange further briefings for you to detail the elaborate safety precautions that will be taken.

While I would not want to minimize any aspects of the transportation involved, we should recognize that in the civilian sector the commonly accepted commercial movement of hazardous chemical material, as well as explosives, forms a necessary part of our great industrial society. These materials are transported daily, usually without the detailed planning and review that will be effected with respect to this movement. It is obvious that we must also have limited transportation of hazardous materials when it is necessary in the interest of our national security.

I commend you for your concern for the citizens of your state. I assure you, that as Secretary of Defense, I do not lightly ask them to make this contribution to our common national security.

Sincerely,



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Date: JUN 11 2012

Doc. No. 18



THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

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JCSM-297-70
18 June 1970

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Japanese Assumption of Defense Responsibilities
in the Ryukyus (U)

1. ~~(S)~~ Reference is made to:

a. A background paper, subject: "Future US-Japan Defense/Security Responsibilities for Okinawa," which was forwarded for approval on 29 November 1969 by the US Military Representative on the Okinawa Negotiating Team (USMILRONT) for use in discussions with the Japanese.

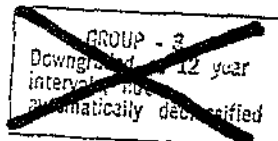
b. DJSM-203-70, dated 6 February 1970, subject: "Future US-Japan Defense/Security Responsibilities for Okinawa," which recommended that: (1) the USMILRONT background paper, as amended, be approved for use in discussion of the subject with the Japanese; (2) a proposed memorandum be forwarded to the USMILRONT approving the use of his paper, as amended, and providing general guidance for discussions with the Japanese; and (3) specific plans for deployment of the Japan Self Defense Forces (JSDF) to Okinawa, assumption of defense responsibilities, and availability of facilities should await a CINCPAC plan and a formal statement of intention of the Government of Japan (GOJ) regarding JSDF deployments.

c. A message from CINCPAC, 180246Z May 1970 (JCS IN 11834), subject: "Okinawa Reversion Planning," which discussed a proposal to release Naha Port to the GOJ for commercial purposes in exchange for a Japanese-funded US port to be built at the Machinato Complex, and which recommended that this be included as a separate priority item in the negotiation process with Japan.

d. A message from the American Embassy, Tokyo, 9358/101030Z November 1969 (JCS IN 52233), subject: "Okinawa Reversion: Economic/Financial Aspects," which stated, in part, that, in the proposed lump-sum agreement, the GOJ will

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include \$200 million as payment in kind for residual value of military facilities, "attributed" to possible military relocation and other unspecified costs to the United States related to reversion.

e. A message from the American Embassy, Tokyo, 9390/120755Z November 1969 (JCS IN 55434), subject: "Okinawa Reversion-Economic/Financial Aspects," which stated that the "real" agreement is that the GOJ is paying \$150 million for residual value of US military bases on Okinawa and \$50 million

and that the Japanese understand that the "flat fee" for this is \$200 million but the basic agreement is disguised by ascribing its purpose to covering military relocation and other costs incident to reversion.

f. A joint State-Defense message for the American Embassy, Tokyo, 073229/132359Z May 1970 (JCS IN 96066), subject: "GOJ Compensation for US Military Relocations and Other Costs Incident to Reversion," which stated, in part, that the Department of Defense will prepare a list of expected costs incurred, including a justification, as a result of reversion, to be used in negotiations with the GOJ.

2. In reference 1b, the Joint Chiefs of Staff recommended that plans for deployment of the JSDF to Okinawa and assumption of defense responsibilities should await a CINCPAC plan, which would be forthcoming. This plan, which has now been forwarded by CINCPAC and has been reviewed and amended by the Joint Chiefs of Staff, is contained in the Appendix hereto. The objective of the plan is to maintain US capability in east Asia by preserving the integrity of regionally oriented combat-ready forces with the required logistical support base and, at the same time, provide for accommodation of the relatively small JSDF with minimum new construction and no requirement to acquire additional real estate. Within these parameters, the study recommends what is believed to be the most effective phasing of the assumption of defense responsibility for Okinawa by the GOJ. It is noted that a formal statement by the Japanese of intentions regarding JSDF deployments has not yet been received by US negotiators; thus, the study is based on informal statements of JSDF intentions. However, it has been indicated that the JSDF proposal has the approval of the Japan Defense Agency, and it is considered adequate to allow informal negotiations to proceed. It is noted further that the timing of deployment of the JSDF to Okinawa is for planning purposes only and that there may be some political problems involved with deployment of Japanese Forces prior to R-day. It is expected these will be discussed and resolved prior to the formal proposal by the GOJ for deployment to Okinawa. The plan in the Appendix does not include a

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[REDACTED] due to a recent request by the Office of the Secretary of Defense which revised options to be considered. This aspect of Okinawa reversion is being developed as a separate entity and will be forwarded by 1 July 1970, as requested.

3. The CINCPAC proposal contained in reference 1c, regarding the release of Naha Port to the GOJ for commercial purposes in exchange for a Japanese-funded US port at Machinato, has merit and could be attractive to the Japanese. It is recognized that they may not be willing to consider this project as a separate negotiation project outside the \$200 million which has been identified for relocation and other costs incident to reversion. However, it is a possibility that should be explored in discussions with the Japanese. If they are not receptive to this proposal, the project could then be considered along with other relocation construction projects and evaluated with them for priority and funding considerations.

4. (7c) It is believed that the US-Japanese lump-sum agreement, as indicated in reference 1e, precludes the need for justification of the \$200 million, as required in reference 1f. More importantly, it appears possible that further discussion of this figure, which is part of the lump-sum settlement and a precondition to US agreement to reversion, could open the door to renegotiation. As indicated in the plan in the Appendix, actual relocation costs may not include a major portion of the \$200 million. In addition, the actual relocation and other costs will not be known until after reversion takes place. To identify costs too early would tend toward premature judgments as to how this \$200 million is to be allocated; moreover, since this amount is to be paid in goods and services over a 5-year period after reversion, it is desirable to retain maximum flexibility in identifying both costs and the method of payment.

5. The Joint Chiefs of Staff recommend that:

a. The attached plan on Japanese assumption of defense responsibilities in Okinawa be approved and forwarded for use by US negotiators in negotiations of this subject with the GOJ. However, the relocation costs and projects included therein are not complete due to the many unknown factors relating to reversion and, thus, are not intended to be a final position on the subject.

b. The proposal for release of Naha Port to the GOJ for commercial purposes in exchange for a Japanese-financed port facility to be built at the Machinato Complex be approved for exploratory discussions with the Japanese as

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a quid pro quo item separate from the \$200 million identified for relocation and other costs incident to reversion. If this proposal is not favorably received by the Japanese, this project could then be considered along with other relocation projects and costs incident to reversion for possible funding with the \$200 million lump-sum agreement.

c. The US negotiators for economic and financial aspects of reversion be advised that the \$200 million of the lump-sum agreement should be considered an agreed sum, not subject to further negotiations and that the \$200 million is to be maintained in a special account payable in Japanese goods and services against which the Department of Defense can draw, as requirements/other costs become known, for a 5-year period after reversion.

For the Joint Chiefs of Staff:

E. G. Wheeler
EARLE G. WHEELER
Chairman
Joint Chiefs of Staff

Attachment

Office of the Secretary of Defense 50.S.C. 9552
Chief, RDD, ESD, WHS
Date: 11 Jun 2012 Authority: EO 13526
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Declassify in Part: X
Reason: 6.2(a)
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By W NARA Date 3-11-09

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

4 DEC 1970

MEMORANDUM FOR ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: Army Manpower

I believe the DPRC meeting on Army manpower last Tuesday was quite productive. It provided a useful interchange of ideas, and helped explain to Committee members some of the problems we face in constructing our budget and manpower program. Below I have developed some additional considerations which we did not have an opportunity to examine at the meeting. These considerations should further clarify the issues we discussed at the meeting.

At the outset, I want to emphasize again the uncertainty surrounding all of our manpower strength projections. There are numerous factors that we must estimate, and any or all may prove to be inaccurate. For example, we have assumed no recruitment gains resulting from our Volunteer Army program. Although we hope to begin seeing the effects of this program during 1971, we do not believe we can depend on it. On the other hand, we assumed that for each added draftee one more volunteer would be induced. In addition, Army manpower losses have proven quite difficult to predict accurately. The Army believes it has better estimates now, but the forecasts could be off by 20,000 or more in either direction over a 12 month period.

NATO Force Readiness

Largely as a result of personnel shortages, our major combat units in Europe are below their peacetime target readiness standards. The constraint on readiness is now, and has long been, personnel. At present, there is both a shortage of manpower and an imbalance between skills needed and skills available. In general, the Army divisions are reporting a C-3 readiness level ("marginally combat ready") instead of the planned C-2 level ("substantially combat ready"). Only a handful of units, such as the 82d Airborne Division in the United States, are kept at C-1 ("fully ready") status in peacetime.

This readiness problem is not new. Except for a few brief periods, all U.S. divisions in Europe have been C-3 for several years. During the Vietnam buildup period, many of these units were C-4 ("not combat ready").

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By WARA Date 3-11-09~~SECRET~~

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Europe Understrength

As indicated at the DPRC meeting, our forces in Europe are presently about 17,000 men below authorized levels. In addition, the Army's manpower projections indicate the possibility of continued shortfalls in these forces, depending on the combination of draft calls and troop strengths in Vietnam finally approved. To put this shortfall in perspective, I think it is helpful to review the recent history of Army understrengths in Europe.

USAREUR MANPOWER
(000)

	<u>Wartime</u> <u>Level</u>	<u>Peacetime</u> <u>Authorized</u>	<u>Actual</u>	<u>Difference</u> <u>(Auth/Actual)</u>
Jun 1963	284	253	244	-9
Jun 1964	262	235	233	-2
Jun 1965	256	230	230	0
Jun 1966	249	224	197	-27
Jun 1967	241	223	212	-11
Jun 1968	223	201	182	-19
Jun 1969	209	188	175	-13
Jun 1970	209	188	171	-17
Aug 1970	209	188	171	-17

As the data above indicate, we have experienced significant shortfalls in Europe since the build-up of U.S. forces in Vietnam. These shortfalls have been due primarily to the fact that new manpower requirements have developed faster than we have been able to acquire and train men to meet them. Ideally, our Europe forces should be maintained at authorized peacetime strength (roughly 90% of wartime strength). However, should a period of tension occur while we are under-strength, there are actions which, if required, could be taken to improve our manpower levels in Europe. For example, the Army could freeze assignments in Europe (except for men completing their periods of service). This action would prevent men from flowing out of Europe while their replacements continue to flow in. This measure alone would rebuild Army strength at the rate of 5,000 to 10,000 men per month. In addition, other men could be deployed to Europe from the United States. Utilizing these two actions, the Army could eliminate strength shortages within two to four weeks.

Emergency Measures

In addition to the above actions designed to reduce Army manpower shortages in Europe, certain emergency measures could be taken in the event of a major crisis to increase total Army manpower levels. One or more of these measures, as described below, could be employed in part to reduce the impact of manpower shortages in Europe and help bring these forces to wartime levels.

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W NARA Date 3-11-09

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1. Extending terms of service of Army personnel

This measure would expand total Army strength by about 40,000 to 50,000 per month, the rate at which men are leaving the service today. It would require Congressional action if the Congress were in session.

2. Cancelling leaves of men between assignments

Today, there are some 70,000 to 80,000 trained men in the "transients" pipeline, moving between assignments. If their change of station leaves were cancelled and they were sent immediately to their next assignment, we estimate that within about two weeks, many of these men could be in units. Moves would then continue to be made, but much more rapidly than today's average of about 30 days (mostly time spent on leave). Under emergency conditions, typical moves would take one to five days. As a result, unit trained strengths would increase substantially within about two weeks. This action is within DOD authority for those men not approaching the end of their enlistments.

3. Calling up the Reserves

Within two to six weeks of mobilization, depending on the severity of the emergency, men from the Army's 1.3 million man Ready Reserve pool can begin arriving as fillers for active units. However, since active units will be brought to full wartime levels primarily with already active soldiers, the Ready Reserve individuals would be used mainly as casualty replacements and possibly as a source for building entirely new units. A further source for individual fillers would be the Army's 660,000 paid drill reservists assigned to National Guard and Reserve units. However, it would probably not be efficient or necessary to breakup these units for that purpose.

By taking these steps, the Army could, within about a month, add to its units some 60,000 to 70,000 former transients and about 40,000 to 50,000 men who would otherwise leave the service entirely. Within about two weeks, the numerical shortage in Europe manpower could be eliminated. Our CONUS units also would be largely at wartime strength, although some would require additional training before they could deploy.

Present forces in Europe can begin fighting immediately without these additional men, although with a 17,000 shortfall, they would on average only have about 80% of their full wartime manpower and the combat units would be at a lower strength level, about 75%. However, given the assumption in NSDM-95 that we would have some warning prior to a conflict, we expect to have time to bring units up to full strength.

Southeast Asia

I recognize that there is also concern over our lack of flexibility to respond to adverse developments in SEA because we are "locked" into a phasedown plan. Again, this situation is true only if we preserve the present policies and practices, and refuse to take emergency actions similar to those described earlier.

If there were a major attack by the VC/NVA forces in SEA, we could take specific actions to increase quickly U.S. combat strength in Vietnam: (1) In the first three months of FY 72, about 25,000 men per month will be leaving assignments in Vietnam. However, the net reduction in SVN strength will be only about 6,000 per month because approximately 19,000 men will be going to assignments in Vietnam each month. In an emergency, SVN tours could be extended from 12 to 13 months, for example. The result would be an increase in Army strength in Vietnam by about 18,000 over our present plans without anyone being held past his obligated term of service. About 7,000 enlisted men per month complete their tour in Vietnam with one month or less of obligated service. These men could also be extended in SVN, but only on the basis of action by the Congress. (2) In addition, there are two Marine regiments in Okinawa, an Army brigade in Hawaii, and the 82nd Airborne Division in North Carolina, all of which could be in South Vietnam within two weeks or less. These units could add two full divisions (50,000 to 75,000 men) to our strength in Vietnam.

Draft Level

During the briefing, we displayed several alternative draft call plans, as shown below:

DRAFT CALLS (000)

	<u>FY 71 Monthly Average</u>				<u>Annual Total</u>	
	<u>1st Q</u> (actuals)	<u>2nd Q</u>	<u>3rd Q</u>	<u>4th Q</u>	<u>FY 71</u>	<u>FY 72</u>
Low	15	8	10	10	130	117
Medium	15	8	14	14	153	120
High	15	8	17	15	166	115

The Army explained that the "High" plan would very early in FY 72 eliminate trained strength shortages worldwide for all cases but the 203,000 to 115,000 SVN redeployment alternative. The "Medium" plan would hold the trained strength shortage below 20,000 in FY 72, and drop it to below 10,000 (negligible in my opinion) by end FY 72 for the 192,000 to 115,000 option. However, both of these plans call for draft levels early next year that are well above the levels of recent months (14,000 to 17,000, compared to less than 10,000 per month during the last four months of the current calendar year).

Obviously, we must examine the political implications of such an increase, particularly since the draft law extension will be considered by the Congress next spring. However, at the same time, I cannot over-emphasize how dependent the Army is upon the draft. In addition to large numbers of draft-induced volunteers, the draft directly provides about two-thirds of the Army's infantry, armor, and artillery manpower.

In assessing the political implications of increased draft levels, it is useful to consider past changes in the number of draft calls. From November 1968 to February 1969, draft calls rose from 10,000 to over 33,000 per month. In October through December of 1969, the draft averaged just below 10,000 per month. It then rose to 12,500 in January 1970, and to 19,000 per month for the next three months. The table below shows the monthly call for the past three years, and indicates that draft levels have fluctuated widely each year.

DRAFT CALLS (000)

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>Jun.</u>	<u>Jul.</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
1968	34	23	41	48	46	20	15	18	12	14	10	18
1969	27	34	33	33	28	26	22	30	29	10	10	9
1970	13	19	19	19	15	15	15	10	12	12	8	7

An increase in the draft to 15,000 or 20,000 per month for the next few months could have a significant, beneficial effect on the readiness of our forces in Europe, as well as those in CONUS committed to NATO. Furthermore, it could provide the manpower needed to give the President the option of stopping or slowing Vietnam withdrawals in the January-March 1972 time frame, should a major offensive occur during Tet. At a draft level of 10,000 per month, holding the SVN strength steady for those three months could cause the trained strength shortage to rise above 70,000 (compared to 48,000 with a continuous withdrawal), unless we resorted to such measures as longer SVN tours.

My staff is presently preparing a draft call proposal and an accompanying Army manpower plan that will attempt to optimize between: (1) available funds, (2) the constraints of SVN force levels, (3) keeping our NATO units close to strength, and (4) preserving some flexibility for later.

Budget Impact of Alternative Plans

While the costs largely depend on the SVN phase-down plan selected, different draft call levels do have significantly different fiscal implications. For example, the higher draft call levels could increase FY 71 Army outlays by \$50 to \$75 million over our current projections. Coupled with the 203,000 to 115,000 Vietnam strength plan, the FY 72 impact could be as much as \$170 million. Therefore, the cost impact is not negligible and could harm our modernization effort or the readiness of the forces we maintain for other areas, if accommodated within present fiscal guidance.

SEA Force Levels

Because of the critical nature of SEA force levels in our force planning, we have examined numerous alternative force levels and reduction plans. We expect to have a firm proposal for your review shortly.

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By WARA Date 3-11-97

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However, I am presently inclined toward some relaxation of the 260,000 man target for June 1971. Given the continued progress of Pacification and Vietnamization, and the low probability of any major VC/NVA military effort in SVN during 1971, some minor reductions in planned strengths should not pose serious risks. A further consideration is that COMUSMACV now expects to be able to get the same U.S. combat force (2 $\frac{1}{2}$ divisions) from a 250,000 man level that he expected with 260,000 men when NSSM-36 was prepared last year.

Summary

I would like to summarize the Army manpower problem by noting the broad alternatives that are available.

1. If we wish to hold draft calls to 10,000 per month while maintaining the 260,000 man SVN force on June 30, 1971, and reducing to 152,000 by end FY 72 (the Army 203,000 - 115,000 plan), then:

a. We must accept worldwide Army strength shortages of 50,000 to 60,000 men through much of FY 72.

b. However, we could recover in a crisis by diverting transients to units and extending terms of service of men completing tours of duty.

c. Alternatively, we could retain a Marine regiment in SVN for a few months into FY 72, and reduce the June 1971 Army strength to 192,000. This would reduce the Army's worldwide strength shortage during the first half of FY 72 to 30,000 to 40,000. The problem would worsen later in FY 72, but the Volunteer Army program may begin to take hold by then, easing the manpower shortfall. Holding the Marines in Vietnam would, however, delay our planned buildup of the Pacific reserve.

2. If we request a higher number of draft calls (e.g., 15,000 to 17,000 during January to June 1971) and wish to meet the 260,000 SVN strength target, then:

a. Worldwide strength shortfalls would be reduced to low levels by October.

b. We could overcome the shortfalls quickly in a crisis.

c. We would have considerable flexibility to slow or stop SVN redeployments during Tet 1972, should circumstances warrant.

d. However, this alternative would cost about \$75 million more in FY 71 and as much as \$170 million in FY 72. Unless we are given more money, other programs would be affected.

3. If we reduce our 30 June 1971 SVN target to 250,000, under either the medium (14,000) or high (15,000 to 17,000) draft levels, then:

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By *W* NARA Date 3-11-89

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a. The Army trained strength shortfall would be reduced to low levels (e.g., 20,000 or less).

b. We would have considerable flexibility in the redeployment planning early in FY 72.

c. The added costs would be about \$70 million in FY 71 and about \$145 million in FY 72.

I am enclosing a summary of last week's presentation and a discussion of the points that I have raised in this memorandum.

David Packard

Enclosures

§ U.S.G. 55Z

7 APR 1971

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Date:

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In addition, the following guidance - along with the more detailed policy guidance on property attached as enclosure 1 - will be observed in negotiating the release of the land and facilities with the GOJ and in regard to maintenance of the land and facilities until released to the GOJ:

1. The Service currently responsible for maintaining the facilities to be released will continue to do so according to current standards until formal transfer is made to the GOJ. Our negotiating position with the GOJ is that transfer should be effected as quickly as possible after reversion to keep U.S. maintenance costs to a minimum. Where a particular Service intends to vacate the facilities considerably before reversion, our negotiators should seek GOJ financial compensation for U.S. costs incurred during the period between cessation of use by U.S. units and formal transfer to the GOJ, if at all possible.

2. As regards Naha Air Base, the U.S. negotiating position is that the GOJ should assume operation of the Air Base, with the residual Navy units as tenants, as soon after reversion as possible under an appropriate joint use and cost sharing arrangement. Furthermore, we are prepared to shift the Navy section of the flight line area as described in enclosure 2 should the GOJ request additional space for civilian airline operations. Authority to propose either the Navy's alternative 1 or final fall back position to the GOJ should be requested of Washington if this is required. Also, we are prepared to release an area shown under Air Force control on enclosure 3G in the vicinity of Arnold Drive should this land and quonset type buildings be needed by the GOJ.

In the Chairman's memorandum and its attached plan, a number of references were made to required relocations of facilities on Okinawa and the need for the GOJ to fund these relocations. This is a complex subject involving other reversion negotiations with the GOJ; the following statement of my position should clarify the matter.

Although negotiations on the economic/financial aspects of reversion continue with the GOJ, it is my understanding that the GOJ has agreed to compensate the U.S. for the residual value of U.S. military facilities on Okinawa by providing, over five years, \$200 million in agreed goods and services. Consequently, the goods and services received from the GOJ under this agreement must be such as to represent a net financial benefit to DoD and thus, in turn, to the USG. This, in effect, means that the

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agreed goods and services will be used to offset DoD budget costs. The basic criterion of acceptability will, therefore, be whether or not we would have purchased the goods or services with appropriated funds. Furthermore, it should be noted that the payment period for the GOJ is the five years following reversion, and, therefore, no goods or services will be available until FY 73. In addition, it is intended that Congressional authorization be obtained for all military construction projects to be financed by the GOJ. Accordingly, requirements for new military construction on Okinawa, whether or not these result directly from reversion, should be processed, reviewed and submitted by the Services as part of their normal FY 73 military construction program. For FY 73 and later, the decision as to the method of funding of approved projects - appropriated funds or as GOJ provided compensation - will be made in accordance with the terms of the final agreement with the GOJ.



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Date: JAN 28 2012

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DOC. NO. 10



~~TOP SECRET~~
THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

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JCSM-388-71
30 August 1971

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MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Implications of Removal of US Military Presence from Taiwan (U)

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1. ~~Reference~~ Reference is made to a memorandum by the Deputy Secretary of Defense, dated 3 July 1971, subject: "Implications of Reduction or Removal of U.S. Military Presence on Taiwan," which requested the views of the Joint Chiefs of Staff concerning:

a. The estimated impact on US security interests of the removal of US military presence from Taiwan.

b. The alternative means for providing for the ESSENTIAL functions relating to US and allied theater posture in the event such military presence were removed from Taiwan.

2. ~~A~~ A severe impact on US security interests would be caused by removal of the US military presence from Taiwan.

a. Politico/military considerations of such withdrawal include the following adverse effects: (1) degradation of deterrence and responsiveness in Asia as a result of reductions of US capabilities on Taiwan, (2) likely misinterpretation by the Government of the Republic of China and the PRC of US intent to meet its defense commitments under the Republic of China (ROC)-US Mutual Defense Treaty of 1954, and (3) lessened confidence of US allies throughout the world in US resolve to meet defense treaty commitments as proclaimed by the Nixon Doctrine. The removal or disestablishment of the Taiwan Defense Command would emphasize these adverse effects. Additionally, degradation of the capability of the ROC Armed Forces resulting from disestablishment of the Military Assistance Advisory Group would be anticipated. There would be an attendant significant reduction of the military assistance provided under the Foreign Military Assistance Act of 1961, as amended, as well as the loss of the advisory and assistance capabilities now provided to the ROC Forces by personnel of the Military Assistance Advisory Group.

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JS 3.3(b)(9)

3. ~~Major~~ Major areas of concern which must be considered in relocation of units now on Taiwan are:

a. Development of adequate basing posture to support operations and contingency plans.

OSD 3.3(b)(1)

c. Maintenance and improvement of command and control capabilities, particularly for emergency situations.

d. Establishment of effective and survivable alternate communications systems to provide near realtime delivery of essential traffic such as command and control referred to above.

OSD 3.3(b)(1)

JS 3.3(b)(9)

4. ~~Relocation~~ Relocation can be accomplished but not without considerable difficulty and cost. The impact would be substantial in terms of the politico/military considerations, reduced tactical and strategic military posture, and major increases in fiscal/budget requirements, including new construction at the relocation sites. Detailed discussion of the estimated impact and the possible relocation sites for US military units now on Taiwan is contained in the Appendix hereto.

Office of the Secretary of Defense 5048552
Chief, RDD, ESD, WHS
Date: 01 FEB 2013 Authority: EO 13526
Declassify: Deny in Full: ☒
Declassify in Part: ☒
Reason: 3.3(b)(1)
MDR: 12-M-0953

For the Joint Chiefs of Staff:

T. H. Moorer

T. H. MOORER

Chairman

Joint Chiefs of Staff

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Attachment

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Date: FEB 1 2013

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

February 9, 1972

MEMORANDUM FOR THE PRESIDENT

SUBJECT: US Force Deployments in Asia for FY 73

We are submitting for your consideration an outline of our planned FY 73 deployments with an assessment of the military, political and diplomatic sufficiency of these deployments and a scenario for notifying our Asian Allies and friends concerning them.

The JCS and the Services have recommended that for the period through FY 73 we maintain the following non SEA-related forces forward deployed in the Western Pacific:

- Non-original markings
1. Ground Forces: one Army division in Korea and 2/3 of a Marine Division on Okinawa.
 2. Tactical Aircraft: three Air Force wings, one each in Korea, Okinawa and the Philippines/Thailand, and two-thirds of a Marine wing in Japan.
 3. Theater Airlift: two squadrons on Taiwan and one on Okinawa.
 4. Naval Forces: three attack carriers, 18-24 cruisers and destroyers, seven attack submarines and three ASW squadrons.
 5. Strategic Forces: one B-52 squadron on Guam and six ballistic missile submarines.

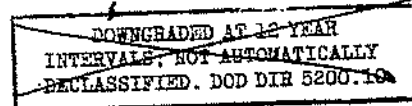
The JCS/Service plan together with Vietnam-related reductions outside SEA will produce the following net changes from our current West Pac posture by end FY 73:

- A reduction of 1,000 support personnel in Korea.
- A reduction of two airlift squadrons and a reduction in support personnel totaling 3,000 personnel in Taiwan.
- A reduction of 3,000 support personnel in Japan.
- An increase of one airlift squadron and a reduction in support personnel totaling a net reduction of 2,000 personnel in Okinawa.

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 19 MARCH 2012 Authority: EO 13526
Declassify: _____ Deny in Full: _____
Declassify in Part: X
Reason: 3.3(b)(5)
MDR: 12-M-0452

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- A reduction of one airlift squadron and one ASW squadron totaling 1,000 personnel in the Philippines.
- An increase of 1,000 personnel in Guam.

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Date:

MAR 19 2012

A detailed description of the deployment plan is at Tab A.

The Secretary of Defense has reviewed and approved this plan and recommends you approve it. In doing so he notes, however, that an OSD analysis of the requirements for building up combat forces in Korea or Southeast Asia in the event of hostilities indicates that there is flexibility in both the level and location of forces that must be deployed forward in peacetime. This analysis shows that the FY 73 force levels will provide us more than the minimum forces necessary in terms of military capability to support our Asian strategy and commitments. Thus, while for practical and political reasons we should retain the JCS recommended forces through FY 73, we should consider carefully changes we can make after FY 73 to exploit this deployment flexibility.

It is the assessment of the State Department and of our East Asian Embassies that the FY 73 JCS deployment plan is adequate to support our political and diplomatic objectives in Asia and that communicating its substance to friendly governments will help substantially to alleviate the sense of unease among Asian governments about US intentions and capabilities in the area.

All of our Embassies whose suggestions we have sought on this subject have emphasized that we should begin discussions of our force planning with friendly East Asian governments well before your trip to Peking, both because of the reassurance that these discussions will provide and to avoid any suggestion that our decisions were a product of your meeting with the Chinese. We would like to begin the discussions by the middle of this month. A scenario for these discussions and a summary of our Embassies reactions is at Tab B.

In discussing our FY 73 deployment plan with friendly East Asian governments, we should confine ourselves to identifying the major general purpose force units we intend to retain in the area through FY 73, and avoid getting into specifics on exact troop levels by country. We should also avoid detailed responses to questions about basing plans, future MAP levels, threat estimates, etc. We recognize that we will probably be queried on these subjects, but believe all questions should be referred to Washington and dealt with on a case-by-case basis.

The major purpose of these discussions should be to open a dialogue with our allies in the context of the Nixon Doctrine about our mutual force plans for the future. In presenting our own deployment plans for FY 73,

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we should emphasize that these decisions do not cover the period after June 1973. For that reason, we hope to engage in early discussions with our allies on the post-FY 73 period that would involve not only our own force planning but theirs as well. What we should seek to establish through this initiative is a continuing exchange with our major allies on these important security matters.

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MAR 19 2012

If the FY 73 deployment plan and scenario meet with your approval, we will send an instruction to our Ambassadors in East Asia to communicate the general substance of the Defense FY 73 deployment plan at the earliest possible date to their host governments. These discussions will help alleviate the uncertainty in Asia resulting from congressional attitudes on foreign aid, the China visit, the New Economic Policy and other security-related US actions. Moreover, such a dialogue will remove us from our current position of having every US force reduction in the Pacific area, even if purely Vietnam-related, interpreted by our allies as heralding an American disengagement from Asia.

Recommendation:

1. That you approve the FY 73 deployment plan.
2. That you authorize the communication of the general substance of this plan to our key Asian friends.

8 FEB 1972



Melvin R. Laird



William P. Rogers
Secretary of State

Enclosures

- A. Deployment Plan
- B. Scenario/Sufficiency Assessment.

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PROPOSED FY 73 ASIAN DEPLOYMENT PLAN

Non-SEA Related Forces Planned for FY 73 a/

	<u>Fighter/ Attk Sqdn</u>	<u>Ground Forces</u>	<u>Bomber Sqdn</u>	<u>Airlift Sqdn</u>	<u>ASW Sqdn</u>	<u>Prep'd Material</u>	<u>Total Manpower</u>
Taiwan	4 planes b/	-	-	2	-	-	6,000
Korea	3	1 div	-	-	-	-	44,000
Japan	5 c/	-	-	-	1	-	26,000
Okinawa	3	2/3 div	-	1	1	2/3 div	45,000
Philippines	1	-	-	-	1	-	16,000
Thailand	2 d/	-	-	-	-	1/3 div	5,000 e/
Guam	-	-	1	-	-	-	15,000
Total	14	1 2/3 div	1	3	3	1 div	157,000

OSD 3.3(b)(5)

a/ [REDACTED] The FY 73 deployment plan currently is being staffed within the DOD and is expected to be submitted for Presidential review in late February.

b/ Planes are detached from the Philippines.

c/ Five Marine squadrons which equal about three Air Force squadrons.

d/ Although part of the nine Air Force squadrons authorized for the Pacific, these squadrons are currently being used in the SEA air effort.

e/ SEA related activities raise the total manpower in Thailand to 32,000 for FY 73.

Afloat forces will comprise three attack carriers, 18 to 24 cruisers and destroyers, six ballistic missile submarines, and seven attack submarines with a total afloat manpower of 30,500.

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Date:

MAR 19 2012

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

3 FEB 1969

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Selective Service Reforms

At the January 25, 1969 National Security Council Meeting, you asked for two papers relating to Selective Service. The first paper was to concern itself with the possibility of a transition to an all-volunteer Army, or Armed Forces. I have provided a memorandum addressing that issue. The second paper was to provide you with my views on the draft. This memorandum treats the issues incident to the draft.

In a sense, the consideration of an all-volunteer force looks to the longer-range problem of service. We are glad to tackle that problem. I believe the study program as outlined in my memorandum on the all-volunteer force constitutes an effective approach to the longer-term issues. In the meantime, we do have the short-term problems of resolving draft inequities and improving draft procedures. Because I felt strongly that we should scrutinize the selective service system at an early date, I suggested to Henry Kissinger that the draft be posed as a study topic to the National Security Council.

This memorandum discusses the short-term problem, which principally grows out of the fact that the armed forces need only about half the young men who turn nineteen each year. After volunteers are accounted for, we need to draft only about a quarter of the remaining fully qualified men in the draft-liable manpower pool -- and the figure will become only one in seven if and when we revert to pre-Vietnam strengths.

A second part of the problem is that young men are now liable to be drafted until they reach their 26th birthday. This can cause years of uncertainty for them, make career planning difficult, and in general create tensions and vexations which are undesirable.

In 1967 a Presidential Commission chaired by Burke Marshall, a House Armed Services Committee panel chaired by retired General Mark Clark, the President and the Congress all agreed on the general proposition that men should be exposed to the draft for 12 months at about their 20th year. If a man was not inducted, his draft liability should then end, it was agreed, except in emergency situations. This is known as the prime age group system. Such a procedure would reverse the

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present practice, which is to draft the oldest men first out of the 19-25 year old group forming the draft-liable manpower pool.

Adoption of the prime age group system foundered in 1967 when President Johnson and the Congress could not agree on how it should be implemented.

Because there are more fully qualified 19 year olds than the Armed Forces need each year, the President recommended a lottery of fair and impartial random (FAIR) selection system to determine which men would serve. I understand the House Armed Services Committee (HASC) opposed the FAIR system because:

- Some Congressmen publicly denounced it before they understood what the proposal was;
- The Director of Selective Service initially doubted its administrative feasibility and consequently gave only lukewarm support to the President; and
- Administration witnesses could not explain in detail exactly how the plan would work.

The HASC prevailed and the 1967 amendments to the Selective Service Act prohibit a departure from the "oldest first" system, while at the same time authorizing draft calls by age class or classes. The upshot is that the Secretary of Defense has standby authority under the law to state monthly draft requisitions in terms of so many 19 year olds, so many 20 year olds, etc., or all 19 year olds or any combination he wishes, but if he does, Selective Service must provide the oldest men first out of the specified age class or classes.

The big flaw in all this -- and the reason it has not been implemented -- is the "January-December baby" problem. A draft call using age classes must be administered by grouping men by 12-month periods, typically using the calendar year. Thus, if in July 1969 we were to call for 20,000 men specifying that they all be 19, General Hershey would draw from the group of men born in 1950. Since he must draw the oldest men first, the January babies are certain to be drafted while the December babies are certain not to be drafted -- and this situation would continue in succeeding months.

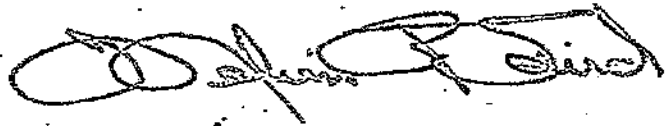
The Department has been unable, despite prolonged study, to find a solution to the technical problem just stated. A

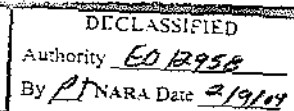
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change in the law is necessary if the prime age group system is to become administratively workable.

I believe that a reform of the draft selection system along these lines makes good sense and that you should support it. Establishing a system for reducing the period of uncertainty for young men subject to the draft is the most important single step which you could take, short of elimination of draft calls entirely. This approach has received widespread support by educators and by many members of the Congress. During the debate on the 1967 draft act amendments, Senator Russell and Congressman Rivers promised to hold prompt hearings on legislation to authorize a lottery plan once a detailed plan was submitted. However, it is likely that Chairman Rivers will not take any action on this legislation unless you give it your personal endorsement.

In addition to this needed reform, I have one further recommendation concerning Selective Service. The Selective Service System is an independent Executive Branch agency reporting directly to the President. It is a civilian agency performing a civilian function, i.e., determining which young civilian males shall be delivered to the Armed Forces for induction. Its employees, including the Director, are paid from the Selective Service appropriation and not by the Department of Defense. We have no control over, and no responsibility for, the policies and operations of Selective Service. Yet because it is run by a man who is technically on active duty as a Lieutenant General, most people think Selective Service is an arm of the Defense Department. The Armed Forces have enough of an image problem as it is without being blamed for the wrongs or apparent wrongs of Selective Service. I hope that when the time comes to select a new Selective Service Director, it will be possible for him to be a civilian.





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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

11 MAR 1970

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Future of the Draft

This memorandum presents DoD comments and recommendations on matters concerning the future of the draft, including the Report of the President's Commission on an All-Volunteer Armed Force.

The Department of Defense endorses the basic conclusion of the Report of the President's Commission on an All-Volunteer Armed Force that the draft should be phased out. This should occur when assured of the capability to attract and retain an Armed Force of the required size and quality through voluntary means.

It is our view that as we proceed toward this goal, the main emphasis should be on reducing draft calls to zero rather than achieving the All-Volunteer Force, even though the objective of each is identical. There are many Americans, including some in Congress, who reject the idea of an All-Volunteer Armed Force but support reduced reliance on the draft. It will be easier to reach your objective by focusing public attention on eliminating the draft rather than stirring those who object to the concept of an All-Volunteer Force.

My recommendations on draft reform, which we previously discussed, went to the National Security Council on January 10, 1970. For the purposes of this memorandum, it is sufficient to recommend the following actions on draft reform to be taken coincident with your forthcoming message to Congress:

1. You should proceed with an Executive Order that would phase out occupational and paternity deferments, and with proposed legislation that would phase out undergraduate student deferments.
2. You should advocate legislation to place the draft on a national call in order of sequence numbers. A method which uses sequence numbers for calls of pre-induction examinations was introduced by the Selective Service System just a week ago,

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and it shows early promise of accomplishing a result which is more consistent with the draft lottery. Even so, a change in the law is the only way of assuring that local Draft Boards will use sequence numbers uniformly.

3. You should request a two-year extension of the Induction Authority beyond June 30, 1971, with the provision that you will end the draft by proclamation if it becomes clear during the two-year period that the draft can be shifted to Standby Status without jeopardizing national security. An alternative would be to request an extension with a ceiling on the number that could be inducted in each of the extension years. The final result from Congress might be a one-year extension, or a ceiling, but I believe the initial request should be for two years without a ceiling.

Department of Defense studies confirm that, as currently-planned force level reductions occur, it will become increasingly feasible and less expensive to meet military manpower needs without reliance on the draft. Even if current relationships between military and civilian pay were to be maintained (and assuming that Vietnamization and other factors proceed favorably), it is reasonable to estimate that monthly draft calls will fall to the level of 5000-6000 by the beginning of FY 1973. With special pay increases and other actions to improve upon the attractiveness and satisfactions of military service, it may be possible to further reduce these draft call levels.

In a memorandum I sent to you on December 11, 1969, and in my statement before the Joint Session of the Senate Armed Services and Appropriations Committees regarding the FY 1971 Defense Program and Budget, I recommended a 20% pay increase to be effective early in 1971 for enlisted personnel with less than two years of service. This was to be in addition to the civilian-military general increase. Provision has been made in the FY 1971 Budget for both of these increases effective January 1, 1971.

We would like to be able to advance the effective date of this special increase to July 1, 1970, and to change the increase amount from 20% to 25%. To do so would demonstrate to the nation and to Congress the high priority you assign to getting on with eliminating the draft, and relieving the draftee and enlistee of a portion of the tax burden he carries in the form of inadequately low pay. Further, it would accelerate the timetable for reducing draft calls to zero, and thus increase the possibility that this objective might be achieved by the end of FY 1972.

The problem, however, is one of cost. The earlier effective date and the higher increase would involve an additional budget cost of \$375 million over the \$250 million already earmarked for FY 1971. Also, this action would invite nearly-certain action by Congress to make the civilian-military general increase effective July 1, 1970 instead of January 1, 1971, with a further additional cost to the Department of Defense of \$800 million. It is simply not possible for this Department to absorb additional costs by cuts elsewhere in its FY 1971 budget. Reluctantly, therefore, we must decline to recommend either the earlier effective date or the higher amount. This leaves us with the civilian-military general increase and the 20% pay increase for enlisted personnel with less than two years of service, both to be effective January 1, 1971.

In the course of considering the special 20% increase for enlisted personnel with less than two years of service, consideration was given to skewing the pay line by assigning the recruit a different percent than the second year man. The rationale of the President's Commission would assign the higher percent to the recruit, on the grounds that his pay is lowest compared with his civilian counterpart. Others argue, however, for giving the lower percent of increase to the recruit and holding back the higher amount, possibly to be paid as a lump sum bonus when he completes an honorable enlistment. While its power to attract new recruits may be questioned, this latter approach could encourage thrift when most military recruits, even though low paid, are able to assign a portion of their disposable income to savings. Further, by keeping entry pay at a low level, it would at least reduce the initial tax burden that would occur in the event of later mobilization.

Notwithstanding these considerations, we believe the 20% increase is the minimum that should be given to any enlisted personnel with less than two years of service. Equity demands no less, and a lower percent of increase would provide no basis for measuring the impact of a pay increase upon voluntary enlistments.

Three comments on the Report of the President's Commission are appropriate for this memorandum. The first is that the Department of Defense has considerably less confidence than is reflected in the President's Commission Report that draft calls could be reduced to zero by July 1, 1971. This is because of factors of uncertainty beyond our current reach or control and they include the following:

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- The changing attitude of young people toward military service, and its effect upon enlistments and reenlistments. Many of the manpower supply estimates for an All-Volunteer Force rely on pre-Vietnam data, and upon after-the-fact surveys of what induced "voluntary" enlistments. It is not known how youngsters of high school age have been affected by widespread anti-war propaganda, nor is it known how those already engaged in ground combat in Vietnam will respond to reenlistment.
- The uncertainty of the effect of increased pay. It is assumed that more pay will buy additional enlistments, but there simply is no way to know at this time the extent of its drawing power.
- The availability of jobs in the labor market. Our ability to attract young men to the Armed Forces will be influenced by the range of occupations and number of jobs they have to choose from, in addition to the military option.

My second comment is to point out that the Commission Report is in serious error in suggesting that little or no problem exists with respect to compensation of career military personnel. The report compares pay of military personnel with "average" civilian earnings on the basis of the number of years out of high school or college. This basis of comparison fails to take into account the degree of knowledge and responsibility required at various position levels and other factors which should be considered in determining pay relationships and levels of pay within the military services. It would be wrong to assume that military pay can be equated with civilian pay on the simple basis of age and basic education. Such standards are not used as the sole basis for testing the adequacy of pay levels in either private or public civilian jobs, and neither can they be so used to measure the adequacy of military pay.

My third and final comment about the Commission Report relates to the Guard/Reserve Forces. The report relies primarily upon pay raises and increases in lower ranks as the means of assuring Reserve strength and readiness. Other factors beside these are vital as we increase reliance upon Guard/Reserve components. It is essential, for example, to retain more experienced officer and enlisted personnel to compensate for the losses of World War II and Korean veterans through retirement. This means attention to a broad range of Guard/

Reserve interests, including the combat readiness of equipment on which they train, and the arrangements to compensate for the disruption of family and vocational pursuits while in training. The attitude of the civilian soldier toward military life, including his opinion of its performance quality, is a key factor in our national security.

In moving toward the goal of zero draft calls, the Department of Defense intends to take positive steps through leadership provided by this office, the Service Secretaries and Chiefs, and its Project Volunteer Committee. In addition to what may be done with respect to pay, we plan the following initiatives to implement this essential goal:

1. Expand the recruiting effort by each of the Services for Active and Guard/Reserve Forces.
2. Restore the sense of "duty-honor-country" which should symbolize the uniform and the man in it. The spending of money for pay will not by itself restore this precious sense to our national life. In today's climate, with the military widely blamed for an unpopular war, and with the severe cutbacks in Department of Defense budgets, it is increasingly difficult to maintain morale. One of our major human goals is to enable the military serviceman to feel the highest pride in himself, his uniform and the military profession. This is paramount to the realization of a high-quality military organization, and it will receive our continuing attention.
3. Improve on-base military housing and increase housing allowances, particularly in high-cost metropolitan areas. The FY 1971 Budget already provides for substantial increases in military housing, and the recommendations to Congress in support of increased housing allowances and further increases in military housing will be made later this year.
4. Improve conditions of service and increase military career satisfaction through such actions as expansion of in-service educational opportunities, expansion of ROTC scholarships, extension of family moving expenses to short-service enlisted personnel, reduction of KP and other extra duty assignments, and a broader program to assist those leaving military service in their adjustment to civilian life.

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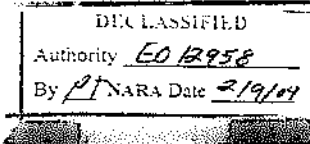
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I believe action on the foregoing recommendations will take us firmly and safely on our course of reducing draft calls to zero while at the same time supporting your determination to end inflation, preserve our defense strength, and keep the Administration in a strong and flexible position. The Administration cannot be placed in the position of having to reduce forces below National Security Council recommendations because it has acted too soon in taking irreversible steps to eliminate the draft.





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MEMORANDUM

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THE WHITE HOUSE
WASHINGTON

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INFORMATION
March 17, 1970

MEMORANDUM FOR DR. KISSINGER

FROM: Laurence E. Lynn, Jr.

SUBJECT: The All-Volunteer Army Proposal

The desirability and feasibility of ending the draft and maintaining an all-volunteer Armed Forces are hotly-disputed issues. This memo describes the nature of the problem the Gates Commission proposal, its likely effects on the Armed Forces and society, and the key issues and alternatives for decision.

Enclosed at Tab A is an analysis of the Gates Commission findings prepared within the Department of the Army. At Tab B are Secretary Laird's recommendations on these issues.

Background

During his campaign, President Nixon made a strong commitment to end the draft as soon as conditions permitted him to do so. Following the election, the President established the Gates Commission to "develop a comprehensive plan for ... moving toward an all-volunteer force." The Commission unanimously reported that:

-- "The nation's interests will be better served by an all-volunteer force ... than by a mixed force of volunteers and conscripts."

-- The steps necessary for ending the draft should be taken by July 1, 1970, to achieve an all-volunteer force by July 1, 1971.

Since the Commission's report, its finding that an all-volunteer armed force is desirable has been supported, in principle, by all interested agencies; however, there has been substantial disagreement over the feasibility of achieving an all-volunteer force within the next few years. However, in spite of these disagreements, the all-volunteer proposal, backed by the President's strong commitment, is close to implementation in some manner with a message to Congress now scheduled for March 23rd.

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The Dimensions of the Problem

The strength of the active Armed Forces will be about 2.9 million men by the end of FY 71, including an Army of 1.2 million. To maintain a force of this size, the annual manpower requirements, given current retention rates, are:

-- About 600,000 new accessions per year of whom:

-- About 309,000 will be required in the Army; the remainder of 291,000 will be needed by the other services.

To meet these overall manpower requirements, two potential sources of manpower are available:

-- Enlistments in the active forces averaged about 500,000 men in 1968 and 1969. In the pre-Vietnam period, enlistments averaged about 300,000 men per year.

-- Conscription has averaged about 290,000 to 340,000 in recent years. In the pre-Vietnam period (1960-1964), inductions averaged less than 100,000 men per year.

Clearly, if enlistments remained at recent levels (500,000 men), the need for conscription of additional manpower to meet the services' requirements would be relatively slight -- perhaps as few as 100,000 men would need to be drafted in FY 71. However, enlistments will not remain at their present high levels because they are clearly related to draft pressure. As inductions fell toward 100,000, enlistments would drop sharply below the 500,000 per year level.

As a result, the net requirements of the armed forces would be substantial in the absence of the draft, because many men enlist only because their probability of being drafted is high. To determine how many men would be needed to fill this gap, it is very important to determine accurately the portion of enlistments representing "true" volunteers -- men who would enlist in the absence of a draft. A great deal of evidence has been accumulated on this point by two principal techniques:

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-- Surveys. DOD has conducted two extensive surveys of first-team personnel that found, under 1964 peacetime conditions, about 60% of the enlistments were "true" enlistments. Under 1968 wartime conditions, the "true" enlistment was predictably much lower or about 40%.

-- Time Series. The Gates Commission, OSD, and the Army have correlated changes in enlistment rates to the draft pressure and other factors influencing them. These studies determined that while changes in enlistments are largely due to changes in inductions, there will be about 200,000 to 300,000 "true" volunteers per year in the near future, regardless of draft pressure.

Based on these studies, there is a clear agreement that the "true" enlistment rate would be about half of recent enlistments (500,000 men per year), or only about 250,000 men. Thus, if wartime conditions prevailed, "true" enlistments would have to be almost doubled over their expected rates to maintain our armed forces at their FY 71 levels (2.9 million men) without a draft. If enlistments were not doubled, the problems of maintaining our present forces would be acute.

However, the problem of maintaining enlistments will be reduced considerably by the reductions expected in our force size over the next few years. Under current DOD planning, the overall DOD manpower strength will fall from its end FY 71 level of 2.9 million to a level of 2.5 million in end of FY 72 and only 2.25 million in end of FY 73.

With this substantial reduction in our forces, the need for fresh manpower will drop significantly. For example, while 600,000 accessions per year would be required for a FY 71 force of 2.9 million, only 400,000 men per year would sustain our planned end FY 73 force of 2.25 million.

Moreover, as "true" volunteers enter the force in greater numbers, the retention rates will increase. If the "true" volunteers, added in the next few years, remain in the service at past rates, the need for new accessions will be further reduced. For example, in FY 73, the required annual accessions for a 2.25 million man force

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will be reduced from the 400,000 men level to about 320,000 men. With this reduction in the need for fresh manpower, the expected number of "true" volunteers (300,000 to 350,000 men under peacetime conditions) will very nearly fill the armed forces manpower requirements.

As this indicates, the expected increase in retention combined with planned reductions in force levels will come very close to creating an all-volunteer army by end of FY 73 regardless of whether we seek it. To generalize:

-- Under wartime enlistment rates, we will be able to sustain an all-volunteer force of at least 2.0 million men.

-- Under peacetime enlistment rates, we will be able to sustain all-volunteer forces between 2.25 million in strength.

However, the availability of enough aggregate manpower does not ensure that our armed forces will be all-volunteer because:

-- While the Air Force and Navy will more than meet their requirements, the Army and Marine Corps will be short. For example, the Army will require 152,000 accessions in FY 74 and 123,000 thereafter to meet its non-officer manpower requirements. Yet, the "true" volunteers estimated for those years will range from 102,000 (Army estimate) to 121,000 (Gates Commission). Thus, for FY 73 and FY 74, the Army and Marine Corps will be short of enlisted men.

-- While the manpower requirements for the active forces will be met overall, the requirements for Reserve forces will probably not be met. For example, surveys indicate that about 70% of the first-term enlistments in the Army Reserves are draft-induced even in peacetime. Reserves at current levels could probably not be maintained in the absence of a draft.

Thus, while the overall annual volunteer rate will come very close to meeting our planned requirements by FY 73, we will not be able to obtain enough personnel for the Army's Active or Reserve forces despite an abundance of volunteers in the aggregate. This is serious because the acceptability of a smaller active army is predicted on maintenance of a large, well-trained ready reserve.

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The All-Volunteer Army Proposal

The Gates Commission proposal is to make substantial increases in the pay of first-term officers and enlisted men, thereby inducing enough volunteers to make up this gap between the "true" volunteer and required accession rate. The Armed Forces' present pay and the recommended changes are:

-- The military compensation for first-term enlisted men is now about \$3,600 per year or about 65% of civilian pay for manpower of comparable age, education, and skills. It would be increased by 50% to \$5,300 per year of approximate equality with average civilian pay.

-- The military compensation for first-term officers is now about \$8,550 per year or about 96% of comparable civilian pay. It would be increased by 20% to \$10,300 or about 120% of civilian pay.

The logic behind this recommendation is as follows:

-- Manpower Requirements. To sustain a 3.00 million man volunteer force, the number of "true enlistments would have to be at least 400,000 men per year--a 60% increase over the "true" volunteer rate (250,000 men) under wartime conditions.

-- Supply Elasticity. To increase enlistments by 1%, the Gates Commission estimated that pay would have to be increased by slightly less or about .8%.

-- Volunteers. Therefore, to raise the volunteer rate by 75%, the pay of the first termers should be increased by 50% (60% x .80)--the Gates Commission's recommendation.

However, this logic is very badly flawed:

-- The Importance of Pay. Increasing pay is probably neither a reliable nor efficient means of increasing enlistments, particularly during wartime when very large enlistment increases are required. Popular anti-military and anti-war attitudes among the young may make the last concern of potential enlistees.

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-- The Cost. There is no reliable evidence on the pay increases needed to induce an increase in enlistments. The Gates Commission's choice of a supply elasticity was essentially arbitrary even though not unreasonable for small increases in enlistments. However, for large increases in enlistments, the pay increases required are essentially unknown. The Gates Commission's pay estimates assume that percentage pay increases will yield equal percentage increases in enlistments--an assumption which almost certainly understates the cost of an all-volunteer army at present force levels.

Moreover, for force levels of less than 3.0 million, the pay increases proposed by the Gates Commission are inconsistent even with its own idea of the pay increases required. According to the Commission's own findings:

-- No pay increase would be required to sustain a force of 2.25 million under peacetime conditions.

-- A pay increase of only 20% would be required to obtain the 30% increase in enlistments needed to sustain a force of 2.5 million men.

Thus, the Commission's recommendation that a 50% increase in first term pay be carried out even for these lower force levels is not justified by their own analysis. Rather, the Commission assumed that such an increase is merited on equity grounds alone, with the cost of implementing it varying according to the prevailing force size.

The equity grounds for such an increase are strong:

-- From 1948 to 1969, the pay of first-term enlisted personnel was increased by 60 percent compared to an increase of 111 percent for career soldiers.

-- By 1970, the pay of first-term officers and enlisted men was substantially less than that received by men with more than one term of service.

However, while an equity pay increase probably should be given to these first-termers, pay increases of this magnitude would not be necessary to meet our planned force requirements without the draft.

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Conversely, for force levels as high as the present (3.0 million men), the increases in pay even as large or larger than the Gates Commission recommended could not be counted on with high confidence to sustain our forces at desired strength levels. This sensitivity of the required pay increases to assumed force levels reveals one fundamental point: The implementation of the all-volunteer army idea prior to the post-Vietnam drawdown of forces will greatly increase its cost and the risk that its implementation will fail.

Alternative All-Volunteer Army Proposals

A number of alternatives have been developed around the Gates Commission's basic recommendation. These alternatives all have two common elements:

-- Each assumes that the all-volunteer army will be instituted by October 1978 immediately prior to the next Presidential election. While the President has not, to my knowledge, decided on any specific date for implementation, it is reasonable to suppose that he will want to make progress toward ending the draft by the election.

-- Each eventually grants the full pay increase recommended by the Gates Commission, with three of the four alternatives granting it in FY 72; the other in FY 73. The Gates pay increase will cost from \$2.8 to 3.1 billion depending on the force size in the year it is implemented.

Based on these common elements, the alternatives developed differ mainly in the phasing of expenditures over the FY 71-73 and their resulting total costs. The alternatives in \$ billions are:

	<u>Total Cost (FY 71-73)</u>
Option 1 (the Gates Recommendation)	\$9.3
Option 2	6.5
Option 3	6.2
Option 4	5.9
Option 5	4.4

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In assessing the relative desirability of these alternatives and the all-volunteer force concept itself, the three factors of prime importance are:

- The effects on the armed forces and, by implication, on society as a whole.
- The costs and the availability of funds adequate to support them.
- The political costs and benefits of moving toward an all-volunteer force prior to the end of the Vietnam war.

Effects on the Armed Forces

The implementation of the Gates Commission proposal will have some significant effects on the composition and characteristics of the armed forces:

- Turnover. Since all persons joining a volunteer army will do so because they desire to, the turnover will fall substantially. For example, among Army enlisted men, annual turnover will fall from 26 percent to 17 percent.
- Promotions. With lower turnover, promotions will come more slowly for both officers and enlisted men. Low turnover combined with a larger corps of officers than required for the post-Vietnam force structure could mean a serious loss of incentives. One Army study shows that in an all-volunteer army, with today's officer corps, promotion from Captain to Major would take nine years.
- Quality of Enlistees. Over the last 20 years, the mental standards of the armed forces have constantly risen, partially because conscription allowed the Services to exercise higher standards. With an all-volunteer army, continuation of this past increase would not be possible and some decline in standards could be expected.
- Race. At present, Blacks constitute about 13% of the career armed force--about the same proportion as the overall Black-to-White ratio in the U.S. With an all-volunteer force, this proportion would increase slightly to about 16%.

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While an all-volunteer force will not be comprised of the "halt, lame and blind" of our society, it will probably be of lower quality than our present forces. Given the attitude of our best-educated and most-talented youth toward the military, it is also unlikely that pay increase alone could induce these exceptional individuals to volunteer in the same numbers they are now drafted.

The Cost of the All-Volunteer Army

Assuming that the full annual cost of the all-volunteer force will be at least \$2.8 billion in its first full year of implementation, it is clear that the all-volunteer army proposal cannot be implemented prior to FY 73 without a major fiscal disruption. For example:

-- DOD Funding. The DOD budget includes only \$250 million in funds earmarked for the all-volunteer army proposal. If DOD were asked to find the pay increases necessary within its existing guidelines, substantial reductions in our forces below planned levels would be necessary.

-- Domestic Funding. The funds available for all new Presidential initiatives on the domestic side are meager, with only \$.3 billion available in FY 71 and \$2.8 billion available in FY 72. Clearly, the implementation of the all-volunteer army proposal is impossible in FY 71 without a fiscal deficit instead of the planned surplus. In FY 72, more money will be available, but the full funding of the Gates' proposal would absorb all the funds available for domestic initiatives.

Because of these budgetary stringencies, the full implementation of the Gates proposal in FY 71 or 72 would be extremely costly and mean one, or some combination of (1) a substantial budget deficit, (2) a cutback in force levels or defense spending (3) a cessation of other domestic initiatives or (4) higher taxes. With budgetary implications of this magnitude, I believe it would be very difficult for the President to implement the Gates' pay increase in either FY 71 or FY 72 although some small start at it could be made. Four of the five alternatives now posed, unrealistically I believe, start full implementation of the Gates' proposal in FY 71 or FY 72.

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Ending the Draft

The draft has aroused widespread and intense popular opposition and ending it might remove the root cause of much popular dissatisfaction with our policy in Vietnam. To many Americans, the draft besides being inherently inequitable and unjust is the manifestation of the war in their local community. For this reason, ending the draft in the near future might have significant political benefits for the President and allow him a flexibility in his Vietnam policy not otherwise possible.

However, the weighing of these potential political and strategic benefits should consider the following factors:

-- Draft Calls. In 1969, 267,000 men were called by the draft. However, with planned force reductions, future draft calls will fall sharply to about 190,000 in CY 70 men and as few as 100,000 in CY 71. With these reductions, the public will experience a significant lightening of the draft burden in the near future regardless of whether we achieve an all-volunteer army.

-- Vietnam. In the long-run, ending the draft would give the President more flexibility because he could retain significant forces in Vietnam without the political cost of maintaining draft calls. However, in the short run, commitment to an all-volunteer force could reduce his flexibility because the force levels required for Vietnam would not be sustainable by volunteers alone.

-- The Elections. It is not clear that the President has to end the draft by the next Presidential election in order to reap the political benefits associated with the all-volunteer force idea.

For these reasons, I believe that the President can gain most of the important political benefits from an all-volunteer army without taking the steps to achieve it fully by mid-1972.

Summary

Unless Vietnam drawdowns are more rapid than planned, I am convinced that full implementation of the all-volunteer proposal

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prior to FY 73 will involve the very significant risks that either the costs would be much higher than expected or sufficient manpower to maintain our planned forces will not be available.

However, with the force reductions now planned, an all-volunteer army will probably be within easy reach by end FY 73. At that point, achievement of an all-volunteer force will probably be neither prohibitively expensive nor involve serious risks of not meeting our military requirements.

Therefore, I believe the President should follow the general course outlined below:

-- Announce his commitment to achievement of an all-volunteer force as soon as the availability of funds and reduction of hostilities in Vietnam allow it.

-- Commit small but increasing amounts of funds in FY 71 and FY 72 to serve as proof of this commitment while post-Vietnam drawdowns proceed.

-- Prior to the election in 1972, announce the full increase in pay needed to achieve an all-volunteer force within one year.

Following this plan, the President should be able to obtain an all-volunteer force by mid-1973 at a total cost significantly lower than the one-year cost of implementing the Gates Commission's recommendation now.

This alternative is not included in the issues paper for the President prepared by Marty Anderson. However, I have presented it in a form suitable for inclusion -- see the following page for my submission.

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~~CONFIDENTIAL/SENSITIVE~~Option Six

Goal: Elimination of all draft calls by July 1, 1973.

Cost: This option would achieve an all-volunteer force at minimum expense. It would accomplish this objective by granting only such pay increases as are necessary to induce volunteers at a level required to sustain our planned post-Vietnam force.

	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>Total FY 71-73</u>
Budget Costs	.3	.6	1.7	2.6
Net Federal Cost (after taxes)	.3	.4	1.4	2.6

CommentAdvantages

-- Would provide an excellent chance of achieving an all-volunteer force by the end of FY 73 with some likelihood that the draft could be ended earlier.

-- Would cost from \$1.8 to \$6.2 billion less than the other alternatives at the cost of only 6 to 12 months delay in achievement of an all-volunteer force. These savings would allow some funds to be spent for other new initiatives in all three years.

Disadvantages

-- Would avoid any commitment of funds in FY 71 beyond the \$250 million budgeted thereby making the President's commitment to all-volunteer force less plausible.

-- Would postpone full implementation of all-volunteer idea until post-Vietnam force reductions are almost complete.

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Richard M. Nixon Presidential Library, National Security Council Files, Folder Volunteer Army, Box 407, Subject Files. Original Classification Uncertain.

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

My file

14 AUG 1970

Honorable John C. Stennis
Chairman
Committee on Armed Services
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

The purpose of this letter is to advise you of my deep concern and strong opposition to Amendment No. 765 to H. R. 17123.

The amendment assumes the termination of draft legislation on July 1, 1971. I am convinced that military manpower needs will require the continuation of the draft beyond this date. I point out that the President in his April 23, 1970 message to Congress stated that steps to reduce draft calls to zero, increase the number of volunteers, and to end the draft system should be initiated subject to the overriding considerations of national security. In stating his position, the President provided three safeguards in proposing termination of the draft. First, the draft could not be ended all at once; there must be a phasing out of the system in order to insure maintenance of our defense posture at each step. Second, it would be necessary to extend the induction authority beyond July 1, 1971, and third, as reliance on the draft is decreased, a standby draft mechanism for emergency use should be developed. This amendment does not provide for these essential safeguards.

Non-Original Markings

To terminate the draft, as proposed by this amendment, even before the Congress has appropriated funds for pay increases and other incentive programs designed to increase the number of volunteers, would seriously impair the Services' ability to meet their military manpower requirements. Funding for such legislation is not provided in the FY 71 budget. A precise estimate of the costs associated with this amendment is not possible because of a lack of detailed information. However, the annual costs in pay rates alone (active and reserve) are estimated to be above \$3 billion for a single fiscal year. Full implementation of the amendment would probably exceed \$4.0 billion in budget costs.

DECLASSIFIED

Authority EO 12958

By SSA NARA Date 7/23/02

2

The President is determined to move to an All Volunteer Armed Force as rapidly as national security requirements and budgetary realities permit. To fix the date of July 1, 1971 for completion of the transition to an all volunteer force, however, without insuring that funds are available to apply toward the inducement of volunteers and without knowing the effectiveness of these inducements is, in my mind, to needlessly endanger our national security.

I strongly oppose this amendment and urge your assistance in its defeat. Members of my staff are prepared to provide any further information you or the Committee may desire on this critical subject.

Sincerely,

A handwritten signature in dark ink, appearing to read "William R. Spiro". The signature is fluid and cursive, with the first name "William" and last name "Spiro" being the most legible parts.

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

AUG 21 1970

MEMORANDUM FOR Secretaries of the Military Departments
Chairman, Joint Chiefs of Staff
Director, Defense Research and Engineering
Assistant Secretaries of Defense
Department of Defense Agencies

SUBJECT: Support for Guard and Reserve Forces

The President has requested reduced expenditures during Fiscal Year 1971 and extension of these economies into future budgets. Within the Department of Defense, these economies will require reductions in overall strengths and capabilities of the active forces, and increased reliance on the combat and combat support units of the Guard and Reserves. I am concerned with the readiness of Guard and Reserve units to respond to contingency requirements, and with the lack of resources that have been made available to Guard and Reserve commanders to improve Guard and Reserve readiness.

Public Law 90-168, an outgrowth of similar Congressional concern, places responsibility with the respective Secretaries of the Military Departments for recruiting, organizing, equipping and training of Guard and Reserve Forces. I desire that the Secretaries of the Military Departments provide, in the FY 1972 and future budgets, the necessary resources to permit the appropriate balance in the development of Active, Guard and Reserve Forces

Emphasis will be given to concurrent consideration of the total forces, active and reserve, to determine the most advantageous mix to support national strategy and meet the threat. A total force concept will be applied in all aspects of planning, programming, manning, equipping and employing Guard and Reserve Forces. Application of the concept will be geared to recognition that in many instances the lower peacetime sustaining costs of reserve force units, compared to similar active units, can result in a larger total force for a given budget or the same size force for a lesser budget. In addition, attention will be given to the fact that Guard and Reserve Forces can perform peacetime missions as a by-product or adjunct of training with significant manpower and monetary savings.

Non-original
markings

Guard and Reserve units and individuals of the Selected Reserves will be prepared to be the initial and primary source for augmentation of the active forces in any future emergency requiring a rapid and substantial expansion of the active forces. Toward this end, the Assistant Secretary of Defense (Manpower and Reserve Affairs) is responsible for coordinating and monitoring actions to achieve the following objectives:

- Increase the readiness, reliability and timely responsiveness of the combat and combat support units of the Guard and Reserve and individuals of the Reserve.
- Support and maintain minimum average trained strengths of the Selected Reserve as mandated by Congress.
- Provide and maintain combat standard equipment for Guard and Reserve units in the necessary quantities; and provide the necessary controls to identify resources committed for Guard and Reserve logistic support through the planning, programming, budgeting, procurement and distribution cycle.
- Implement the approved ten-year construction programs for the Guard and Reserves, subject to their accommodation within the currently approved TOA, with priority to facilities that will provide the greatest improvement in readiness levels.
- Provide adequate support of individual and unit reserve training programs.
- Provide manning levels for technicians and training and administration reserve support personnel (TARS) equal to full authorization levels.
- Program adequate resources and establish necessary priorities to achieve readiness levels required by appropriate guidance documents as rapidly as possible.

A handwritten signature in dark ink, appearing to be "C. J. ...", is written over a horizontal line.

Doc. No. 458-70

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

OCT 8 - 1970

MEMORANDUM FOR Secretaries of the Military Departments
Chairman, Joint Chiefs of Staff

SUBJECT: "Zero Draft Calls by July 1, 1973

The purpose of this memorandum is to establish the goal of zero draft calls by the end of FY 1973, and to discuss actions needed to achieve that goal.

There are actions that should be taken now to move toward this goal. In addition to increased emphasis on military recruiting, other supports may be required for additional enlistments in both the Active Forces and the Reserve and National Guard components. Early Congressional action is needed on the bill that would provide a 20% increase in base pay for enlisted personnel with less than two years of service, and thereby reduce the disparity between military and civilian pay at the entry level. Consideration should be given to increasing proficiency pay to combat personnel in infantry, artillery and armor units as a means of attracting more volunteers in these areas.

- Many of these actions have been considered by the Project Volunteer Committee and are among its recommendations for ending reliance on the draft. I now ask that you personally review those recommendations to identify the priority steps that will be required to reduce draft calls to zero by the end of FY 1973. Your proposed steps should be discussed promptly with Roger Kelley. He will work through the Project Volunteer Committee to assure that each Service is adequately informed and that there is co-ordinated action between Services.

This timetable for reaching zero draft calls assumes that Congress will recognize the need to extend the Selective Service induction authority for at least two years beyond its expiration date on July 1, 1971, and that there will be favorable action during the interim period on the longer range recommendations of the Project Volunteer Report. Such action is required if we are to sustain zero draft calls for an indefinite period and thus be assured of ending reliance on the draft. It also assumes that, as we move away from reliance on the draft, provisions must be made to establish a standby draft system that can be used in case of emergency.

This matter should receive your urgent personal attention, and action plans should proceed without delay.



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DEPARTMENT OF THE ARMY
WASHINGTON, D.C. 20315

0-10
Doc. No. 49

3 November 1970

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Volunteer Army Actions

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: JAN 24 2012

I have committed the Army to an all-out effort to reach zero draft calls by the end of FY 73.

To achieve this goal will require immediate effort on the part of the Army, and support from you. The Administration and the American taxpayers must finally make a decision, through funding, as to the extent of their determination to eliminate the draft as a source of military manpower. Delay of this decision can only weaken the probability of success by your target date.

In this memorandum, I shall describe examples of some actions we believe are important -- actions which should be initiated now to build a basis for your zero draft effort. This list alone will not achieve our goal; many more actions are required. Without your funding support for the balance of FY 71 and for FY 72, the zero draft objective cannot be achieved in the allotted time.

The Army's plan is to launch a two-pronged effort at once. Our focus is upon attraction and retention of two groups - junior enlisted men and junior officers in the combat arms. On the one hand, it will seek to recruit substantially more enlisted men; our goal is an improvement of at least 300%. At the same time, we will put into effect a package of improvements and incentives to boost reenlistments in all skills with emphasis on the critical skills.

The funding required for our basic program is \$131 million in FY 71, and \$718 million in FY 72. The latter amount can be allocated from the funds earmarked for the zero draft call effort. The funds we

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need in FY 71, to get started now, are not in the Army budget and cannot be provided by reprogramming without the self-defeating result of reducing or deleting other programs which are vital to the objectives of the zero draft.

In outline, there are five things that we must do:

a. We must, and we will, increase both the size and the quality of our Recruiting Command.

b. We must use money incentives to attract and keep men in those skills for which volunteers are the hardest to get. These are clearly the combat skills - infantry, artillery and armor.

c. We must make service life more attractive, e.g., livable barracks, ending menial duties, adequate support facilities for dependents, and educational development. This will require money.

d. We must prevent the number of people in the senior enlisted grades from falling significantly below requirements. The service must be kept attractive to these skilled career professionals during this period of transition. No additional funds are required for this. Our plan is already incorporated in our FY 71 budget update and FY 72 budget submittal. However, care must be taken to assure that our proposed grade structure is not reduced during the budget review process.

e. We must provide flexibility in the management of the zero draft program to permit prompt shifting of money assets to those areas which appear to be paying off in enlistments and reenlistments.

The inclosure shows examples of the principal basic actions which we plan, and their costs. Briefly, the major items are these:

Recruiting: Our recruiting effort must be expanded substantially, and staffed with some of our best people, if the Army is to obtain the number of volunteers needed. We plan to increase the strength of the U. S. Army Recruiting Command by 536 as quickly as possible and to open over a hundred new recruiting stations. In FY 72 the size of our recruiting force may be increased further as experience dictates. We

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 24 JAN 2012 Authority: EO 13526
Declassify: X Deny in Full: _____
Declassify in Part: _____
Reason: _____
MDR: 17 -M-0454

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: _____

JAN 24 2012

will double the force if necessary, since this may be a highly cost-effective way to increase enlistments. (Each recruiter today produces an average of 70 enlistments per year, and each three-year enlistee produces savings of 25% in travel and training costs over a two-year draftee.) We also will need to put more effort into obtaining officers, since enrollments for ROTC already have dropped sharply and are likely to decline further as the draft pressure subsides.

Incentives for Hard Skills: The Army currently is using the draft because enlistments are not sufficiently attractive in the open labor market. It is the only service in which this is the case. The problem is most acute in the combat skills - infantry, armor and artillery. In the past fiscal year, only 4% of our enlistees chose them. Only 2 1/2% of our basic infantrymen are volunteers.

Since only the Army is unable to compete successfully in the enlistment market, we must make Army enlistments more attractive. Rather than attempting to increase the pay of all soldiers, however, we want to put our money where the problem is greatest. To make service in the combat skills competitive, we plan beginning 1 April 1971 to provide special proficiency pay of up to \$150 per month to men serving in them. This addition will approximately double the pay of the average private. Experience with this incentive for a period of time will give us a good measure of what must be done to end reliance on the draft. It may develop subsequently that other skills in the Army, or skills in the other Services, become impossible to fill through enlistments. In that case, incentive pay in the form of proficiency pay or enlistments bonuses may be applied to those skill areas.

Advertising: We plan a substantially increased publicity campaign to attract volunteers beginning in calendar year 1971. We will start paying the combat proficiency pay in April, after the publicity about it has had time to take effect.

Service Attractiveness: There is no way to keep good men in the Army if they cannot find satisfaction in their day-to-day work, and a moderate degree of comfort for themselves and their families. We must

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Chief, Records & Declass Div, WHS
Date:

JAN 24 2012

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take steps to improve the living standard of the soldier - - provide more privacy and less austerity in barracks, free him from menial duties, serve better food, give his family more and more attractive housing, improve commissaries and post services, and in other ways permit him to live as a proud professional. We will need money to maintain adequate living standards. We will need money for civilian labor contracts so that our helicopter mechanics or any other hard skill professionals are not cutting grass or washing dishes. Also, we must emphasize the educational development of our noncommissioned officers, and for this we will need money.

Restore Operations and Maintenance Funds: On the one hand, we espouse increasing reenlistments and bettering the soldier's life. At the same time, we have cut sharply the operations and maintenance budgets of posts in the United States and elsewhere. The results are the curtailment of post-provided services and the firing of civilian support personnel. Those essential support duties must now be performed by soldiers in addition to, or instead of, jobs for which they have been trained. It is unreasonable to expect the soldier to believe we are sincerely interested in his job satisfaction when he can see the deterioration in the services we provide to support him. As a minimum, we must restore the OMA funds to all combat arms posts and service schools. Part of this can be accomplished through funding of the experimentation concept described below. Additional cost of restoring services Army-wide will be provided you as soon as it has been determined.

Experimentation Concept: It is central to our effort that we have room for innovation, and that dollars be concentrated where they will do the most good. To this end, we plan an experimental program. We intend to test specific concepts on junior enlisted men and junior officers while they are in training. Additionally, we plan to conduct tests on more seasoned soldiers in their home environment. We anticipate using Forts Ord, Benning and Carson for these purposes. Not only would the presently-truncated budgets of these posts be restored to recreate normality in the environment, but additionally, we would give the commander of each sufficient money to improve living conditions and remove irritants immediately, without having to wait for implementation of an Army-wide program. For instance, they will be able to end KP as soon as possible, to hire civilians to perform post maintenance work,

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Date: JAN 24 2012

to buy better barracks furniture. At the same time, these commanders will conduct special, local campaigns to recruit men for their own units. In FY 72 the program will expand to cover many other posts and training centers. We expect in this way not only to have a major public impact at the earliest possible date, but also to learn from and to economize on the basis of the experience which these posts will furnish.

On the inclosure to this memorandum, I have listed examples of actions which represent, as a minimum, a basis upon which to build our volunteer campaign. It is not my intent that you consider these the only actions which will be required; they are only examples. Flexibility must be retained to shift funds to those programs which prove to have the highest payoff. These actions are listed in order to show you the scope of the minimum budgetary support needed. Costs are estimates which can be made more precise as time allows. The innovations we are requiring will in some cases require relief from certain OSD-imposed constraints, such as on civilian hiring. The funding for FY 72 and beyond can be handled, I believe, within the \$1.3 billion set aside for FY 72 and the \$3.5 billion for subsequent years. But it is imperative that we begin at once. For FY 71 funds, we need your assistance.

I urge that you approve the program described above and authorize actions necessary to obtain for the Army an additional \$131 million in FY 71, and that funds for the Volunteer Army effort be specifically identified and not be subject to elimination or reallocation during the budget review process.

Incl
as

Stanley R. Resor
Stanley R. Resor
Secretary of the Army

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date:

JAN 24 2012

DECLASSIFIED IN FULL

Authority: EO 13526

Chief, Records & Declass Div, WHS

Date: JAN 24 2012

ESTIMATED COST OF ALL-VOLUNTEER ARMY EFFORT IN FY 71 - FY 72

	FY 71	FY 72
<u>Recruiting Campaign</u>		
o Dramatic improvement in Active Army advertising, including paid TV (beginning 1 Jan 71) 1/	\$ 10,000,000	\$ 30,000,000
o Reserve Components Advertising		1,000,000
o Increase recruiter strength by 536 and open 105 new stations in FY 71	3,000,000	
by 3,000 and open 500 new stations in FY 72 2/		34,000,000
o Proficiency/Superior Performance Pay (\$50 per mo. beginning 1 Jan 71)	900,000	3,900,000
o Out-of-pocket expense money (\$20 per mo. beginning 1 Apr 71)*	250,000	2,200,000
o Leased housing for recruiters - FY 71 850 units/ FY 72 1200 units	300,000	1,000,000
o ROTC scholarships - 1st increment of increasing number of scholarships from 5500 to 12,000*		2,000,000
o ROTC subsistence increase from \$50 to \$100 per month*		15,000,000
o ROTC recruiting	1,000,000	2,000,000
o Medical scholarships		4,700,000
<u>II. Incentives For Enlistment</u>		
o Proficiency Pay (P3) for Combat Arms (\$150 mo) (effective 1 Apr 71)	90,000,000	302,000,000
<u>III. Service Attractiveness</u>		
o Experimentation effort on selected posts and experimentation follow-on 3/	15,000,000	70,000,000
o Partitions for privacy in barracks (world-wide)		50,000,000
o Barracks furniture (world-wide)		10,000,000
o Civilianization of KP	3,600,000 4/	115,000,000
o Construction for increase of WAC strength by 80%		12,300,000
o NCO educational development		1,600,000
o First haircuts for new accessions	175,000	340,000
o Restoration of post support services cut this year, including civilian support personnel	To be determined	
<u>IV. Fill of Top Six Enlisted* Grades as Submitted in FY 71 Update & FY 72 Budget</u>		
o There are no added costs for this program since it is included in the FY 71 Budget update and the FY 72 Budget		
<u>Funding Flexibility for Project Manager</u>	5,000,000	10,000,000
<u>V. Reserve for Army portion of DoD-wide contingencies</u>		50,000,000
ESTIMATED TOTAL	\$ 131,225,000	\$ 717,840,000

* Legislation required.

1/ Development of an intensive publicity campaign up to the maximum levels indicated, if experience supports.

2/ Assumes at least a doubling of the recruiting strength in FY 72, if experience with the first increment supports such a level.

3/ All-out effort to improve living conditions and remove irritants with a view to increasing significantly career attractiveness, thereby increasing retention. Part of the funds will be used to restore undesirable reductions in post operating funds which the Army has been forced to program.

4/ Civilianization of KPs in Europe effective 1 January 71.

OASA(M&RA)
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Doc. No. 60

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

JAN 26 1971

MEMORANDUM FOR The Assistant to the President
for National Security Affairs

In response to our request, Chairman Stennis of the Senate Armed Services Committee has scheduled early hearings on extension of induction authority under the Selective Service Act and on other matters related to the Administration's plan to move toward an All Volunteer Armed Force. I will be the first witness on Tuesday morning, February 2, 1971.

It is necessary for us to advise Senator Stennis immediately of the Administration's position on legislation which will be covered by the hearings and we are doing so today.

We are advising Senator Stennis, and will simultaneously advise Representative Hebert of the House Armed Services Committee, that the Administration is requesting the Congress to extend induction authority under the Selective Service Act until July 1, 1973.

I am outlining below the program for moving toward zero draft calls which the Department of Defense will support in testimony before the Senate and House Armed Services Committees. Discussions with a number of key people in the Congress give us confidence that the essential features of it will be accorded a favorable reception.

The most significant feature of our program requiring legislative action in 1971 is a substantial increase in the basic pay of enlisted and officer members of the Armed Forces with less than 2 years of service, effective May 1, 1971. Under the bill we are submitting, basic pay for enlisted personnel would be increased by an average of 36% over present rates, with an increase of 50% over the present rate at the entry point into Service. A detailed pay table is attached. The following summarizes the increases in basic pay compared with present rates for enlisted men and officers with less than two years of service:

E-1	(less than 4 months)	50%
E-1	(more than 4 months)	40%
E-2		50%
E-3		35%
E-4		22%
O-1		10%
O-2		9%

The plan provides modest increases for a relatively small number of members of the Armed Forces with more than 2 years of service to assure appropriate differentials. Of the total pay increase dollars, 93% would go to those with less than two years of service.

If the increases are made effective May 1, 1971, the FY 71 cost would be \$180 million. This would be in lieu of a 20% increase in basic pay for the enlisted with less than two years of service which the President proposed in his message to the Congress of April 23, 1970, to be effective January 1, 1971. The 20% increase for the January-June 1971 period would have cost \$250 million.

The FY 72 cost of our basic pay proposal will be \$908 million, including the cost of applying the higher scale to members of the Reserve components. We are proposing increases in quarters allowances for personnel in grades E-1 through E-4 at a cost of \$79 million.

Even with this increase, military pay still will not be competitive with civilian pay. At an appropriate time we will be recommending additional increases to be effective at the start of FY 73 to bring military pay to a competitive level.

In addition to the military pay bill, we will submit a bill to authorize the Secretary of Defense to pay bonuses to new enlistees. The legislation we propose will provide the Secretary of Defense maximum flexibility to vary enlistment bonuses by size, time, and service. Our immediate plan, however, is limited to a test of enlistment bonuses paid to those who enlist for at least three years in the Army combat arms. The bonus would be \$3,000, paid one-third after combat training, one-third at the start of the second year, and one-third at the start of the third year. The FY 72 cost of this experiment with bonuses is estimated to be \$40 million. If the legislation is passed, and if the experiment indicates that the expanded use of enlistment bonuses are in the interest of the nation, we would expect to apply them on a broader basis.

An additional compensation proposal, the use of proficiency pay for the Army combat arms, is discussed under Contingencies.

Our Project VOLUNTEER program, in addition to the compensation aspects I have outlined above, includes several non-pay items.

Recruiting and Advertising - Probably the most important of the non-pay items is a substantial increase in recruiting and advertising. We will increase our program for recruiting in FY 72 by \$118 million over the total of \$154 million in the original FY 72 budgets. The number of people assigned to the recruiting activity will rise from 13,000 to nearly 19,000, with 3,500 of the increase in the Army.

ROTC - We have submitted legislation which would authorize an increase in the number of scholarships for ROTC and similar programs, and would increase the subsistence payment to those in senior ROTC and similar units from \$50 to \$100 a month. The FY 72 cost of the expanded assistance for ROTC will be \$46 million. We believe that this will halt and then reverse the sharp drop in ROTC enrollment.

Medical Scholarships - We are submitting legislation to provide for a substantial expansion in the number of medical scholarships given in exchange for a commitment to military service. Our FY 72 plan provides for 2,000 such scholarships at a cost of about \$10,000 each.

Barracks Improvement - We have allocated \$68 million, \$60 million for the Army and \$8 million for the Marine Corps, to make alterations in barracks to provide a measure of semi-privacy and decent furnishings (rug, desk, chair, and lamp). In FY 72 all of this money will be spent at bases where those in combat arms units are housed. The money allotted will improve the living quarters of nearly 200,000 soldiers and marines. No special legislation is required for this program.

Service Initiatives - We have allocated \$141 million for FY 72 for use by the Services to improve the quality of military living. The Army has been allotted \$75 million, the Marine Corps \$16 million, and the Navy and Air Force \$25 million each. This money will be used to give unit commanders funds with which to do such things as providing better off-hours recreation facilities, more and better career counselling, civilianizing menial non-military tasks being performed by enlisted personnel, reducing delays in commissaries and PXs, etc. These programs already are being tested in the Army and will be further tested in FY 72 to determine their impact on morale and reenlistment. No special legislation is required for these programs.

The President has authorized us to plan for FY 72 Project VOLUNTEER outlays of \$1,400 million with obligational authority of \$1,520 million. The pay and non-pay items I have listed above account for \$1,413 million. This leaves \$107 million for contingencies.

Contingencies - The spending plans outlined above are concentrated in areas that have the prospect of a clear payoff or are driven by considerations of equity, as in the case of pay increases for enlisted personnel with less than two years of service. Our plan is to defer final judgment on those matters that can be better decided at a later date, and this is why a substantial amount is held in contingency for FY 72. This amount is to be spent where most needed as determined through experience. If, for example, the experiment with an enlisted bonus for combat arms works, spending on it would be expanded in FY 72. If other experiments like the one in paid advertising for recruiting don't work, then money would be reprogrammed into areas that have a better payoff prospect. And if problems arise in the Army or the other Services that we cannot determine at this time, the contingency fund can be used to address these problems.

Along with the enlisted bonus, consideration has been given to proficiency pay as a means of attracting and keeping combat personnel in the Army. Unlike the enlisted bonus, this special pay would go to those present members of the Army combat arms whose combat commitment is at least 30 months as well as to new combat enlistees. The possible use of this incentive has been discussed with the leadership of the Armed Services Committees, and it is not known whether they would authorize its use under the existing statute on proficiency pay. Even if they would, our preference is to conduct an experiment in the use of an enlisted bonus first, in preference to the Army's proposed use of proficiency pay in this area.

Signed
WILLIAM R. WAINO

Attachments

Distribution:

Orig - Addee

1 white cy - Signer's

1 white cy - DepSecDef

1 White cy - ASD (SA)

1 white cy - DASD (MPP), OASD (M&RA)

1 green cy - OSD Files

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1 pink cy - OASD (M&RA) Chron

1 yellow cy-- Mr. Wollstadt's Chron

1 white cy - Mr. Wollstadt's Files

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Prep by: Mr. Paul Wollstadt:DASD(MR&U):OASD(M&RA):jh:3D962:75371:26Jan71
Edited by: Mr. Paul Wollstadt:DASD(MR&U):OASD(M&RA):cg:3D962:75371:1/28/71

~~SECRET~~

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

27 DEC 1971

MEMORANDUM FOR: Assistant Secretary of Defense (M&RA)

SUBJECT: All Volunteer Force

One of the most significant actions affecting the US military posture in the post-World War II period is that of moving towards an All Volunteer Force. Our objective continues to be that of reaching an All Volunteer Force by the end of FY 1973. Implicit in that objective are a number of key premises, viz, (a) that we shall continue to have sufficient forces in quality and quantity to discharge US foreign policy and national security goals; (b) that we shall have the trained forces when and where needed; (c) that we shall be able to achieve the volunteer force within reasonable dollar limits; (d) that appropriate manpower/hardware/force composition tradeoffs will be made to insure the desired continuing force capability; and (e) that we shall design our manpower programs so that the incremental benefits are consonant with the incremental costs.

It is clear from reviewing the established manpower goals and the premises listed above that our tasks over the next 12-18 months will not be easy. As added complications we are operating in areas of major uncertainties. We have no modern-day experience on which to base our actions. The United States has never structured a large, modern military force on a volunteer basis. Moreover, we are seeking the volunteer force at a time when factor costs, i.e., the prices paid for manpower, hardware, and other capital costs are increasing; but among the various factors which go into a capable military force, the costs of manpower are increasing the most. It is not clear how the costs of such factors will move in the future. In addition, the overall economic picture is uncertain. It, too, affects the prospects for attaining a volunteer force.

As a result of the unprecedented manpower objectives, the major premises underlying those objectives, and the wide array of uncertainties involved, I have pressed hard for that FY 1973 budget allocation which we deemed necessary to insure a reasonable chance to do the job. On 8 December 1971 I reminded those on the OMB and NSC staffs who were working on the overall FY 1973 budget formulations, inter alia:

We have been planning a \$3.5 billion outlay level for the All Volunteer Force.... By virtue of the military pay raise and other All Volunteer Force actions, it would be necessary -- without the funding levels we have

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requested -- to reduce the program in the FY 1973 budget to the FY 1972 level annualized, plus allowance for the allot pay increase. The proposed [by OMB/NSC staffs] FY 1973 budget plan would disallow any new initiatives to meet Volunteer force objectives above the first year program level. Such a limitation would seriously constrain our efforts to attain an All Volunteer force. The limitation would require us to make significant reductions in efforts planned for special compensation incentives, recruiting, personnel housing and service attractiveness programs. In order to maintain our momentum toward attaining an All Volunteer Force, I believe it is essential that our public image reflect full support of the program. I do not believe such support would be apparent if the FY 1973 budget were held to the annualized FY 1972 level. I therefore recommend that the \$3.5 billion programming level be retained in the budget for FY 1973.

I repeated essentially the same points in another memorandum to the White House on 14 December. Nonetheless, on December 22 I received an FY 1973 budget decision memorandum which included, inter alia, the following element:

"[a] reduction [from our budget submission] of about \$350 million of additional All Volunteer Force funds pending assessment of the effects of the recent military pay raise on enlistments and identification of [the] most productive programs to attract added recruits. If needed to attain our All Volunteer Force objectives, a request for additional funds will be favorably considered later."

The All Volunteer Force FY 1973 budget decision reflects a charge to us to put together a comprehensive, logical, and convincing manpower program. Any call on added manpower funds will rest on our ability to do the requisite homework.

I would like for you, therefore, to undertake on an expedited basis the formulation of the overall DoD manpower program which will allow us to look toward attainment of our force level and manpower goals and solicitation of supplemental funds, if still needed. In discharging this urgent task, we must be mindful of the numerous premises listed previously in this memorandum. I would appreciate having by Monday, January 3, your outline plan for accomplishing this program formulation.

Prep by BGen REPursley/ab
27 Dec 71

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MELVIN R. LAIRD

Doc. No. 70

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

28 JUL 1972

MEMORANDUM FOR THE PRESIDENT

I am pleased to submit the enclosed report on ending reliance on the draft and moving to the All-Volunteer Force. It describes major Administration initiatives and the substantial progress toward final attainment of that goal, and it sets forth the remaining problems in ending reliance on the draft and the actions needed to solve these problems.

The report serves two purposes. It is designed to inform members of the Defense community, the Congress, and the public of the current status and future outlook of the All-Volunteer Force, and to focus attention on each of our specific responsibilities in ending the draft on July 1, 1973 when the current induction authority expires.

The record of progress during the past three and one-half years under your leadership is most impressive -- reducing U. S. troop levels in Vietnam from 549,500 to 39,000 by September 1, reforming the draft system, maintaining a quality force while reducing draft calls from 300,000 to 50,000 a year, raising military pay to competitive levels, increasing the attractiveness and challenge of military life, and revitalizing the Guard and Reserve forces.

However, the progress that has been made in reducing reliance on the draft must not divert our attention from the remaining significant problems which must be solved.

The Army and Navy could have shortages estimated at approximately 40,000 and 15,000 respectively by the end of FY 1974 unless vigorous and effective actions are taken to further improve enlistments, retention, and manpower utilization.

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There is the prospect of shortages in a number of critical skills, notably in the medical and nuclear fields.

Guard and Reserve forces at the end of FY 1972 were 49,000 below their Congressionally mandated strengths, with the prospect that these shortages will increase unless incentives included in pending legislation are provided.

Less than a year remains before the induction authority expires on July 1, 1973. During this time efforts will be continued to improve the effectiveness of recruiting and to reduce enlistments needed, particularly in the Army and Navy, by retaining more trained personnel. Appropriate adjustments to enlistment and reenlistment standards, and changes in promotion policies, are currently under review. The use of additional military women and civilians consistent with combat readiness is also under intensive review as a means of reducing military requirements for men.

I believe that we have the capability to achieve and sustain a peacetime force of 2.3 million active force members and one million Guard and Selected Reserve members. It is doubtful that a much larger force could be mobilized at acceptable costs without using the draft.

However, to sustain a peacetime force of this size without the draft after July 1, 1973, we in DoD must improve upon long-standing personnel management procedures which affect military manpower utilization, we must communicate more effectively to the American people the benefits of a military service career and the public's role in the AVF program, and there must be a timely and positive response by Congress to our legislative proposals. Two specific actions on your part would be most helpful to our efforts.

First, there is need for a progress report on the AVF by you. This statement should reflect confidence based upon accomplishments to date in moving toward the All-Volunteer Force, but it should be couched in realism about the difficulty of final and effective attainment of this goal by the target date of July 1973.

Second, pressures must be generated through your proposed statement as well as through contacts with key Congressional leaders to assure early passage of H. R. 14545 (The Uniformed Services Special Pay Act of 1972), H. R. 2 (The Uniformed Services Health Professions Revitalization Act of 1972), and other pending legislation, including improved Survivor Benefits legislation.

The most critical of these bills is H. R. 14545. It contains authorities urgently needed to solve existing and prospective shortages -- to pay enlistment and reenlistment bonuses in the Guard and Reserve; to provide continuation pay in the form of variable bonuses for officers in the health professions and other critical skills; to extend payment of bonuses beyond the combat elements to other enlisted skills that are in short supply; and to substitute a new selective reenlistment bonus for the existing reenlistment and variable reenlistment bonuses.

Four months have passed since the introduction of this bill. Even if hearings were promptly scheduled and the bill subsequently passed by Congress, it would take most of the remaining months in FY 1973 to test the effectiveness of these pay authorities and determine whether the manpower requirements of the Services can be met without using the draft.

I recommend that your statement on prospects for ending the draft and related matters indicate that this report is being released for public review; that prompt action by Congress and broad public support are needed to solve the remaining manpower problems; and that you will study all of the implications of the report and manpower trends in the months ahead. Finally, I recommend that you restate your strong desire to terminate the draft on July 1, 1973, with the authority to induct after that date subject to approval by Congress. Your statement should be made as soon as possible to stimulate action long overdue on the part of Congress.



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Authority E.O. 12958

By JA NARA Date 7/1/16

MEMORANDUM

NSC 6238

THE WHITE HOUSE
WASHINGTON

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August 22, 1972

MEMORANDUM FOR: THE PRESIDENT
FROM: HENRY A. KISSINGER
SUBJECT: Ending Reliance on the Draft

With regard to your call to General Haig indicating interest in a near-term end to the draft, you should be aware of the following facts and considerations.

Current Manpower Situation

The Army and Navy are currently well below planned strength levels, the Army 25,000 and the Navy 9,000. They are both counting on the draft to help them rebuild by next June. It is essential that the Services be at strength when the draft ends. If they start out in the hole, they may never recover.

The Army's problem resulted from last year's 50,000 man Congressional cut. This forced the Army to release thousands of men well before the end of their tours. The recent pay raise has increased the number of volunteers sharply. But the draft is essential to provide the Army with the unusually large numbers of recruits it needs over the next 10 months to rebuild its strength. The Army hopes to draft about 20,000 men during the last four months of the year and 25,000 during the first half of 1973. This should rebuild Army strength to 830,000 by next June, about 10,000 below their target.

-- Without a draft during the first half of 1973 the Army would be 40,000 below strength and the situation would be far worse if the draft ended sooner. Shortfalls of 40,000 would seriously degrade the readiness of Army divisions in the U.S. and to a lesser degree in Europe.

-- If the Army starts the All Volunteer Force era well below strength, it will be hard if not impossible to ever get well -- not only because of the difficulty in getting volunteers but because the Congress will likely hold Army strength down and prevent the buildup.

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By SA NARA DLS 7116

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-- In an effort to "get well" the Army will have to lower entrance standards. As they painfully discovered during the later 1960s this leads to serious morale, discipline and racial problems.

The Navy's problem while real is less severe. The current 9,000 man shortage is caused in part by the heavy demands of Southeast Asia operations. Reenlistments have dropped sharply and this impact will be felt for some months. As a result Navy recruit needs have increased sharply and can only be met with the help of "draft pressure." Even with the draft the Navy recently lowered its standards just to get enough bodies.

Other Considerations

I am concerned that the opposition will try to make a political issue out of an early move to an All Volunteer Force by charging us with attempting to buy the youth vote at the expense of established force goals. Key opposition leaders may support such a charge. Secretary Laird has been forced to be pessimistic about the manpower situation with the Defense committees to get their support for pay and bonus legislation. He has also provided them with considerable information on the current manpower shortages, planned draft calls, etc. Therefore, opposition Senators and Congressmen can cite the Secretary's testimony and data in charging that the early end to the draft is a political act.

Your record on achievement of the All Volunteer Force and interim draft reform is a good one. Draft calls are down from more than 30,000 to 5,000 a month or less under a much fairer system. We do, however, badly need additional legislation from the Congress giving us, for example, greater bonus flexibility for medical, reserve and special skill personnel. I gravely fear that if your program and excellent record in this area becomes cheapened and politicized, many of our normal Democratic supporters will not give us the added tools we desperately need to reach our all volunteer goal. For example, Eddie Hebert and to a lesser degree, John Stennis, have vigorously opposed enlistment bonuses. Indeed, Hebert has tried to torpedo the All Volunteer concept by preventing the Army from using paid TV advertising.

However, the only way the needed bonus legislation will pass is if we place the Congress in the position of blocking the AVAF by refusal to pass the needed legislation. The cause and effect relationship should be clearly established at the press conference recommended below.

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By SA NARA Date 7/11/6

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We are close to being able to meet your All-Volunteer commitment without serious compromise of established force levels. But given the problems cited above, ending of reliance on the draft before next June could cause major problems for the Services and seriously weaken our military posture.

RECOMMENDATION

I recommend that we pursue the following program to achieve maximum recognition for your progress in ending the draft:

- (1) Secretary Laird comes to San Clemente to deliver his report to you on DOD progress in achieving the All Volunteer armed force.
- (2) Afterward Secretary Laird would brief the press who would have received copies of the report. At this time, Laird would commit you to ending the draft by July 1, 1973 if the legislation we have regulated is passed with enough lead time to carry out the policy.
- (3) If desired, some members of the Selective Service youth advisory committees could be added to involve young people subject to the draft in this announcement and discussion of the All Volunteer Force. They could attend the meeting with Secretary Laird.

Ken Cole, Chuck Colson (Cohen) and Peter Flannigan (Rose) concur.

Approve _____

Disapprove _____

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THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20321

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 10 Jan 2013 Authority: EO 13526

Declassify: Deny in Full

Declassify in Part: X

Reason: 3.3(h)(5)

MDR: 12-M-1582

JCSM-377-69

~~17 June 1969~~

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Chief, Records & Declass Div, WHS

Date: JAN 10, 2013

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Preparation of US Position for Possible
Strategic Arms Limitation Talks (U)

1. (S) The study directed by NSSM-28 on this subject was forwarded by the NSSM-28 Steering Committee to the National Security Council Review Group for discussion on 12 June 1969 and for initial consideration by the National Security Council during the week of 16 June 1969. It is considered appropriate to provide the views of the Joint Chiefs of Staff on this subject for possible Strategic Arms Limitation Talks (SALT) with the Soviets. Non-original markings

2. (S) The Joint Chiefs of Staff believe that an arms control agreement, to be acceptable, must allow the actions necessary as a minimum to preserve, and desirably to improve, the security of the United States. The basic elements of a potential arms limitation must be measured against this objective without regard to negotiation implications. Such an agreement should be uncomplicated and easily understood and should be based on confident verification of compliance. Agreed onsite inspection procedures would increase the confidence of both sides that the agreement is being observed.

3. (S) There are mutual advantages to an agreement for strategic arms limitation; there also could be serious disadvantages which would unduly limit our future military flexibility, disrupt our alliances, or endanger our national security. Therefore, any agreement that is negotiated should be paralleled during the course of its existence with an active program of safeguards designed to avoid a deterioration of US security. Further, the Joint Chiefs of Staff note the disadvantages which could accrue in an agreement under which neither side felt it's

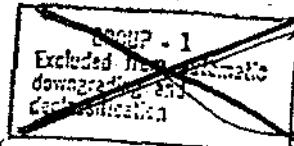
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retaliatory capability secure and which either side was later forced to abrogate. Those agreements which overly restrict the employment of survivable payload, which exceed the limits of national verification capabilities, or which are overly sensitive to normal technological advance are basically unstable and invite subsequent abrogation.

4. (S) The Joint Chiefs of Staff have noted the NSSM-28 Report and its Annexes setting forth four basic options and three variants which are an illustrative range of alternatives encompassing minimal limitations on one extreme and extensive qualitative as well as quantitative restrictions at the other. They note that certain of the options and variants could be used as basis for developing a strategic arms control proposal for discussion with the USSR. This observation is based on the understanding that these options would not impose limitations on application of technology or force modernization and would include provisions for verification, replacement criteria, safeguards, and withdrawal. The Joint Chiefs of Staff note the sensitivity of the options to levels of ballistic missile defense (BMD), and their comments are based on the assumption that additional analysis will be conducted to determine acceptable maximum and minimum levels of BMD to be included in a final US position. The analysis contained in the current Steering Committee Report provides only an indication as to the relative order of magnitude of levels of BMD which might be either desirable or acceptable for the various options considered. Appropriate levels of BMD to be considered should include those required for an anti-Chinese Peoples Republic defense. Further, the United States must give due regard to those Soviet surface-to-air missile (SAM) installations with possible BMD capability. As the range of options is narrowed, it will be necessary to conduct more detailed analysis of the BMD levels to be associated with those options still considered acceptable. The level of BMD authorized is not solely a function of the numbers of launchers allowed. It also depends upon the characteristics of the systems, including reload capabilities and the capability to base the allowed launchers in optimum locations. An acceptable position on antiballistic missile (ABM) levels must therefore account for the Soviet advantage in reload capability and the potential advantage in forward basing of their land BMD systems. It should be possible to identify BMD levels which limit damage to the United States and permit defense in depth and, yet, which, when applied reciprocally, will not unduly reduce the deterrent effect of our retaliatory forces.

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5. (S) The Joint Chiefs of Staff further note that the options and variants currently contained in the NSSM-28 Report deal principally with proposals to freeze the numbers of missiles or

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launchers but do not incorporate specific limits on size, and thus on throw weight, of missiles. Without violating an assumed prohibition against construction of new silos or enlargement of existing silos, the Soviet Union could increase their throw weight and achieve an additional destructive capability. The question of throw weight should be considered in addressing US positions on SALT. A study is currently being prepared for the Joint Chiefs of Staff on the volume and throw weight issue.

6. ~~(S)~~ The Joint Chiefs of Staff note that the NSSM-28 Report fails to address adequately the risks involved within each of the proposed options. These considerations would be most valuable in illuminating both the increased requirement for a balanced, multi-element nuclear retaliatory force within an arms agreement and the difficulties in constraining the growing threat to the survivability of these forces.

7. ~~(S)~~ The Joint Chiefs of Staff consider that the NSSM-28 Report places undue emphasis on those portions of the analysis concerned with calculated retaliatory capabilities. Although these measures of force effectiveness give valuable insight into the overall capabilities of strategic nuclear forces, those forces must be evaluated not only in terms of capabilities for massive retaliation limited to population centers but also in terms of capabilities to accomplish military objectives in more realistic war-waging scenarios.

8. ~~(S)~~ The Joint Chiefs of Staff also note that:

a. The relationship between strategic and general purpose forces in deterrence and war waging through a wide range of confrontations and conflict situations is not considered in the report. General purpose forces contribute prior to, during, and subsequent to strategic nuclear operations and are necessary to exploit any advantage gained in these operations to achieve US objectives. General purpose forces, to include allied forces, operate behind the shield of an effective strategic deterrent posture.

b. The analysis in this report does not address a US military posture which would deter the Soviets in other than a direct attack on the United States. The strategic capability required for deterring attacks on allies, or for coping with an attack should deterrence fail, and its relationship to general purpose force requirements must be considered in the deliberations on force options in an arms control agreement.

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9. ~~(TS)~~ A prime consideration in any strategic arms limitation proposal is the relative strategic capability of the United States versus the USSR. The USSR currently has an advantage in BMD systems and in numbers and in throw weight of land-based strategic offensive ballistic missiles (ICBMs). The USSR also has a significant advantage, in the absence of a US capability, in IR/MRBMs (a serious concern to our NATO Allies) as well as in medium bombers, air defenses, and submarine-launched cruise missiles (SLCMs). The United States currently possesses an advantage in manned heavy bombers, submarine ballistic missile launchers (Soviet SLCM force may offset a portion of this advantage), and antisubmarine warfare forces. The USSR is making major increases in its ICBM force and substantial additions to its submarine-launched ballistic missile (SLBM) fleet. By contrast, the United States has no additional strategic missile launchers under construction but is undertaking deployment of a limited BMD system. A summary of current strategic offensive and defensive force levels of the United States and the USSR is contained in the Appendix hereto.

10. ~~(TS)~~ The proposal to rely on unilateral intelligence for verification of compliance with the provisions of the proposed agreement options requires judgments on the US ability to detect violations in sufficient time to take such offsetting actions as may be required for national security. Our capability for collecting unilateral intelligence is very sensitive to continued operation of existing and future systems and could be significantly degraded should the Soviets elect to employ active and/or passive countermeasures. Judgments on our unilateral capability to detect violations can be derived from SNIE 11-13-69. Based upon a review of this document and in consideration of related factors, including leadtimes required for effective response, the Joint Chiefs of Staff conclude that, from the standpoint of reliability and timeliness, US unilateral capabilities are as follows:

a. If the Soviets continue to follow current practices, the number of existing fixed sites and silos (but not missiles) for land-based ICBMs and IR/MRBMs could be verified by national intelligence means, with a reasonable degree of confidence. Qualitative improvements to strategic weapon systems would be more difficult to verify. While some features of silos could be verified, others indicative of retrofit could not be determined without onsite inspection. Neither could a Soviet program for upgrading IR/MRBM silos to an ICBM capability be detected without onsite inspection.

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b. Numbers of fixed ABM launchers of known characteristics (but not missiles) could be verified by means of national intelligence. However, there is less confidence in our capability to provide competent analyses of new defensive missile systems, and there is low confidence that a limited upgrading of defensive SAM systems to a BMD capability would be detected.

c. While the construction of large radars can be detected and a judgment made that they are BMD associated, problems may arise involving possible erroneous categorization of similar radars as integral BMD elements. The site tracking and guidance radars and the control network which provide the intercept capability for the system are the more difficult elements to identify and categorize. An agreed prohibition on radars in excess of an established level would be a source of controversy. It would not provide significant verification advantages and would involve great risks considering the lead-times involved for radar deployment.

d. Verification of an agreement prohibiting the construction of additional missile-launching submarines would depend on a knowledge of Soviet submarine order of battle. If an increase involving as many as five or six units were attempted under effective concealment, we would probably become aware of a buildup in the force within a year (i.e., within 3 or 4 years after start of construction), but we would not necessarily be able to determine the total number. It would probably take somewhat longer to detect a lesser buildup of, say, two or three units.

e. Violation of a ban on the deployment of other mobile launchers for offensive systems, both land-based and sea-based, and mobile, land-based defensive systems could not be reliably verified prior to substantial deployment.

f. Even with some forms of onsite inspection, there is little likelihood of determining the extent to which qualitative improvements, including multiple independently targetable reentry vehicles (MIRVs), have been incorporated in deployed offensive missiles.

g. Comprehensive MIRV flight testing to full ICBM range could be detected if the Soviets perform such tests using procedures thus far observed. However, there is less confidence that different approaches to MIRV flight test techniques could be monitored unilaterally, and there is little prospect of determining the extent to which MIRVs have been incorporated in deployed offensive missiles.

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11. ~~125~~ In their consideration of any arms control or related agreements, the Joint Chiefs of Staff adhere stringently to the basic principle of positive and assured means of verification of compliance by all parties. Deviation from a narrow interpretation of this principle, which embraces, where necessary, onsite inspection, should be accepted only after the most careful examination of alternatives leads to the judgment that deviation in a specific case is in the best interest of the United States. To aid in preserving this basic principle, each deviation should be identified clearly as such in US position papers, with reasons therefor.

12. ~~126~~ The Joint Chiefs of Staff recognize that US Government communications to the Soviet Government have committed the United States to place maximum reliance on national means of verification to insure compliance. Nevertheless, some forms and degrees of onsite inspection would contribute materially to US aims in the field of arms control and world security. Specifically, confidence in compliance would be engendered in the United States, in the USSR, and among our allies whose security depends on us. Stability of the strategic balance would be increased since there would be greater confidence that national intelligence estimates had not erred, that the agreement was based on sound assumptions, and that no evasion was taking place. Finally, a more comprehensive agreement would be possible if onsite inspection were permitted to verify compliance in those areas in which there is a low confidence of timely detection of evasion, as noted above in paragraph 10 and below in paragraphs 14-20. For these reasons, the Joint Chiefs of Staff recommend that the United States seek in its initial negotiating position to gain onsite inspection in those circumstances and for those systems where onsite inspection is necessary for positive verification of compliance with an agreement. Further, the US negotiators should be instructed to explore aggressively with the Soviets the possibility of onsite inspection in each specific circumstance as discussions proceed and should be clearly informed of those specific circumstances wherein some degree of onsite inspection is advantageous or necessary.

13. ~~127~~ There is a strong interdependence of the specific terms within each of the options and variants. It is highly unlikely that any agreement negotiated with the Soviets will develop in the same manner and toward the same specific terms as any particular option. The Joint Chiefs of Staff reiterate the need for a continual assessment of the proposed terms during the complete negotiating cycle. Based upon the preceding discussion of factors bearing on strategic arms limitation proposals in general, there follows a discussion of the application of these factors to the specific options and variants contained in the NSSM-28 Report.

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14. ~~(S)~~ Basic Option I, Freeze of Land-Based Offensive Missile Launchers, is the simplest and most easily understood of the options under consideration. Fixed ICBM launchers could be replaced by new silos which could be hardened and increased in size to enhance survivability and provide greater offensive missile throw weight, if not otherwise restricted. With the exception of a ban on mobile land-based strategic offensive missile systems (ranges greater than 1000 KM), it could be verified by national means with confidence if it includes agreed procedures to be followed when replacing existing weapons facilities. Under this option, it is possible, although unlikely, that a Soviet attempt to build a force of 200 to 300 land-based mobile strategic launchers could go undetected for 2 to 3 years. It would, if negotiated, place a ceiling on the Soviet's expanding ICBM program but not their growing SLBM program. Such an option provides an opportunity for the Soviets to overcome the decided advantage the United States has in SLBMs by continuing to build or in fact accelerating the building of their SLBM force unless the United States does likewise.

15. ~~(S)~~ Basic Option II, Freeze of Numbers of Offensive Missile Launchers, is slightly more complex than Option I, in that it would place quantitative restrictions on both land- and sea-based (surface and submarine) mobile offensive systems as of 1 July 1969 but would permit qualitative improvements to launchers and missiles and launcher relocation. It could be verified by national means but with less confidence than Option I. In the case of land mobile offensive systems, we would be able to identify the system but perhaps only when it had become operational in substantial numbers. It would be extremely difficult, if not impossible, to make any precise determination of the number of mobile weapons in such a force. Under an effective concealment program, it is possible, although unlikely, that a Soviet attempt to build a force of 200-300 launchers could go undetected for 2 to 3 years. The missile-launching submarines could be built in small numbers (up to five-six) and might escape detection for up to a year. This option, if negotiated, would place a numerical ceiling on the Soviet's expanding ICBM program and on their ballistic missile launching submarine construction program.

16. ~~(S)~~ Variant II-A, Freeze of Sum of ICBM and SLBM Launchers, is identical to Basic Option II except that the total number of land- and sea-based ballistic missile launchers existing or under construction as of 1 July 1969 would be frozen, and, within the overall ceiling, each side would be permitted to vary the mix of

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land-based and sea-based offensive ballistic missile launchers. This variant is more complex than Basic Option II. Any agreement which permits a mix of sea- or land-based mobile and fixed offensive launchers within a specified ceiling would seriously complicate the verification problem, the more complicating factor being the interacting variable of land-based mobile systems. A related problem involves verifying that excess launchers, declared inactive, are in fact not operable. Otherwise, this variant offers the same possibilities as Basic Option II.

17. ~~(S)~~ Basic Option III, Freeze of Numbers and Certain Types of Offensive Missile Launchers with MIRVs Allowed, is more complex than Basic Option I and less so than Basic Option II. This option could be verified by national means with the same confidence as Basic Option I and more confidence than the other options and variants examined. It minimizes the difficulties of Basic Options I and II by prohibiting the replacement of fixed silos (I and II), mobile land-based offensive missile systems (II), and further construction of SLBM launchers or submarines (I). The most difficult task would be verifying the ban on land mobile strategic launchers, the uncertainties involved being the same as those in Option I. This option would place a ceiling on Soviet ICBM and SLBM launchers and submarines, which currently are very active programs in improving Soviet strategic forces.

18. ~~(S)~~ Variant III-A, Superhardening, is identical with Basic Option III except that hard-rock superhardening and relocation of ICBM silos would be permitted. Verification of launcher relocation is the same as that associated within Basic Options I and II. Other remarks concerning Basic Option III apply to Variant III-A.

19. ~~(S)~~ Variant III-B, Freeze of Sum of ICBM and SLBM Launchers, is identical with Basic Option III except that, within the overall ceiling of the frozen total number of ICBM and SLBM launchers existing or under construction as of 1 July 1969, each side would be permitted to vary the mix of land-based and sea-based offensive ballistic missile launchers as desired. The launcher mix in this variant would be easier to verify than those in Option II and Variant II-A because of the exclusion of land mobile strategic launchers. Otherwise, the remarks concerning Basic Option III apply to Variant III-B.

20. ~~(S)~~ Basic Option IV, Freeze of Numbers and Certain Types of Offensive Missile Launchers with MIRVs Prohibited, is identical with Basic Option III except that the deployment of MIRVs would be totally prohibited, as would further flight testing of MIRVs (including any postboost maneuvering and the testing of any multiple reentry vehicles). The extent to which MIRVs or special

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reentry systems have been deployed on offensive missiles cannot be verified by unilateral means. Therefore, this option, which is based upon the questionable assumption that sufficient flight tests have not already taken place for confident deployment and the assumption that flight testing to full ICBM range would be required, cannot depend for verification of compliance upon national means of intelligence. Because of the foregoing and the growing potential in Soviet strategic forces and the uncertainties surrounding verification of Soviet BMD capabilities, it would not be in the national security interest to foreclose the options to MIRV US strategic forces, both land- and sea-based. Increased numbers of reentry vehicles are required for the US offensive missile force, fixed in numbers, to target Soviet time-urgent nuclear threats adequately and to penetrate Soviet defenses. It is noted that a ban on MIRV and MIRV flight testing also would have the adverse effect of forestalling the development of effective missile penetration aids as a hedge. This option could lead to an agreement which would be deleterious to the United States.

21. (S) The desirability of any of the first three options or variants would vary significantly with and be dependent on the level and effectiveness of the BMD system allowed. This effectiveness is not solely a function of numerical levels of launchers and radars; it also depends upon the characteristics of the systems, including reload capabilities and optimum basing. The strategic nuclear forces of both the United States and the Soviet Union must be viewed in their entirety, assessing capabilities vis-a-vis each side under pessimistic conditions of retaliation in addition to favorable war-fighting scenarios.

22. (S) It should be noted that in the foregoing discussion only US and Soviet strategic capabilities have been considered and that the analyses do not include scenarios involving attacks on our allies. Commitments to allies impose additional requirements on US strategic forces which must be considered in assessing the adequacy of these forces. Any action from which our NATO Allies would reasonably define an unfavorable strategic relationship or a lack of resolve for the United States to fulfill its commitment would be disadvantageous to the Alliance.

23. (S) Within any treaty negotiated, specific provision should be made for review and renegotiation of the treaty prior to the end of the agreement period. Rapidly advancing technology and our ability to estimate trends in the Soviet force structure should restrict the term of any treaty to not more than 6 years and should provide for renegotiation at least 1 year before the treaty terminates. In addition, an arms control agreement should have a withdrawal clause. Grounds for withdrawal are considered to include:

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a. Any hostile act which is taken to interfere with US collection systems.


b. Evidence of deception and/or concealment.

c. A deterioration of US capability to verify compliance.

24. ~~(S)~~ In summary, the Joint Chiefs of Staff note that, with appropriate modifications as discussed above, the range of options outlined in the NSSM-28 Report, except Option IV, could provide the basis for development of a strategic arms control proposal for discussion with the USSR. The foregoing is based on the understanding that the options and variants would not impose limitations on application of technology or force modernization and would include provisions for verification, replacement criteria, safeguards, and withdrawal. The Joint Chiefs of Staff have based their comments on these options and variants as an entity and furthermore desire to examine any specific proposals which may be developed as a basis for negotiation with the Soviet Union.

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For the Joint Chiefs of Staff:



EARLE G. WHEELER
Chairman
Joint Chiefs of Staff

Attachment

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AS OF MAY 1969

CATEGORY	IN/WHICH		ICBM							AFM		ICBM					AF
	SS-4	SS-5	SS-6	SS-7	SS-8	SS-9	SS-11	SS-13	UNIDENT	SA-5 (TALLIED)	AIM-2 (MOSSOV TRIAD)	HIGHTMAN	TITAN II	ATLAS IAB	ATLAS F	TITAN I	SPARTAN
<u>OPERATIONAL LAUNCHERS</u> g/																	
HARD	84	31	-	69	9	168	630	10	-	-	-	1000 g/	34 g/	-	-	-	60(465)1/
SOFT h/	488	50	-	128	34	-	-	-	-	790-810 g/	48 g/	-	-	-	-	-	-
SUB TOTAL	572	101	-	197	43	168	630	10	-	790-810	48	1000	34	-	-	-	60(465)
TEST & TRAINING g/	24 TOTAL	-	370 35	370 35	15 2/25	82 H 128	10 H	10 H	-	33	3	16	6	8	3	-	1
SUB TOTAL	697	-	203	29	183	634	20	10	-	823-843	51	1016	38	8	3	-	61(466)
DEACTIVATED g/	51 TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	51	68	34	-
SUB TOTAL	751	-	203	29	123	634	20	10	-	823-843	51	1016	38	59	71	34	61(465) AT 120(
UNDER CONSTRUCTION g/	-	-	-	-	-	74	118	29	6 H	430-453	16	-	-	-	-	-	-
SUB TOTAL	751	-	203	29	200	772	49	16	-	1253-1298	67	1016	38	59	71	34	61(466) AT 120(
GRAND TOTAL	751 IN/WHICH					3333 ICBM				3320-3365 AFM				1258 ICBM			
<u>AFM POINTS</u>																	
HARD	81	17	-	23	3	168	630	10	-	-	-	1000	34	-	-	-	-
SOFT	121	11	-	64	7	-	-	-	-	46	4	-	-	-	-	-	-
TOTAL	142	30	-	87	10	168	630	20	-	66	4	1000	34	-	-	-	6(12)

COMPARATIVE US/SOVIET SEA-BASED MISSILES

ELM	USSR		US		UK		TOTALS
	NUCLEAR	DISSOL	NUCLEAR	NUCLEAR	US & UK	USSR	
SUBMARINE	14	87	41	1	42	41	
LAUNCHERS	110	78	656	16	672	106	

ESTIMATED SOVIET OPERATIONAL ELIM FORCE FOR MID-1969: 41-42 SUBS (172-100 LAUNCHERS)

ELM	USSR		TOTALS
	NUCLEAR	DISSOL	
SUBMARINE	33	26	61
LAUNCHERS	254	100	354

ESTIMATED SOVIET OPERATIONAL ELIM FORCE FOR MID-1969: 60-61 SUBS (352-356 LAUNCHERS)

SURFACE SHIP	USSR		TOTALS
	NUCLEAR	DISSOL	
SHIPS	19	-	19 (19CL SS-B-1 & SS-M-3)
LAUNCHERS	46	-	46

ESTIMATED SOVIET OPERATIONAL SHIP-EQUIPPED SURFACE FORCE FOR MID-1969: 19-20 (60-72 LAUNCHERS)

COMPARATIVE US/SOVIET STRATEGIC FORCES

USY FORCE/TYPE	USSR	
	SS-4	SS-5
ESTIMATED SOVIET OPERATIONAL FORCE FOR MID-1969:		
USY FORCE/TYPE	170-205	671-750

FORCE LOADINGS (Kilopounds) 1/

FORCE PAYLOAD g/	USSR			TOTAL	US			TOTAL
	ELIM	ICBM	STRATEGIC		ELIM	ICBM	STRATEGIC	
ALERT PAYLOAD g/	208	4600	1000	6608	353	1546	8663	10787
	-	3378	-	3378	370	1303	3393	5176

- 1/ ESTIMATED OPERATIONAL LAUNCHERS MID-1969: 630-681 ICBM/SS-4; 1035-1118 ICBM
 2/ ALL SOFT LAUNCHERS HAVE RELOAD CAPABILITY
 3/ NOT INCLUDED IN TOTAL AFM POINTS
 4/ TOTAL OPERATIONAL FORCE IN ELIM

JS 3.3(b)(5)

- 5/ PAYLOADS REFLECT ONLY THOSE LOADS WHICH COULD BE DELIVERED IN INITIAL STAGES BY ACTIVE IN AIRCRAFT: ICBM LAUNCHERS ON LINE, PLUS RESEARCH AND DEVELOPMENT LAUNCHERS AND THOSE IN M AIR CRAFT LAUNCHERS ON LINE
 6/ ESTIMATED RELOAD 3 MISSILES/LAUNCHER
 7/ ESTIMATED RELOAD 2 MISSILES/LAUNCHER
 8/ FIGURES REPRESENT BAYBOWARD PHASE I LEVELS FOR DEFENSE OF MAINTENANCE AND GRAND FORCE MAINTENANCE FIGURES IN PARENTHESES REPRESENT FULL MODIFIED BAYBOWARD DEPLOYMENT FIGURES IF APPROVED.
 9/ EXCLUDED MEDIUM RANGE BOMBERS, HIGH/IRAN, AND CRUISE MISSILES.

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OASD(SA)

21 June 1969

Doc. No. 1

MIRV ISSUES

DEP. SEC. HAS SEEN

I. ISSUES CONCERNING AN AGREED BILATERAL MRV/MIRV TEST MORATORIUM DURING TALKS:

A. If the U.S. wishes to keep open the option of eventually being able to agree to a MRV/MIRV test ban, even if we do not wish to propose such a ban at the beginning of talks, a moratorium on testing during talks is necessary.

B. If the U.S. wishes to propose a MRV/MIRV test ban as part of the eventual agreement, a moratorium during talks is also necessary.

C. If the U.S. wishes to foreclose the possibility of a MRV/MIRV test ban, it should not propose or accept a temporary moratorium, either for the duration of talks or for a fixed brief time period.

II. ISSUES CONCERNING WHETHER AN EVENTUAL AGREEMENT SHOULD INCLUDE A MRV/MIRV TEST BAN: Strategic and VerificationA. Strategic:

1. Pro MIRV Ban. We need MIRVs, primarily, only to assure that we can penetrate large Soviet ABM city defenses and thus deter them from initiating nuclear war. ABM limits can and must be low enough under an agreement banning MIRVs to allow us sufficient time to MIRV if the Soviets cheat on the ABM limits.

For an arms control agreement to be negotiable both sides would have to forego any significant efforts to acquire first-strike counterforce capabilities under the agreement. To take advantage of MIRVs' other characteristics -- accuracy and target coverage -- MIRVs must be used in a counterforce first strike.

An effective MIRV ban helps protect Minuteman; thus we would have much less need to deploy ABMs for this purpose.

Under a MIRV ban the Soviets would have no strategically important use for their larger payloads.

2. Against MIRV Ban. MIRVs make our deterrent more credible because they assure that we can penetrate any Soviet city ABM buildup, even a large deployment which is kept hidden from us.

Some believe that we should try to sign an agreement which would allow us a significant capability to limit damage to ourselves and our allies by a counterforce first strike; MIRVs would contribute to this capability.

In the long run, Soviet improvements in accuracy and payload could allow them to threaten Minuteman even if a MIRV ban were effective.

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The low ABM levels necessary under a MIRV ban would probably force us to choose between a thin ABM defense of cities and ABM defense of Minuteman.

Even under a MIRV ban the Soviets could use their larger payloads to deploy large weapons.

B. Verification (assuming a ban on both MRV and MIRV testing):

1. Pro MIRV Ban. The Verification Panel Report for NSSM 28 indicates that we have high confidence that we can detect the testing of multiple re-entry vehicles on ICBMs although we would have less confidence that we could detect such testing on SLEMs.

If the agreement allowed only pre-announced test firings in specified areas our confidence would be increased, since we would need to monitor other areas only to discover if some kinds of firings were taking place.

It would not be necessary for the agreement to ban penetration aid testing, and particularly not chaff testing, for us to have high confidence in verifying a ban on MRV/MIRV testing.

2. Against MIRV Ban. There is disagreement in the intelligence community about whether current Soviet MRV testing has yet reached the stage where the individual RVs can be independently targetted; if it has, the Soviets may soon have enough confidence to deploy a MIRV even if further testing were banned.

Even if test firings were limited to specific ranges, confidence firings might be used for some MIRV development unless these were also constrained.

We should have to ban testing of endo-atmospheric penetration aids as well as testing of any sort of maneuverable RV to have high confidence in verifying a MIRV ban; this would reduce our confidence of being able to respond in time to Soviet ABM cheating even if chaff testing were permitted.

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THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

3 JUL 1969

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MEMORANDUM FOR: Assistant to the President for National
Security Affairs

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I am providing, as requested, a compendium of Questions
and Answers on the subject of Strategic Arms Limitations.

*

To insure comprehensive and detailed coverage, I asked
various staff members to assist in the preparation of the
materials. Three sets of Questions and Answers emanated
from that process. The basic set is at Tab A. Supplemental
sets are at Tabs B and C.

m:



Attachments

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~~TOP SECRET~~Fundamental Questions Pertaining to the SALT Framework

1. What are the basic assumptions of NSSM-28 and its approach to SALT?
 - (A) a. Some limitation agreement is better than none.
 - b. The best agreement is one based upon mutual assured destruction capability.
 - c. The only significant and proper strategic objective of both sides is to preserve a retaliatory capability that can inflict "unacceptable damage" defined in terms of 20% fatalities.
 - d. The mutual preservation of this capability maximizes strategic stability.
 - e. Soviet interests, strategic objectives and concepts, and reasoning are mirror-image reflections of our own.
 - f. The number or percentage of fatalities from a second strike is the key measurement of deterrent (retaliatory) capability, and this number can be arbitrarily but confidently set and frozen.
 - g. The Soviet economic potential presents no constraints on their military programs, although - conversely - the Soviets are genuinely interested in SALT because they want to save money.
 - h. The relative effects of alternative strategic postures on both sides can be accurately calculated with confidence.
 - i. Performance in abiding by an agreement can be monitored with sufficient ease and confidence by national means and policed without serious problems.
 - j. Forces can be neatly divided into categories (e.g., strategic nuclear) and analyzed as isolated packages.
 - k. Strategic arms control is essentially a two-sided game. Therefore, strategies, strategic postures, and strategic arms control measures can be formed primarily in the US-USSR context, with reference to Communist China but without special consideration of NATO and other strategic nuclear forces.
 - l. SALT with the USSR can be held and agreements reached with little attention given to the effects or implications for political or military objectives and commitments elsewhere.

3 July 1969

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2.

m. This is the best time for freezing the relative strategic postures.

n. The USSR prefers a low limit on ABM.

2. What confidence have we in the validity of these assumptions?

(A) The fact that there is disagreement and dissatisfaction with these assumptions indicates a good deal more uncertainty than has been indicated by the approach and framework set thus far. All of these assumptions are questionable. We do not, therefore, have high confidence in the validity of the assumptions.

3. When assumptions are made, uncertainty is involved. Are there any substantial uncertainties that might dictate a more cautious, flexible, and probing approach than we are now taking? What role should uncertainty play in our approach to the Soviet Union and SALT?

(A) There are substantial uncertainties about Soviet political objectives and SALT intentions; Soviet strategic capabilities, objectives, and thinking; the best U.S. strategic posture in the 1970's and 1980's in view of all threats, political-military requirements, and available technology; the continued survivability of our strategic forces; the role of strategic defensive forces; and verification requirements and capabilities.

Whether combined or considered separately, these uncertainties are sufficiently important to make advisable a cautious, flexible, and probing approach.

One basic problem with the tendency of the present approach is that once assumptions are made they become set and appear almost as matters of certainty. This should not be allowed whether or not one can agree that the assumptions about Soviet motivations, thinking, and behavior seem to have serious faults, but at least they are central to the issue and they are uncertain. This uncertainty should be better reflected than it now is, and the first order of business should be to probe these uncertainties in talks with the Soviet Union. The belief that one knows the behavior pattern of another, and further that the other is bound to this defined behavior pattern, is very risky and demands a cautious, prudent approach. The very outcome of the forthcoming negotiations and our long-term strategic relationship with the USSR both rest upon the validity of our assumptions about the Soviet Union. This is too important to base a position on set assumptions rather than on a position of uncertainty.

A somewhat different aspect of uncertainty relates not to present Soviet motivations or intentions but to opportunity. What a nation may or may not do strategically is not entirely a matter of initial intentions, long-range planning, or well-defined goals,

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3.

but of the opportunities opened or foreclosed. This, of course, is the reason why an opportunity should be given to the Soviet Union to pursue with us the definition of an agreeable strategic relationship. But it is also the reason why great care must be taken not to present an opportunity to the Soviet Union, in the process, for either political or strategic advantage. It may be that the Soviet Union is motivated as we wish, that it is seeking a stable mutual deterrence position resting upon parity rather than inferiority, from which it can enter safely into arms negotiations with the US. But it is also possible that having reached that stage, particularly with the impetus of a rapid strategic buildup, it would seize any opportunity for strategic superiority or advantage given it.

4. Is the US sufficiently confident that it can place heavy reliance upon national means of verification to monitor and police any agreement reached? Are there any significant disagreements or problems with this?

- (A) As we have learned in the past the question of verification capabilities cannot be easily separated from the question of the degree of confidence required, which then depends in large part upon the potential advantages to the Soviet Union of cheating. There is disagreement now over both the capabilities and the degree of confidence or amount of evidence required. Included in this is disagreement over the opportunities and requirements for clandestine Soviet RDT&E programs.

Both DDR&E and the JCS take a more pessimistic view of our verification capabilities and requirements than is reflected in NSSM-28 and the subsequent SALT-option papers. ISA, within the scope of its capabilities, concurs with DDR&E and the JCS.

In addition to the technical questions about verification capabilities, there are fundamental problems that tend to be ignored when verification is addressed. These include the distinction between suspicion and evidence; clarity and revealability of evidence of cheating; response to cheating, and the preparations that should be made for this contingency. Whatever our capability to detect and verify cheating accurately, in order to take appropriate action the evidence may have to be clear, unambiguous, and capable of presentation to the public in a manner that could be understood. We should also recognize that the disinclination to reveal sensitive verification techniques may put constraints upon our willingness to do this.

5. Is the best way to approach SALT in terms of specific or optional arms limitation agreements as comprehended by NSSM-28?

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4.

(A) Probably not. The first priority should be to establish the criteria according to which options and issues should be treated, which means probing the Soviet Union to ensure that we do in fact have a common frame of reference for a meaningful dialogue, rather than essentially a monologue with ourselves. Then if we can get common frame, search for mutually desirable moves.

6. Are we really satisfied with our present strategic posture to the extent that we want to freeze or perpetuate it as it is? Are there any improvements that should be made in this posture in terms of our over-all strategic requirements and objectives and changing technology? Is "sufficiency" acceptably defined when it focuses on retaliatory capability against the Soviet Union (defined in terms of fatalities), with damage limiting and national entity survival objectives essentially omitted and with little attention given to relationships between General Purpose and Strategic forces, or to non-Soviet directed requirements? If "sufficiency" as presently defined is complete, (a) are we doing what is best to promote it and maintain it, and (b) in what various ways can SALT affect it?

Have we essentially adopted a mutual deterrence strategy and made a mutual suicide pact the basic component of stability? If we mean to let the Soviet Union have the capability to determine whether we will survive, can we believe that the Soviet Union will willingly agree that we should have the capability to destroy it?

What degree of flexibility does the US require in the interaction of its strategic nuclear and theater nuclear and conventional forces? How can the US structure its strategic nuclear forces to satisfy time basic requirements vis-a-vis the USSR and at the same time satisfactorily meet commitments to Europe against conventional and tactical nuclear threats, deter or deal with potential Chinese and Nth country threats, and support other US objectives?

- (A) The present US position is clearly based on strategic views that came to dominate SA, ISA, and ACDA in recent years, namely that stable deterrence depends on assured destruction at high levels, that damage limiting is not feasible because the Soviets will react. Always have said we will attempt to limit damage should deterrence fail. We have some serious questions about the validity of these views.

7. Is damage limitation a more feasible and desirable objective than NSSM-28 concludes?

- (A) There is reason to believe that significant improvements in damage limiting capabilities are feasible, would not be destabilizing, and would leave the US (perhaps both the US and USSR) in a better position. Damage limitations as a basic posture or principal strategic objective is written off primarily on the assumption that the Soviet Union will react to it in whatever way necessary to maintain assured destruction in terms of a fixed percent of US fatalities.

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5.

There is good reason to believe that the postulated Soviet reactions to a US damage limiting posture are exaggerated and that there are important technological and economic constraints that very much limit any Soviet reaction.

We have to date at least left open the option of developing a large-scale ABM defense that might permit a damage limiting posture as well as promote the survivability of our S0F. Our current approach to SALT will involve abandoning this option. It involves freezing for the foreseeable future a strategy that is open to serious question. These implications of the present SALT approach should be clearly understood.

The Soviet Union seems to have a broader concept of damage limitation than the US does, including an important counterforce role - whether preemptive or second-strike - for its S0F, active defense, and civil defense. Moreover, there is some reason to believe that "damage limitation" as an objective encompasses more than reducing fatalities; e.g., Eurasian military capabilities for fighting after a strategic exchange, means of postattack recovery, and preservation of the Party structure and its administrative control. Is this contradictory to the NSSM-28 conclusion that the Soviet Union would prefer a low level of BMD? How does this compare with US strategic objectives? What implications might be drawn from this for the US?

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MDR: 12-M-1581

8 JUL 1969

Honorable John C. Stennis
Chairman, Committee on Armed Services
United States Senate
Washington, D. C.

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Chief, Records & Declass Div, WHS

Date: MAR 26 2012

Dear Mr. Chairman:

I am pleased to have this opportunity to respond to your letters of July 2nd and July 3rd. In your letter of the 2nd, you refer to certain newspaper accounts quoting members of the Foreign Relations Committee to the effect that I had changed my position concerning a potential First Strike threat from the Soviet Union during the period of the mid-1970s. Let me first state categorically that my position on this matter has not changed. As a matter of fact my concern about the Soviet threat to our deterrent has been stated and restated before your Committee and every Committee of the Congress before which I have addressed this issue since assuming office on January 20th. In a letter to the Chairman of the Senate Foreign Relations Committee dated July 1, I addressed this question and restated once again the essentials of my position concerning this matter. I enclose a copy of my letter to the Chairman of the Foreign Relations Committee for your information.

In your letter of July 3rd, you asked for my definition and evaluation of the Intercontinental Ballistic Missile Threat facing the United States from any and all nations.

Since I briefed you on 19 March 1969, there have been several new developments in the Soviet Strategic Forces, all tending to confirm the statements I made at that time concerning the threat to the national security of the United States in the mid-1970s. In summary, these developments are: continued deployment of the SS-9, SS-11 and SS-13; continued testing of the SS-9 with multiple re-entry vehicles; continued deployment of the POLARIS-type submarine; continued efforts to improve anti-submarine warfare capabilities; continued testing of the Improved APR and, finally, an affirmation by the intelligence community of estimates on Soviet capabilities in the mid-1970s.

During 1969, the deployment of the SS-9 has continued at about the same rate as in 1967 and 1968. Five new groups of six launchers each have been identified in 1969 compared with six groups started in

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1968 and five groups started in 1967. Four of these new group starts have been identified since I briefed you in March. If this rate of deployment is continued, the USSR could have about 400 SS-9 operational launchers deployed by the mid-1970s.

Total Soviet ICBM launchers completed or under construction now total 1,318. This includes 220 of the older SS-7s and SS-8s in both hard and soft sites, 50 SS-13s, 790 SS-11s, and 258 SS-9s. All of these will be operational before mid-1971.

Three more tests of the SS-9 with multiple re-entry vehicles have taken place since March, making a total of seven since last August. These three tests were to the mid-Pacific covering a distance of 5,100 nautical miles. There is some difference of opinion in the intelligence community concerning the precise nature of these tests but all are agreed that the USSR has the capability to start deploying hard target multiple independently-targeted re-entry vehicles in 1972, with part of the intelligence community believing the USSR could start deployment a year or two before that.

At least two new Y-class POLARIS-type 16 tube ballistic missile submarines have been launched since 19 March and the first Y-class submarine may have been launched from another shipyard at Komсомолск in the Soviet Far East, for a total of at least nine that have been launched. Continued deployment at this rate will allow the USSR to match the U. S. POLARIS fleet by the mid-1970s.

Testing of the improved Soviet ABM interceptor continues, with two more ABMs being launched against a re-entering SS-4 ballistic missile on 1 July.

Finally, I have just received an updated estimate of Soviet capabilities. It reports that the USSR has the capability of acquiring, by the mid-1970s

- some 400 SS-9 ICBMs
- multiple independently-targeted re-entry vehicles
- SLEMs matching the U. S. POLARIS fleet
- ICBM retargeting capability.

This capability would constitute a very grave threat to our MINUTEMAN forces and our bomber forces in the mid-1970s.

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Although the potential Chinese ICBM threat has slipped somewhat, it is estimated that a first generation ICBM, perhaps using clustered Medium Range Ballistic Missile engines, could reach Initial Operational Capability by 1972. By 1975 operational ICBM launchers might fall somewhere between 10 and 25. During the 1970s, China could develop a significant producing program in thermonuclear weapons and associated delivery systems and, consequently, would represent a considerable threat to U. S. bases and allies in Asia, and a growing threat to the continental United States.

If I may, Mr. Chairman, I would like to sum up for you my position with regard to the Soviet threat as it relates to the urgent need for approval of the SAFEGUARD ABM proposal.

As a Defense planner, as well as a Cabinet officer and a member of the National Security Council, I have a special role in the use of intelligence provided by the intelligence community. It is my responsibility to propose policies and plans which will fulfill the mission assigned to the Department of Defense, one aspect of which is to deter the Soviet Union from starting a nuclear war.

As a part of this responsibility, I must apply my own best judgment to the available intelligence to insure that the President's policies and the mission of the Department of Defense are fulfilled. Consequently I must consider not only what are the probabilities of future development and the state of current activities as expressed in the assessments of the intelligence community but also the possibilities of future developments based on available current information.

That is why in my testimony before the Congress and in my public comments I have stressed the possible capabilities of the Soviet Union for the future in terms of relative strategic power. My discussion of Soviet capabilities has been derived by projecting to future years their demonstrated capabilities for production and deployment of strategic weapons and by making allowances for the rate of technological achievement.

It is my carefully considered judgment, in which all of my principal military and civilian advisors agree, that the Soviet Union could achieve, or reach a position where they believe they have achieved, a capability to gravely weaken our deterrent by the mid-1970s -- if we do nothing now to offset it. This judgment is based upon the following conclusions:

1. The Soviet Union could acquire a capability to destroy virtually all of our MINUTEMAN missiles. To be able to do so in the present context, they would

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need: (a) at least 420 SS-9s with three independently targeted re-entry vehicles which have a capability of separating from one another by some relatively small number of miles; (b) each of these re-entry vehicles would have to have a warhead of approximately 5 megatons and a reasonably good accuracy; (c) the SS-9s would have to be retargetable, and (d) the range would have to be sufficient to reach all of the MINUTEMAN silos.

2. The Soviet Union could acquire a capability to threaten severely the survival of our alert bombers. To do so in the present context, they would need: (a) a force of about 15 Y-class (POLARIS-type) submarines on station off our shores; and (b) the ability to launch the missiles on a depressed trajectory.

3. Although we confidently expect our POLARIS/POSEIDON submarines to remain highly survivable through the early to mid-1970s, we cannot preclude the possibility that the Soviet Union in the next few years may devise some weapon technique or tactic which could critically increase the vulnerability of those submarines. Nor can we preclude the possibility that the Soviet Union might deploy a more extensive and effective ABM defense which could intercept a significant portion of the residual warheads. In any event, I believe it would be far too risky to rely upon only one of the three major elements of our strategic retaliatory forces for our deterrent.

In summary, Mr. Chairman, it is entirely possible that the Soviet Union could achieve by the mid-1970s a capability to reduce, in a surprise attack, our surviving strategic offensive forces below the minimum level required for "Assured Destruction," and thus gravely weaken our deterrent. In my judgment, the overall strategic balance between the United States and the Soviet Union is much too close to run that risk. Therefore, something more must be done now to ensure a favorable strategic balance in the mid-1970s and beyond.

Short of achieving a workable agreement with the Soviet Union on the limitation of strategic armaments, which will take some time, we are convinced that the approval of Phase I of SAREGUARD would be the most prudent and economical course we could pursue at this particular juncture. This action would place us in a position to move forward promptly not only with the defense of our MINUTEMAN and bomber forces should the Soviet threat develop as I have described, but also with the defense of our population against the Chinese ICBM threat should that emerge during the next few years.

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You also asked whether the Director of Central Intelligence, Richard Helms, concurs in my formulation of the threat. I have furnished a copy of this letter to Director Helms and he assures me that he has no disagreement with the statements concerning the potential Soviet and Chinese Communist strategic capabilities, as seen from the intelligence point of view.

Sincerely,

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Chief, Records & Declass Div, WHS
Date:

/s/

Mel Laird

Encl.

Prep: W.J.Barood/et/8 Jul 69

Prep: W.J.Barood/et/8 Jul 1969

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Tom Brooke (DIA)

DECLASSIFIED
Authority E.O. 12958
By *GA* NARA Date *11/6/00*

Secret

Harry
*This memo is
very very worthwhile*
GA



~~TOP SECRET~~
DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING
WASHINGTON, D.C. 20301

7 November 1969

MEMORANDUM FOR SECRETARY OF DEFENSE

Mel:

I believe it is important that you make recommendations to the President this weekend regarding U.S. objectives and strategies for the SALT. The reasons are:

I believe there must be firm policy guidance given the delegation before they leave 11/13 to insure that guidance of the talks comes from the highest levels and not from the delegation.

Dobrynin's comments suggest the talks may be substantive, not just "exploratory".

The advice State and ACDA will give the President may over-emphasize their view that what is important is what will be acceptable to the Soviets and therefore negotiable.

It is important to balance this advice by stressing that national security and the equity of an agreement are the overriding criteria rather than negotiability.

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E.O. 12958, 1-1-83
OSD
By *GA* NARA Date *1-10-02*

Gardiner L. Tucker

Gardiner L. Tucker
Principal Deputy Director

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Authority E.O. 12958
By NARA Date 11/6/10



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OFFICE OF THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING
WASHINGTON, D. C. 20301

7 November 1969

MEMORANDUM FOR SECRETARY OF DEFENSE

SUBJECT: U. S. Policy Decisions on SALT

Here is the talking paper I promised on SALT. I have also attached a paper by Paul Nitze.

I believe the most important issue for discussion with the President is the DoD opposition to a MIRV ban or MIRV moratorium.

MIRV's offer us the highest confidence that we can maintain our deterrence in the face of Soviet ABM defenses. We do not believe the U.S. or the Soviets will be willing to forego a level of ABM at least adequate to limit damage from a third country attack. Given the development, testing and deployment to achieve this level of ABM, we believe the Soviets could create a more extensive ABM system which we might be unable to verify. The Soviets already have a number of large radars around Moscow and other areas of heavy population which are potentially capable of performing in an ABM role. They have 10,000 air defense interceptor missiles distributed throughout the populated areas many of which should be capable of upgrading to an ABM role, and the associated radars could be tied into a network with the large radars. Thus the Soviets may be able to create a fairly extensive ABM system from existing components which could seriously degrade our current un-MIRVed deterrent. We are not confident that we could verify the creation of this ABM system.

It takes one ABM interceptor to destroy the payload from one un-MIRVed offensive missile. Our MIRV divides the missile payload into several reentry vehicles each with its own warhead, and each must be destroyed with a separate interceptor. Thus the use of MIRV multiplies the number of interceptors required to defend against a given missile attack. It also requires much more capable radars and computers to handle the engagement. For these reasons, MIRV's prevent Soviet ABM from degrading our deterrent.

If MIRV's were banned, we would use other techniques intended to penetrate the ABM system. It is, however, possible to defeat all of these techniques by ingenious or sophisticated defenses of a kind which would be very difficult

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to detect. These techniques therefore would not give us the high confidence in our deterrent which we would have with MIRV.

Our opposition to a MIRV ban is also based on the conviction that the multiple reentry vehicle system the Soviets have been testing could be deployed on the SS-9's without further testing of a form that we could observe, and that we might not be able to verify that it was being deployed until after deployment was completed. (Intrusive on-site inspection of SS-9 payloads would be necessary to assure verification.) Such a deployment would degrade the survivability of our land-based deterrent.

I believe the best way to minimize the political or negotiating disadvantages of our opposition to a MIRV ban would be to take the initiative to propose a mutual reduction in presently deployed offensive forces.

We oppose a MIRV moratorium pending final agreement because it would be a first step toward a MIRV ban, because it might be difficult to win Congressional support for lifting the moratorium subsequently, and because we could not be confident of verifying Soviet conformity.

The second important issue for discussion with the President is the DoD support for a U.S. proposal to reduce currently deployed offensive forces.

The Soviets have been increasing their offensive forces rapidly. When present starts are completed, their ICBM's will have an estimated capacity to deliver 6 million pounds of warheads over the U.S., whereas the U.S. ICBM force is now fixed at 2 million pounds. When Y class submarines now under construction are complete they will have an estimated capacity to deliver 1 million pounds, whereas the U.S. will have the capacity for 2 million pounds upon completion of the conversion to POSEIDON. Thus the Soviet deployments have created an imbalance in missile throw weight. The effectiveness with which the throw weight is used depends on the technologies of guidance, control and penetration. Bans or limits on technology are difficult to define or control. Therefore this basic imbalance in throw weight must ultimately be corrected either by increasing U.S. throw weight or by mutual reduction towards parity. A reduction would reduce the threat to the survivability of our land-based deterrent. In order to compensate for losses in a preemptive Soviet strike, the U.S. has deployed more MINUTEMAN warheads than are needed on Soviet targets for deterrence. Given a reduced threat to MINUTEMAN, we could give up many MINUTEMEN and still preserve our deterrent. We could also give up older systems such as TITAN and some B-52's.

The third important issue for discussion with the President is the U.S. strategy for the talks.

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I believe the U.S. must decide in advance the type of agreement we would like to achieve, the types we will be willing to accept and those we are unwilling to accept. Then we should plan to take the initiative to press for agreement. In the first phase of talks we should present the U.S. policy and views clearly and fully, and invite the Soviets to respond. Then we should present our proposed type of agreement and discuss it, and any others the Soviets may propose, in a manner which is consistent with the policy we enunciated. The policy should be that our security depends on deterrence and therefore on assured destruction, and that we must have a capability to limit damage to the U.S. from third country attacks. If the Soviets have a similar policy, then agreement is facilitated and mutual reductions in arms become clearly possible. In any case we must have an agreement in order to institutionalize and stabilize our approach to parity. The policy of deterrence means we must be assured of the survivability of our offensive forces and of their ability to penetrate Soviet urban/industrial defenses. We believe that this survivability is jeopardized by the extensive Soviet build-up of ICBM's with very large warheads which are clearly best suited to attacks on our weapons rather than our cities. The Soviet ABM build-up, which may be necessary for their defense against third countries, also jeopardizes our ability to penetrate and therefore we must deploy MIRV's. Our goals are, therefore

- . A mutual reduction of offensive weapons.
- . Survivability for our remaining offensive weapons.
- . Ability of our offensive weapons to penetrate ABM.
- . ABM defense of U.S. against third country attacks.

Accordingly we favor a reduction and limitation on throw weight. We oppose bans on new systems such as mobile ICBM's, which help assure survivability, or MIRV's, which help assure penetration. We favor ABM defenses both to defend against third country attack and to assure survivability of our bombers.

If the Soviets would not accept a reduction and the U.S. would not accept a MIRV ban, we might then accept an agreement which limited the number of land or sea based missile launchers to the number with operational status as of a date (e.g., 1 December 1969), and set a fixed maximum number of ABM launchers and missiles. We would have to negotiate several special terms to make such an agreement acceptable, intended, for example, to prevent conversion of air defense interceptors to an ABM role.

A final issue is the importance of giving explicit and careful instructions to the delegation. Gerry Smith has asserted that U.S. policy on types of agreement need not be made until after exploratory talks with the Soviets. He

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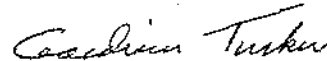
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recommends the delegation be relatively free of instruction in order to explore Soviet thinking fully.

I believe that the types of agreement which are strategically acceptable to the U.S. should be determined by their effects on U.S. and Soviet capabilities, and not by Soviet intentions or policies, which can change. We are not likely to learn more about Soviet capabilities from the exploratory talks. Therefore we can determine now the range of possible agreements which would be acceptable to the U.S. The initial talks would then help determine what is acceptable to the Soviets within these ranges.

Dobrynin has told us the Soviets will come to Helsinki prepared to discuss substance. Unless clear U.S. goals and the acceptable ranges of agreement are determined before the talks start, and the instructions to the delegation made consistent with them, the initial talks may lead us in unacceptable directions.



Gardiner L. Tucker
Principal Deputy Director

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

8 December 1969

Office of the Secretary of Defense

Chief, RDD, ESD, WHS

Date: 26 Mar 2012 Authority: EO 13526

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Reason: _____

MDR: 17-M-1583

MEMORANDUM FOR THE RECORD

SUBJECT: SAFEGUARD Issues

Phase I of SAFEGUARD was authorized in the 1970 budget (appropriations are not yet settled).

Two sites were authorized, one at Grand Forks and one at Malmstrom. The objectives of Phase I were:

1. To provide a practical engineering check-out of the system. This involves putting the system together in its operational configuration and going through the operational shake-down to make sure we have a system that works at the earliest possible date. (A program of R&D only could answer some of the questions yet to be resolved but many problems will not be solved until we have a fully operational system.) Two sites were considered necessary because there are important inter-site problems that need to be resolved.

2. The objectives of SAFEGUARD when it is fully deployed are:

a. To provide for the defense of our MINUTEMAN missile force which is vulnerable to the developing Soviet threat posed by the predicted MIRVing of their SS-9s and improvement in accuracy of their SS-11s.

b. To provide for an area, country-wide, defense against a small number (tens or up to, say, 100) of Chinese ICBMs, or an accidental launch from any country.

c. To provide protection of our manned bomber force from a short range attack which would reduce warning time below a safe level.

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Date: MAR 26 2012

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d. To provide protection for our national command control capability (Washington, D. C.).

When SAFEGUARD was approved by the President, it was stated that it would be a phased program and the next step (Phase II) would be:

1. Initiated when necessary in response to the threat or to the progress in SALT.
2. Oriented toward the development of the threat.

The developments since the SAFEGUARD decision which need to be considered are as follows:

1. The Soviets have continued the deployment of SS9 missiles (276 are now operational or under construction).
2. The Soviets have continued with the development of the three warhead versions of the SS9. There is not conclusive evidence that this development has the capability of destroying with high probability our MINUTEMAN missile sites but also there is not conclusive evidence that they will not be able to do so. This possibility combined with the known SS9 development, 276 sites operational or under construction and a construction rate of 48 per year, is a cause for serious concern for MINUTEMAN survivability in the near future.
3. Continued deployment of SS11 missiles, 900 in place or under construction, adds concern to MINUTEMAN survivability.
4. More rapid production and deployment of Soviet Y Class submarines than was anticipated at the time of the SAFEGUARD decision causes concern about the launch survivability of our bomber force.
5. Continuing development of nuclear warheads by Communist China and continuing work on their missile test facilities supports concern about the potential threat of Chinese

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ICBM capability. Evidence points toward a possible capability in mid-1970 period or later.

In summary, the threat to our MINUTEMAN force appears more serious now than in January 1969. The threat to bomber launch survivability looks more serious. The Chinese threat appears about the same; it is still realistic but the timing is still uncertain.

There are at least three courses possible in relation to our MINUTEMAN force:

1. Continue with protection of present force using ABM and/or hard silos.
2. Abandon fixed MINUTEMAN system and go to mobile missiles.
3. Accept vulnerability of MM force and place more reliance on SLBM and bombers.

There are several courses available for bomber survivability:

1. Go to a dispersed basing program.
2. Proceed with ABM protection of launch survivability.
3. Put less reliance on strategic manned bombers in future.
4. Develop new bomber with survivability against short warning time threat. This would involve such things as more protection, short time launch, etc.

Recommendation. We propose to proceed with Phase I of SAFEGUARD on original schedule. We would recommend a limited Phase II program, limited to one or two additional sites authorized in FY 71.

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A full Phase II has significant funding requirements in 1971 and 1972 (one extra billion in 1971 and two extra in 1972 -- over the one billion and 600 million for Phase I only in 1971 and 1972, respectively). It does not appear feasible to meet these requirements, in combination with other Department of Defense requirements, and remain within total budgetary constraints. To live within these constraints, we would find it necessary to implement a delayed Phase II, which stretches out the program by limiting the rate of deployment to two sites per year. This limits SAFEGUARD costs to roughly \$1.5 billion per year and reduces the 71-72 peak. The result of this stretch-out is to delay completion of the nation-wide coverage from CY 76 until January 1980.

There are inconsistencies in such a program which should be recognized and which could be the source of much grief;

1. Our argument before the Congress last spring, to initiate Phase I, rested heavily on the Soviet threat to MINUTEMAN. We made the point that we were not asking for city protection against the Soviets -- that the Chinese threat seemed remote -- and we initially wanted MINUTEMAN protection against such threats as the SS9 MRV.

2. We're in no different condition now than we were then, insofar as a Chinese threat to our cities is concerned. We are in worse shape, however, where our missiles are concerned. The Soviets are continuing to increase the size of their ICBM force which could threaten MINUT EMAN.

3. In view of the above, if we go beyond Phase I, increased protection for MINUTEMAN sites would seem to be more in order. The "no change" condition in Chinese threat between last spring and now would seem to provide heavy ammunition for those opposing the system to rise and challenge the urgency for area defense.

4. The MINUTEMAN survival problem is quite complex (I intend to discuss another aspect of it below) and it is not readily apparent that the approach of Phase 2A is best. Other alternatives should be explored.

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Within these constraints, the only alternatives in SAFEGUARD deployment are variation in the sequence of site deployment. If we were to give complete precedence to MINUTEMAN defense, we should start work on the Warren and Whiteman sites next. On the other hand, if we believe that light defense of our cities is most urgent, we should turn to Boston and Seattle next. There are compromises in between. For example, we could deploy next the Whiteman MINUTEMAN site near St. Louis and the Washington, D. C. site, both of which form part of the defense of our strategic weapons and their command and control system against Soviet attack and are required also for the full Phase II area defense. Another compromise which leans more toward earlier provision of light city defense would be to deploy next the Washington, D. C. site and the New England site. This choice would have to be made at about the same time that we decide to proceed. A fact sheet is available which shows various costs and improved Spartan footprints.

No matter how we optimize SAFEGUARD deployment to match the observed threat we may not be able to keep pace with it at the funding levels we can afford. Consider defense of our population against a light attack. Unless all major population centers are covered, we face unacceptable losses since an enemy could attack the undefended population first. Completion of nationwide coverage by 1979 may well lag by several years the development of a limited nuclear ICBM force by Communist China. The defense of MINUTEMAN presents a similar dilemma because extrapolation of the present build-up of SS9s plus better guidance for the growing SS11 force would require a faster growth of ABM capability than the \$1.5 billion/year limit allows. The rapid multiplication of Soviet capability to destroy MINUTEMAN which would result from their retrofitting SS9 with MIRV and retrofitting SS11 with accurate guidance presses hard on the SAFEGUARD deployment build-up even with no cut in Phase II funding. With this in mind, we are engaged in R&D on new ballistic missile defense components, particularly radar, which will provide a tougher and, hopefully, less expensive growth module, for defense of MINUTEMAN.

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It is important that the Department of Defense and the Administration consider carefully these issues, that we agree on a recommended course of action, and that we fully understand the rationale behind that recommendation before we recommend to Congress a FY 1971 defense budget.

There are problems in the funding for our strategic forces in future years. Two major considerations, here, are the growth of Soviet missile forces and the projected improvement in their accuracy, which are likely to make our land-based missiles vulnerable in the near future. Although our vulnerability is accelerated if the SS9s MRV is a MIRV, Soviet ICBM forces are growing large enough that the smaller missiles, as they are made more accurate, will constitute a threat independent of MIRVs. Figure 1 shows the U.S. accuracy projections and our judgment of the accuracy of the SS9.

We must take appropriate expeditious action now to remedy this situation and the courses that can be pursued to provide a "fix" are as follows:

1. The continued development of Hard Point defense systems is one possibility; also, we have had under development, and are still working on, a Hard Rock Silo program.
2. We have recently started to explore several mobile schemes to add survivability to the MINUTEMAN force.
3. By early spring we expect to be in a position to assess the relative merits of the Hard Rock Silo and Mobile systems and then, based upon that assessment, initiate action on development of the chosen system.

As a consequence of the situation described above, one can foresee the possibility that, because of greater inherent survivability, we may wish to shift the primary role in our strategic deterrent posture to our sea-based systems. Envisioning this, we are looking for chinks in our sea-based armor -- in the Polaris/Poseidon system. Although we do not see any immediate chinks, we do see possible future problem areas. To forestall these, we

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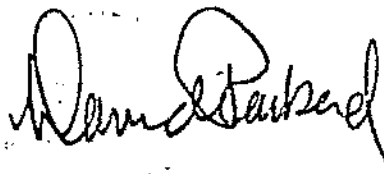
are initiating development of ULMS (Underwater Long-Range Missile System). This is a new submarine based missile system characterized by a much longer range missile (up to 6,500 n.m.) and a quieter submarine, employing the latest in defensive measures and dedicated solely to the ULMS task. The longer range expands the searoom available for operation from the present approximate 3 1/2 million square miles for Polaris/Poseidon, to the order of 40-55 million square miles. It also lengthens and complicates the logistics of Soviet attackers, avoids the need for our submarines to operate in chain, permits CONUS basing and simplifies targeting. In combination with the improved, quieter submarine we believe ULMS will make us substantially independent -- at least for many years -- of threat technology advances against our sea-based system.

If we were to pursue all of these systems, the B-1 (AMSA), a delayed Safeguard Phase II, ULMS and rebased MINUTEMAN, Figure 2 would represent the increase in funding and Figure 3, the details of the strategic budget.

There is one specific point which has to do with the relative allocation and build-up rate of the MM Rebasing and ULMS programs. Although we expect to decide this spring on what MM Rebasing option to pursue, it may not be until possibly 1973 that we are able to determine with certainty our degree of success in "fixing" the MM problem. Should it turn out to be a good fix, giving us high confidence in the survivability of a significant quantity of our land-based force, then we may be able at that time to slow down the ULMS program somewhat and reduce the rate of expenditure. It could also affect our decision on hard point defense.

On the other hand, should it not turn out very successfully, we probably would wish to expedite the ULMS and hard point defense and possibly terminate MM rebasing.

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David Packard

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

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Date: MAR 26 2012

31 December 1969

MEMORANDUM ON THE SAFEGUARD SYSTEM

The subject of ballistic missile defense has been under intensive review by the Department of Defense during the past year. The subject has been considered specifically in relation to the FY 1971 budget, and the following conclusions and recommendations have been arrived at.

A. CONCLUSIONS AND RECOMMENDATIONS

Because the threat for which the Safeguard Program was designed has continued to develop during 1969, it is necessary to undertake the next step toward the full twelve site system in the FY 1971 budget period. The following program is recommended:

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1. Authorize the construction of two additional sites in FY 1971. These sites should be chosen to --

(a) Broaden the defense against the Chinese threat.

(b) Broaden the base for Minuteman defense.

(c) Begin to implement the defense against the SLBM threat.

2. Authorize engineering and site selection work for three additional sites.

3. Continue development of the Improved Spartan missile which will improve the area defense capability of the system.

4. Undertake R&D on smaller radars and missiles suitable for "hard-point" defense of Minuteman sites against the possibility of an even more severe threat to Minuteman survival than can be handled with the basic Safeguard system.

5. Plan the implementation of the full twelve site system in consideration of DOD budget constraints in FY 1971 and subsequent years.

Office of the Secretary of Defense
Chief, RPD, ESD, WHS
Date: 26 Mar 2012 Authority: EO 13526
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This next step is, in fact, urgent at this time to assure that the country can have the protection of the full twelve site system by 1978, if the threat continues to grow as is now indicated.

Specific program recommended:

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1. Commit in FY 71 the deployment of the Whiteman and the Northwest sites and undertake advanced preparation of three more sites in Northeast, Michigan/Ohio and Washington, D.C.

2. Plan the deployment of all twelve sites within NOA funding (exclusive of AEC costs) of \$1.5B in FY 71, \$2.0B in FY 72, and not more than \$2.3B in any subsequent year. (1969 dollars).

3. Add to the research and development program the development and evaluation of new defense components optimized for "hard-point" defense. These would be an improved Sprint and a smaller and cheaper radar and computer system which could be deployed in 1977 in larger numbers than the MSR to provide a higher level of defense of Minuteman and NCA if and as required. The complete development of this added capability is estimated to be \$750M (RDT&E) at the rate of about \$100M per year (not included in the NOA figures in the preceding paragraph).

4. Continue research and development on advanced concepts for ballistic missile defense, including consideration of the early mid-course intercept approach.

A discussion of the recommended deployment, together with the rationale for our choice follows.

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B. SAFEGUARD OBJECTIVES

The ABM missions and the design of Safeguard (then called modified Sentinel) were proposed by the Department of Defense early in March 1969. President Nixon accepted the proposed plan and on March 14, 1969, announced the following defense objectives:

- "Protection of our land-based retaliatory forces against a direct attack by the Soviet Union.
- Defense of the American people against the kind of nuclear attack which Communist China is likely to be able to mount within the decade.

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- "Protection against the possibility of accidental attacks from any source."

He further elaborated.

- "We will provide for local defense of selected Minuteman missile sites and an area defense designed to protect our bomber bases and our command and control authorities."
- "By approving this system, it is possible to reduce U. S. fatalities to a minimum level in the event of a Chinese nuclear attack in the 1970's or in an accidental attack from any source."

The President also stated that "This program will be reviewed annually from the point of view of (a) technical developments, (b) the threat, and (c) the diplomatic context including any talks on arms limitation". He emphasized protection of our deterrent as the best preventive for war. Congressional approval was secured to proceed with an initial increment of two site complexes to be located in Minuteman fields near Grand Forks AFB and Malmstrom AFB. The purpose of this deployment was to check out the entire system under realistic conditions and work out the problems that inevitably arise in the deployment of any new major weapon system, as well as to provide protection for at least a limited portion of the Minuteman force. Phase 1 Spartan coverage (see Figure 1) forms part of the Phase 2 area defense.

C. THREAT

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Date: MAR 26 2012

The specific threat as interpreted in February, 1969, was in brief:

1. There had been no known firings of CPR ICBM's. It was projected that the CPR could have operational ICBM's as early as 1972 with 10 to 25 operational by mid-1975.
2. Approximately 220 SS-9's and 800 SS-11's were known to be deployed or under construction. It was predicted that this force would continue to grow and that this, combined with the possibility of conversion within three years to MIRV's on the SS-9's and high accuracy for both, would give a total of some 1400 accurate RV's. If all of these were targeted against Minuteman, they could destroy over 900 of the 1000.

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3. It was known that 6-7 Yankee-class (Polaris type) ballistic missile submarines had been launched and that the evidence pointed to an increasing construction rate with a possible force of 35-50 Yankee-class boats by 1975. An on-station force of 15-20 would be capable of destroying up to 80% of our alert bomber force even with dispersed basing on 67 bases. Use of depressed trajectory SLBM's or the fractional orbital bombardment system (FOBS) will decrease the warning and decision time of our national command authorities from 15-30 minutes to as little as 5-6 minutes for SLBM attack and essentially no useful warning against FOBs.

4. Possibility of accidental launch from Soviet ICBM's and SLBM's.

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Although the Soviet and CFR forces in existence in February, 1969, did not pose a serious threat, their projected growth did present a severe threat by the mid-1970's.

We have no evidence that China has begun testing an ICBM. However, should a vehicle become available for testing within the next few months, IOC could be achieved by late 1972 or early 1973. It is more likely, however, that IOC will be later, perhaps by as much as two or three years. If the earliest possible IOC were achieved, the number of operational launchers might fall somewhere between 10 and 25 in 1975. In the more likely event that IOC is later, achievement of a force this size would slip accordingly.

Soviet build up of SS-9's and SS-11's has continued at least as rapidly as predicted. The number of SS-9's deployed or believed to be under construction is now between 270 and 282. The corresponding number of SS-11's ranges from 820 to 900. In addition, testing of multiples on the SS-9 has continued though we have not detected sufficient variability in the impact pattern to verify an independent targeting capability. SS-11 testing has intensified and recent testing indicates the strong possibility that the SS-11's may achieve accuracy by the mid-70's which would permit them to be effective against Minuteman silos as well as Safeguard radars.

3. Production of Yankee-class boats has continued during 1969. At present 16-24 Yankee-class boats are believed to be either operational or under construction. Of these, 9 are believed to

be operational with 2 of the 9 deployed. A second shipyard is known to be producing these submarines, which boosts last year's estimated construction rate of 4-8 annually to 6-8 annually.

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~~It is clear that the threat against which Safeguard was configured last year has continued to grow.~~ Clearly, to implement Phase 1 only would not be adequate, and we therefore recommend proceeding with the first step of Phase 2 deployment.

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D. PROPOSED DEPLOYMENT

1. Description. The proposed deployment continues progress toward the full 12-site Phase 2 Safeguard system (Figure 2), including the Sprints added for Minuteman defense and the Perimeter Acquisition Radar (PAR) additional seaward coverage needed for defense of our strategic bomber force against the Soviet SLBM's. This deployment continues progress toward the objectives set forth by the President. Funding (NOA) and schedules for this alternative are based on constraining NOA to approximately \$1.5B for FY 71 and \$2.0B for FY 72 with no constraints thereafter. (NOA funding rate is not expected to exceed \$2.3B in any year.) These funding constraints cause the system completion date to slip from October 1976 to October 1977. However, without funding constraints, peak NOA would be \$2.7B in FY 72 and peak expenditure would be \$2.2B in FY 73 (all figures are 1969 dollars).

Under these constraints, we must commit in FY 71 the deployment of two more sites -- Whiteman (in the Minuteman fields near St. Louis) and the Northwest site. In addition, we should undertake advanced preparation of three more sites -- Northeast, Washington, D. C., and Michigan/Ohio.

The full 12-site deployment could be installed by October 1977. It provides area defense of the entire United States against a Chinese or other Nth country attack and of most of the strategic bomber bases against attack by depressed trajectory SLBM's. Against the Chinese, the system would be able to absorb about 100 warheads. Against the SLBM attack, the system could blunt the leading edge of the attack on the bomber fields and absorb about 20 to 30 warheads per Safeguard site. This should provide about 10 or more additional minutes for the protected alert bombers to escape to safety.

The Minuteman defense level increases as the four sites in the Minuteman fields become operational. The first two sites constitute Phase 1 with a total of 60 Spartans and 58 Sprints and will be installed by late 1974. The third site, Whiteman, will be installed by July 1975, and the fourth site, Warren,

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by April 1977. These four sites with a total of 120 Spartans and 264 Sprints provide a capability which depends on the level of threat against the Minuteman force. For the lower threat level of 1000 to 1400 arriving Soviet RV's, 200 to 300 Minuteman would be expected to survive. For higher threat levels, say 2000 arriving RV's, the Safeguard Phase 2 deployment would be overwhelmed, but would still absorb some 300 to 400 RV's which would otherwise be useable against our cities.

In addition, we plan to add to the research and development program the development and evaluation of new defense components optimized for hard-point defense (e.g. Minuteman, National Command Authorities). These new components would be an improved Sprint, and a smaller and cheaper radar and computer system which could be deployed by 1977 in larger numbers than the MSR to provide a higher level of defense of Minuteman and the NCA as required. The complete development and evaluation cost of the new components is estimated to be about \$750M (RDT&E funds, not included below) of which about \$100M would be obligated in FY 71.)

We will, of course, continue exploration of alternative concepts which might lead to even more effective defense against ballistic missiles.

2. Deployment and Schedule. Deployment cost and schedule are shown below. The NOA and expenditures are in 1969 dollars with no allowance for inflation. The schedule shows equipment readiness dates on which equipments will be installed and operable and the site turned over to military control. Following these dates, there will be a period of about six months of continuing checkout, training, and acceptance testing during which there will be a limited operational capability. Schedules are based on the assumption that public or political problems in site selection or acquisition will not cause delays.

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(a) Schedule (Equipment Readiness Dates)

<u>Apr 74</u>	<u>Oct 74</u>	<u>Jul 75</u>	<u>Jul 76</u>	<u>Oct 76</u>	<u>Jan 77</u>	<u>Apr 77</u>	<u>Jul 77</u>	<u>Oct 77</u>
GF	Malm	Whit	NW	NE	DC	War M/O	Tex S. Cal	C. Cal. Fla/Ga

(b) DOD Costs

AEC costs of approximately \$1.2 billion (exclusive of Improved

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7.

Spartan, for which development costs have not yet been estimated) are not included.

	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>Total</u>
NOA	\$1.5	\$2.0	\$2.2	\$1.6	\$11.7
Expenditures	.93	1.3	1.8	1.9	11.7

(c) Sites requiring authorization in full in FY 71 would be Whiteman and Northwest with advanced preparations required for Northeast, D. C., and Michigan/Ohio.

E. PROS AND CONS

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1. Pro:

(a) Continues progress toward the announced objectives of the Safeguard program.

(b) Would continue the momentum of deployment and retain the production/construction base.

(c) While running some risk, this proposal comes as close to coming with the estimated Soviet and Communist Chinese threats as funding constraints permit.

(d) Provides a defense that will mean either the survival of 200 to 300 Minuteman or the absorption of 300 to 400 Soviet warheads otherwise useable against our cities, and complements other Minuteman survivability options such as new defense components, super hardening, or mobility.

(e) Is wholly consistent with the arguments based on the Soviet and Chinese threats used in recent Congressional debate.

(f) The modified R&D program is expected to provide more economical defense of Minuteman against the heavier threats which might develop, and thus lessen objections such as those raised in Congressional debate.

(g) The fact that the U. S. will be entering substantive Strategic Arms Limitation Talks with the Soviets in 1970 ought not to lead to modifications of the Safeguard program at this time. The reasons are three: First, because a part of the threat -- the Chinese ICBM threat -- is not under Soviet control;

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Second, because a number of plausible outcomes of SALT would not lead to such a reduction in the potential Soviet threat that the requirements for Safeguard were substantially altered; Third, because it is important to effective conduct of the SALT negotiations that the U. S. make clear its plans for Safeguard and the threats to which they are responsive in order that the threat reductions (or other means of satisfying Safeguard requirements) which would be needed to make reductions in Safeguard acceptable are also clear.

An agreement which limits Soviet ICBM's to the number operational or under construction now or at any future date still threatens the survivability of undefended Minutemen unacceptably, because SS-9's may be upgraded with MRV deployment or SS-11's can be upgraded with accuracy improvements. There is serious question whether these ~~potential upgrades~~ will be prevented by agreement because of the difficulties of verifications and the expressed Soviet reluctance to consider "qualitative" limitations.

The proposed program does not preclude modification of the deployment or the expenditures if warranted by progress of SALT.

2. Con:

(a) Would increase our NOA requirement in FY 71 from \$1060M to about \$1500M, exclusive of \$100M in FY 71 for RDT&E on improved Minuteman defense components.

(b) Implies a commitment to the full 12-site system.

(c) Will lead to debate about the need for further deployment and possible adverse effects on SALT.

(d) Opponents will certainly claim that Safeguard deployment is another step in the arms race.

(e) A claim that Soviets will just exhaust Minuteman defense and kill all Minuteman. Could also lead to the further claim that land-based ICBM's are obsolescent and unnecessary.

(f) A claim that the Chinese will use a kind of pen aid that will defeat Safeguard.

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9.

F. RESPONSE TO THREATS BEYOND SAFEGUARD DESIGN LEVEL

The two serious technical arguments against the system are Soviet ICBM force expansion to the point where they simply overwhelm the system and the advancement of Chinese technology to the point where area defense becomes very difficult.

If the Soviets continue to expand their ICBM forces and, in addition, deploy large MIRV (silo killers) and upgrade the accuracy of SS-11's, they could achieve an attack level which exceeds the design goals of the presently proposed deployment. In this event, the U. S. would have to take additional measures to insure survivability of its land-based deterrent. We would have a number of options open to us. One option would be to deploy more of the same Safeguard components (MSR's and Sprints), perhaps by diverting them from area defense sites. This is a reasonably quick and well understood solution. If time permitted, we would prefer to deploy the new less expensive and more effective hard-point defenses, the development of which we are starting. Since these defense options include hard-point defense of only a fraction of the Minuteman force, they are compatible with and complement other means of improving Minuteman survivability. Specifically, rebasing part of the Minuteman force in super hardened silos and/or rebasing part on mobile transporter-launchers are under study now.

The Chinese, because of their limited economy and lack of the very expensive, sophisticated range instrumentation needed to develop penetration aids, are not expected to be able to deploy penetration aids like our Mk 1a or "Antelope" system for many years after they deploy simple ICBM's. When they do begin to deploy sophisticated penetration aids we will find ourselves in a technology (rather than force level) race, which we should be able to win. Our advanced ballistic missile defense research program now includes the kind of work needed to counter the later Chinese threat. For example, we are investigating the use of long wavelength infra red (LWIR) optical sensors for both surveillance and long-range ABM interceptor homing. The LWIR sensors can detect a reentry vehicle in the presence of chaff because chaff does not resemble a reentry vehicle at infra red wavelengths.

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Date: 22 FEB 2012 Authority: EO 13526 THE SECRETARY OF DEFENSE
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Reason: _____
MDR: 12-M-15810

15 SEP 1971

MEMORANDUM FOR THE PRESIDENT

SUBJECT: SALT

I believe we are heading for serious international and domestic political problems if the trend in SALT continues. We will reach an outcome which would be interpreted by our allies and the Congress as a sign of U.S. weakness and Soviet strength. The consequence will be a dramatic loss of U.S. influence and a gain in Soviet influence.

The fundamental problem is that we have on the table a U.S. drafted "interim" offense proposal which freezes in a Soviet advantage of about 650 ballistic missiles, including 288 missiles larger than any U.S. counterpart, based on the most recent intelligence reports. The Soviets have 29 Y Class SSBNs now afloat, each with 16 missile launching tubes. Twelve more are under construction. When these are completed the Soviet Y Class force will equal our SSBN force of 41 ships. Their total number of sub-based launchers will then exceed ours by about 100. They have the capability also by 1975-77 of overcoming the last U.S. strategic advantage in missiles, that of total number of warheads on target. Thus, such a freeze could undermine U.S. sufficiency and parity.

This is weakly offset by a U.S. proposed advantage in ABM interceptors which has now shrunk from 200 to 100. It is also mitigated by the assertion that the offense proposal is "interim," to be replaced by a more equitable offense agreement at a later date. But the only clear inducement we have for the Soviets to negotiate such a follow-on agreement is the threat of withdrawing from the ABM agreement. The history of Congressional opposition to SAFEGUARD and the prospect of even stronger Congressional opposition to U.S. withdrawal from an ABM agreement once signed weaken the credibility of this inducement.

With a highly inequitable U.S. offense proposal on the table we are proceeding to perfect a more nearly equitable defense agreement. When the latter is negotiated we can expect heavy domestic pressure to sign it.

For some time I have been expressing these concerns to Dr. Kissinger and recommending actions to improve the situation, as the attached ~~will~~ many will show.

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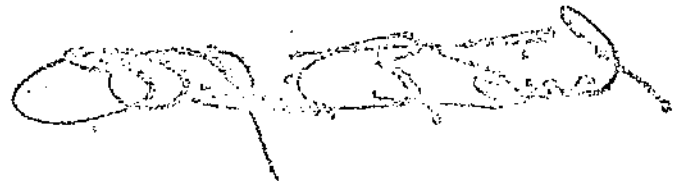
I am deeply convinced that our most immediate goal in SALT must be to reverse the growing Soviet advantage in offensive arms while limiting or reducing ABM defenses of Soviet cities, in order to maintain clear U.S. sufficiency. The major lever we have on the Soviets is our ABM program. It is, moreover, essential that we defend our retaliatory forces until we are assured the projected threat to them is reduced. We must make sure that we keep this lever credible by retaining the right to defend our retaliatory forces until we have a satisfactory agreement controlling offensive weapons.

I therefore recommend:

a. That Ambassador Smith be instructed to spell out in the strongest possible terms the deep concern of the U.S. Government with the continued Soviet offensive build-up in both land and submarine based offensive missiles and that we expect Soviet cooperation in SALT VI in finding a solution to this problem.

b. That Ambassador Smith be instructed to inform the Soviets before the close of SALT V that we must hear their proposals for an interim offense agreement at the start of SALT VI, before we will be able to move further towards an ABM agreement.

c. That highest priority be given to the formulation of U.S. strategy and tactics for SALT VI to reverse the growing Soviet advantage in offensive arms while limiting or reducing ABM defenses of Soviet cities.



Attachment

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ATTACHMENT

X3243 My memorandum of 7/12/71 to Dr. Kissinger urged that the offense proposal in NSDM-117 be made more equitable.

NSDM-120 reaffirmed the NSDM-117 provisions.

Y114 My memorandum of 8/2/71 to you urged that we take advantage of the Soviet statement of willingness to work towards an ABM ban, to move towards a more equitable offense arrangement.

The decision was made to leave discussion of an ABM ban until after a first ABM and offense agreement has been reached.

On 8/19/71, on receipt of the Delegation plan to fall back from 3 SAFEGUARD sites to 2 sites, I urged through our respective staffs and the Backstopping Committee that the fallback be made clearly dependent upon Soviet acceptance of all other defense and offense provisions.

The decision was made to present the fallback without clear condition.

Y111 My memorandum of 9/4/71, written after the Soviets rejected the inclusion of submarine launched missiles in the Interim offense agreement, urged that we insist on full discussion of offense provisions before proceeding further with defense, to make clear to the Soviets that our acceptance of any ABM agreement was firmly coupled to their acceptance of a corresponding offense agreement.

The decision was to continue negotiation of an ABM agreement.

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THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20301

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 19 SEP 2002 Authority: EO 13526
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Reason: _____
MDR: 12-M-1587

50 USC 552

JCSM-484-71

1 November 1971

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: US Position for Strategic Arms Limitation
Talks (U)

1. ~~1.1~~ The failure of the Soviets to accept the 27 July 1971 US SALT proposal and the continuing Soviet military buildup are viewed by the Joint Chiefs of Staff with great concern. The Joint Chiefs of Staff have carefully reviewed the 27 July proposal, the current strategic balance, discernible trends, and the SALT negotiation history. The following views are based on fundamental military considerations of US national security. They are not related to negotiating tactics or timing and are forwarded as a recommended US position for future negotiations.

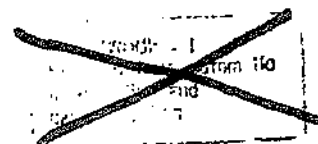
2. ~~2.1~~ With respect to offensive arms, the continuing momentum of Soviet strategic missile growth, both deployed and projected, has carried Soviet strategic offensive force levels past the parity that once would have made a freeze militarily sound. The Joint Chiefs of Staff believe that the 27 July freeze proposal, which would allow the USSR approximately 600 more offensive missiles than the United States, with the precise total depending on what date the agreement finally carries, is not adequate for US security interests. JCS SIOP/RISOP war games consistently show a disparity against the United States in the relative capabilities of the US/USSR to render damage if deterrence fails. This disparity is serious when considering only currently deployed forces. The Joint Chiefs of Staff strongly urge that this imbalance be corrected by modifying the current US proposal as follows:

a. An agreement based on an equal aggregate total ceiling on strategic missiles (ICBMs, MLBMs, and SLBMs) of 2375 (the current estimate of Soviet missile strength should all launchers currently under construction be completed). That number would include a subtotal authorizing each side no more than 313 MLBMs. Freedom to mix from one system to another within the limits would be permitted.

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Chief, Declassification Division, WHS

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b. A close tie between the defensive and offensive agreements to preserve the leverage the US programmed ABM deployment gives in seeking to control Soviet offensive missile growth. The United States must not weaken this leverage by piecemeal concurrence in partial controls on Soviet offensive missile systems. The Soviets should be told that failure to include SLBMs in any offensive agreement will result in blocking an ABM agreement.

3. ~~3.5~~ With respect to the defensive agreement, the Joint Chiefs of Staff note further concern. In its own security programs, the United States has, in a period of less than 2 years, fallen back from a 12-site SAFEGUARD deployment, once considered essential for US security, past the minimal militarily acceptable four-site SAFEGUARD, to the current two-site proposal advanced by the United States in SALT negotiations. Two sites limited to 200 missiles provide limited defense at a substantial cost. It would provide some operational know-how and limited coverage for approximately 660 missiles as well as a base for future expansion--should the need arise. The Soviets, with the Moscow ABM system, cover approximately 586 missiles and afford a measure of protection to their National Command Authority (NCA), as well as approximately 18 percent of their population, 48 percent of their industry, and 22 command and control centers. Four-site SAFEGUARD and, to a lesser extent, a three-site SAFEGUARD, gives some semblance of balance to that comparison--two sites do not. Accordingly, the Joint Chiefs of Staff recommend that:

a. The United States combine elements of the US/USSR ABM proposals and propose an agreement on one NCA site plus two sites for defense of ICBMs (west of the Mississippi for the United States and east of the Urals for the Soviets) for both sides with equal numbers of missiles/launchers. The military requirement for an NCA defense has increased significantly. The increasing number of Soviet SLBMs and their improving accuracy, coupled with the US short-time warning, seriously threaten US command and control survivability, particularly at the national level. This factor, along with the growing third-country nuclear threat, lends increasing importance to an NCA defense.

b. The United States stand fast on the requirement for the limitation of Modern ABM Radar Complexes (MARC)s. The number and types of MARCs would conform to the number and types of sites defended.

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c. The US position on other radar questions be:

(1) Other Large Phased Array Radars (OLPARs):
"Consultation" rather than "agreement" on the deployment of such radars. Agreement would be unwieldy and difficult to arrange between two sovereign powers.

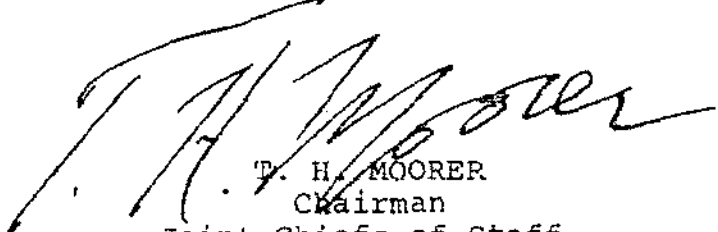
(2) Early Warning: The United States should seek equal numbers to those existing and under construction in the USSR.

4. ~~(1)~~ The above recommendations take into account the current relative US/Soviet strategic postures. Although the US may or may not ultimately achieve the offensive authorizations permitted by these proposals, and technology may make it unnecessary, nevertheless, the United States must insure adequate flexibility to prevent being locked into a position of inferiority. Once the United States has accepted a position of military inferiority as a result of an interim "freeze" agreement, it will most likely be impossible to continue negotiations leading to military equality in offensive systems unless the interim agreement provides the flexibility inherent in an equal ceiling for both sides. The offensive and defensive recommendations of the Joint Chiefs of Staff provide equality for both sides in numbers, missions, and capabilities. Since the Soviets have insisted on "equivalency" at every turn since the negotiations began, the proposals of the Joint Chiefs of Staff should be negotiable if the Soviets sincerely want an agreement.

5. (U) The Joint Chiefs of Staff request that this memorandum be passed to the Chairman of the Verification Panel and to the President as their recommended position for SALT VI.

For the Joint Chiefs of Staff:

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Chief, Records & Declass Div. WHS
Date: SEP 19 2012


T. H. MOORER
Chairman
Joint Chiefs of Staff

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14 DEC 1971

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MEMORANDUM FOR ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
SUBJECT: SALT tactics

Ambassador Smith has asked authority to state that the U. S. concurs with the Soviets that the ABM agreement should be in the form of a treaty.

I agree to Ambassador Smith making that statement provided that he state at the same time that (1) an ABM agreement, regardless of form, is unacceptable without the clause which allows us to withdraw if an acceptable follow-on offense agreement has not been negotiated after a specified time (e.g., 5 years), and (2) an ABM agreement is only acceptable if we have also provided that some acceptable offense limits will be in force so long as the ABM limits continue.

My reason for these statements is to keep clear that we are not willing to accept a long term ABM agreement together with only a short term offense agreement under conditions such that we would either have an ABM-only agreement in force after expiration of the offense agreement, or else we would have to accept an undesirable follow-on offense agreement to avoid the ABM-only agreement.

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Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 22 FEB 2012 Authority: EO 13526
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Chief, Declassification Division, WHS

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THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20331

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JCSM-258-72
2 June 1972

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Date:

MEMORANDUM FOR THE SECRETARY OF DEFENSE

JAN 6 2 2013

Subject: National Security Assurances in a Strategic Arms Limitation Environment (U)

1. (S) The Joint Chiefs of Staff have reviewed the recently concluded Strategic Arms Limitation (SAL) APN Treaty and Interim Offensive Agreement. They believe that specific measures must be taken now if the United States is to guard against a degradation of its national security posture. Accordingly, the Joint Chiefs of Staff recommend that the following assurances be established:

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a. Assurance: "A Broad Range of Intelligence Capabilities and Operations To Verify Soviet Compliance in a Strategic Arms Limitation Environment."

(1) Provide high confidence monitoring of Soviet compliance with the terms of the ABM Treaty and the Interim Offensive Agreement.

(2) Provide information on Soviet strategic activity, capabilities, and achievements as insurance against both technological and strategic surprise and for use in follow-on arms limitations negotiations.

b. Assurance: "Aggressive Improvements and Modernization Programs."

(1) Maximize strategic capabilities within the constraints established by the ABM Treaty and the Interim Offensive Agreement:

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(a) Accelerate selective improvements already approved for strategic weapon systems.

(b) Accelerate the development and production of selected programs for introduction of new or improved weapon systems.

(c) Initiate new programs necessary to offset Soviet threat growth and to provide leverage in follow-on negotiations.

(2) Plan for rapid augmentation of strategic forces beyond the constraints of the treaty and agreement to be made in the event of abrogation, withdrawal, or collapse of negotiations.

~~Assurance III~~ - "Vigorous Research and Development Programs."

(1) Maintain weapon systems technological superiority.

(2) Continue testing to insure the effectiveness of new and existing nuclear weapon systems.

It is the conviction of the Joint Chiefs of Staff that, without the leverage of the actions outlined above, further negotiations on offensive systems cannot be concluded without placing the security of the United States in jeopardy. Further, in the event of abrogation of the treaty and/or agreement or collapse of forthcoming negotiations, rapid augmentation of strategic capability will be essential.

2. (S) Because of the relationship between arms limitations and national security, a formalized national program in support of these assurances is required. This program should be reviewed annually and recommendations concerning the assurances submitted to the President.

3. (S) Appendix A hereto provides a summary of the constraints placed on US and Soviet strategic forces. Appendix B hereto contains an evaluation of the Soviet strategic offensive forces both with and without the agreement in comparison to the US programmed force. The evaluation indicates that, if the Soviets abide by the terms of the agreement, the potential disparity by 1977 between the currently programmed US strategic forces and currently forecast Soviet strategic forces is reduced with the agreement. Although the USSR possesses an advantage in numbers of delivery vehicles and total megatonnage, the agreement should limit the Soviet momentum. While at this time the United States has the advantage in numbers of reentry

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vehicles and total warheads, this advantage could be reversed should the Soviets, with their large payload capability, emphasize MIRV development and deployment.

4. ~~(S)~~ Considerations for verifying Soviet compliance with the treaty and interim agreement are contained in Appendix C hereto. Verification of Soviet noncompliance with the terms of the agreements, including deliberate measures by the Soviets to impede US verification by national means, will require prompt US reaction, to include, if necessary, withdrawal from the treaty and/or agreement. The United States possesses the capability to verify by national technical means the testing of new or significantly modified strategic weapons and can detect, with confidence, violations that could seriously threaten US security. However, assured detection of all violations is not possible. In order to increase US verification capabilities, the Joint Chiefs of Staff recommend research and development efforts to provide new monitoring systems, the provision for reserve monitoring systems that can be employed during contingencies, and improved analytical and processing capabilities to accommodate expanded intelligence efforts and to improve timeliness of processed intelligence data.

5. ~~(S)~~ Measures that would improve the effectiveness of US strategic forces within the limits of the SAL agreements as well as a discussion of the relationship of general purpose forces to SAL are contained in Appendix E hereto. The Joint Chiefs of Staff recommend that immediate steps be taken to begin the deployment of a ballistic missile defense of the National Command Authorities. They also recommend that immediate steps be taken to insure that adequate nuclear material will be available for new warhead application. They further recommend that the momentum of the ongoing strategic programs contained in the FY 1973-1977 Defense Program be maintained. The B-1 and TRIDENT programs as well as prototype development of Site Defense should be given full support. In addition, concept formulation of the subsonic cruise armed missile capable of being deployed in submarines should be accelerated. Illustrative force improvements discussed in Appendix E are not intended to be all inclusive.

6. ~~(S)~~ The Joint Chiefs of Staff strongly recommend that strategic research and development programs, such as those specified in Appendix D hereto, be aggressively pursued in order that procurement, production, and deployment leadtimes are shortened to the maximum extent in event of abrogation or withdrawal and that weapon systems technological superiority is maintained.

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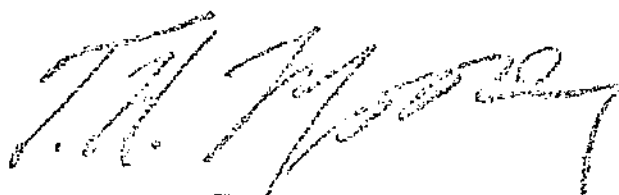
7. ~~7.1~~ In addition, the Joint Chiefs of Staff strongly recommend that no further restrictions such as a comprehensive nuclear test ban be imposed in view of the importance of nuclear tests to future US force improvement programs. It should be noted that such testing is not as important to the Soviets due to their extended experience in atmospheric nuclear testing and their marked advantage in throw weight.

8. ~~8.1~~ The Joint Chiefs of Staff recommend that you endorse the Assurances Program and attendant criteria and request that you forward their views to the President. The establishment of these formalized assurances may, on the one hand, avoid the development in US society of a sense of euphoria which could reduce US vigilance and willingness to maintain an optimum strategic posture within the established constraints and, on the other hand, allay undue concern for the security of the United States. It should also provide positive evidence to US allies of the intention of the United States to maintain the deterrent power of US strategic forces within a SALT environment. A vigorous Assurances Program may also assist in obtaining congressional support for those force improvement programs which are essential for the maintenance of the strategic balance. Of significant importance is the fact that the force improvement programs will provide essential leverage for subsequent negotiations for an acceptable treaty that limits strategic offensive arms.

9. (U) The Joint Chiefs of Staff will submit recommendations concerning specific programs at an early date.

For the Joint Chiefs of Staff:

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Date: JAN 02 2013



T. H. MOORER
Chairman
Joint Chiefs of Staff

Attachments

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Chief, RDD, ESD, WHS
Date: 02 JAN 2013 Authority: EO 13526
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THE SECRETARY OF DEFENSE
WASHINGTON D C 20301

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November 7, 1970

Outcast

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Date: JAN 24 2012

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Strategy for Peace - A National Security
Strategy of Realistic Deterrence

I am transmitting this document for your EYES
ONLY.

William R. Squire

Office of the Secretary of Defense

Chief, RDD, ESD, WHS

50-S-0552

Date: 24 JAN 2012 Authority: EO 13526

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Strategy for Peace

A NATIONAL SECURITY STRATEGY OF REALISTIC DETERRENCE

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Chief, Records & Declass Div, WHS
Date:

JAN 24 2012

MEMORANDUM FOR THE PRESIDENT
FROM
THE SECRETARY OF DEFENSE

6 November 1970

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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Chief, Records & Declass Div, WHS
Date: JAN 24 2012

6 November 1970

MEMORANDUM FOR THE PRESIDENT

The attached document follows up my memorandum of July 8, 1970, concerning the need for resolution of key strategy issues with regard to defense planning.

I thought it would be both useful and timely to give you my view of the basic approach we should follow in seeking to implement your Foreign Policy and Strategy for Peace in the 1970's.

As I see it, our basic goal is this:

To make the transition from war to lasting peace and freedom with a restructured U.S. military force that would require 7% or less of GNP, made up of 2.5 million volunteers or less. Such a force, combined with adequate strength, true partnership and progress in negotiations, would be designed to deter war, and contrasts with the force requiring more than 9% of GNP, made up of a draft-heavy strength of 3.5 million men engaged in war, which you inherited.

I thought it particularly timely to bring this matter up now not only to assist in our overall defense planning but also to present my views on how members of your foreign policy and national security team can more easily and consistently address that major element of your foreign policy for which each has primary responsibility. It seems to me that a logical and appropriate division of effort within

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the Administration in presenting your foreign policy and strategy for peace would approximate the following:

- 1) The President -- comprehensive, conceptual presentation of

- a. Foreign policy objectives.
- b. Essentials of foreign policy strategy.
- c. Essentials of national security strategy.

Vehicle: Second Annual Foreign Policy Report to Congress, following State of the Union and Budget Messages.

- 2) The Secretary of State -- Comprehensive exposition of foreign policy strategy with emphasis on diplomacy, negotiations and international politics.

Vehicle: Posture Statement.

- 3) The Secretary of Defense -- Comprehensive exposition of National Security Strategy including essentials of military strategy and defense planning factors.

Vehicle: Defense Report.

The above represent formal elements that would be used to present your program. At the same time, I believe it would be important to complement these with a comprehensive program to convince Congress of the validity of our approach and the need for support. I have in mind a series of informal meetings with key members, where we could discuss the issues without the constraints associated with formal hearings.

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Turning to strategy issues, as you know, the time has come to make those hard decisions about the defense budget and plans for the future. The fundamental question of what is this Administration's basic policy, around which military forces should be designed and procured has been answered quite simply and forcefully by you: A policy of peace. It is not a policy of warfighting; it is not a policy of status quo; it is a policy to move this country and the world towards a generation of peace based on three principles -- partnership, strength, and willingness to negotiate.

What is needed to make your strategy for peace work is both internal and external flexibility on programs. We also need a coherent and credible public position on strategy for the 1970's. So the strategy must be:

- a. Positive.
- b. Consistent with individual and collective U.S. domestic and foreign obligations.
- c. Consistent with free world nations sharing the burden as well as the fruits of security.
- d. Reflected in U.S. force mix, composition, and deployments.
- e. Understandable to the U.S., our friends and allies, and to our enemies -- both actual and potential.
- f. Realistic and attainable.

Last year we planned this year of transition to implement new foreign policy and to revise, as necessary, national security strategy. We

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have made visible progress in reducing defense spending and making the transition to a peacetime economy but we don't have full public acceptance of the cost of attaining and ensuring peace.

The material in the attachment is a conceptual approach to accomplish your several objectives. It approaches the problem as was done with Vietnamization: objectives first, resource availability, new strategy, revised force composition and mix, and flexible implementation. The proposed approach takes basic foreign policy objectives as given and describes strategy in these terms rather than in terms of specific capabilities. It injects some flexibility and new initiatives into our approach for defense planning, but at the same time it does not represent a radical diversion from current programs.

Within this framework, the strategy would be based on the following planning goals:

- 1) A larger share of free world security burden to be taken by those free world nations which have enjoyed major U.S. support since World War II, rapid economic growth, and a relatively low defense contribution.
- 2) A strong emphasis on regional defense arrangements.
- 3) A U.S. military force which in a stable peacetime environment would require 7% or less of our annual Gross National Product.
- 4) Volunteerism for U.S. manpower.

This approach lends itself to keying our presentation to the Congress and to the public in a way that preserves maximum flexibility. It provides for:

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- 1) A set of minimum baseline forces.
- 2) Program options (development, long lead time, or new initiatives) which we may or may not need but which are prudent to provide as a hedge against SALT failure or other adverse situations
- 3) A possible set of contingency force or budget options, where we want approval for funding to preserve short-term flexibility, but would hold in abeyance pending world developments (e.g., SALT).

This last set, for example, could reflect initiatives taken by the Administration to bring pressure to bear in our pursuit of successful negotiations. We are tentatively planning to request funds for a new strategic submarine system (ULMS) which would give us an initial operational capability in 1980 through orderly development. Increased funds for FY 1972 could accelerate initial operational capability to 1978. We might wish to ask for the increased level to provide a signal to the Soviets in SALT and to maximize our capability in FY 1972 to actually accelerate the program if SALT developments and continued Soviet deployments indicate this to be a prudent course. The increased amount, however, would be placed in a contingency account.

Such accounts could also provide greater internal flexibility on some major programs where we have been pursuing the status quo but may no longer want to do so for various reasons. The SAFEGUARD program obviously lends itself to this approach.

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In sum, the proposed national security strategy provides both internal and external flexibility and credibility. It is consistent with your policy for peace, consistent with preserving capabilities but providing for increased initiatives, consistent with maintaining strength while phasing down to a peacetime force with flexible options, and, to the degree possible, consistent with the unsettled world environment.

There is one point that is essential to an understanding of the need for the conceptual approach I am recommending in this document. My two years of experience in this office and more particularly my attempts to approach our planning for the decade of the 1970's have strongly reinforced the conclusions I reached in my 16 years of experience on the Defense Appropriations Subcommittee in Congress: defense planning, programming, procurement, force design (including R&D and equipment) and force deployment, employment and operations are inseparable. For an effective implementation of national security policy, none of these elements can be treated as a separable entity. I am sure that President Eisenhower and you, as his Vice President, were motivated by the same conclusion in fashioning the national security policy and strategy for the Eisenhower years and in proposing amendments to the National Security Act of 1958 to broaden and strengthen the role and responsibility of the Secretary of Defense to encompass all of these areas.

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The following chart provides a schematic overview of a national security strategy of realistic deterrence. The document that follows explains the strategy and many of the major elements required in the defense planning portion of the strategy.

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Attachment

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

16 DEC 1970

MEMORANDUM FOR THE PRESIDENT

SUBJECT: National Security Planning

As you requested, I have reviewed and revised the previous concept paper on national security strategy which I forwarded to you on 6 November, with an objective of introducing this strategy concept into the national security planning process for consideration by the Defense Program Review Committee (DPRC) and the National Security Council (NSC). I believe that this approach to national security strategy, derived from your policy for peace, will serve to consolidate and refine our national security planning for the future.

The attached document is a paper that advocates revisions to current planning. As with any new approach to the solution of complex problems, controversial concepts are included. I believe that they are also necessary, however, if an effective and viable solution to these problems is to be found.

We continue to face major problems in national security. In the short term in Defense, we need essentially to preserve present force capabilities, while at the same time maximizing our options to add to or modify our capabilities.

The FY 71 Budget has taken us to the lowest prudent level of defense spending -- the FY 71 transition budget. We have cut defense spending as far as we can. There is convincing evidence that we must now selectively increase defense spending in critical areas. The National Security Strategy of Realistic Deterrence contained in the following document was put together with the following goals in mind:

1. A recognition of the strategic, fiscal, manpower and political realities we face.
2. Protection of the FY 1972 Service-preferred forces with minimum modifications.
3. To provide the basis for increased flexibility in the short term.

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4. To lay the foundation now for strengthening forces in all major categories during the next five years -- under a cohesive and supportable national security strategy.

The National Security Strategy of Realistic Deterrence is linked closely to the Nixon Doctrine with its emphasis on increased strength for air and sea forces as well as the emphasis in NSDM-95 on maintaining and improving the conventional capability in NATO.

This document is also being distributed concurrently within the Department of Defense as tentative strategic guidance for planning future Defense Department programs and budgets. It is my intention, after consideration by the NSC and consultations with the Services and departmental agencies, to issue a revised version of this document about 1 March 1971. The final document would then serve as firm strategic guidance for the Department of Defense in planning its FY 73-77 Program.



Attachment

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DOC. NO. 12

THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20331

JCSM-57-71

9 February 1971

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Tentative Strategy Guidance (U)

1. (U) Reference is made to:

a. Your memorandum, dated 16 December 1970, subject: "Strategic Guidance for Defense Planning (U)," with the attached Tentative Strategy Guidance (TSG).

b. A memorandum by the Deputy Secretary of Defense, dated 28 January 1970, subject: "Strategy Guidance."

c. Joint Strategic Objectives Plan for FY 1973 Through FY 1980, Volume I, Strategy and Force Planning Guidance (JSOP, Volume I).

d. DOD Instruction 7045.7, dated 29 October 1969, subject: "The Planning, Programming, and Budgeting System."

2. (U) Reference 1a states that the TSG supersedes reference 1b, and requests the comments of the Joint Chiefs of Staff with respect to the TSG by 10 February 1971. Reference 1a also states that after comments are reviewed, a final strategy guidance memorandum (FSGM) will be issued by 1 March 1971.

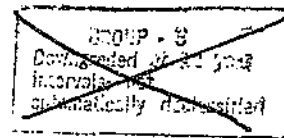
3. (S) It is recognized that the TSG in its present form could serve purposes that extend beyond its application within the Planning, Programming and Budgeting System (PPBS). The historical discussion and description of current strategy contained in Parts II and III are noted with interest. However, as stated in the memorandum which forwarded the TSG, "... this guidance, although!

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consistent with current strategy, is for future planning." Therefore, it is suggested that the FSGM clearly separate historical and current strategy from guidance for the future, and specifically state that the discussion of current strategy is not applicable to future steps of the PPBS. The Joint Chiefs of Staff have concentrated their comments and proposals for change on those portions of the TSG which deal with future strategy, with a view toward clarifying and increasing its effectiveness within the PPBS. The Joint Chiefs of Staff have provided, in the context of the Evaluation of the Military Risk in JSOP, Volume I, their views with regard to certain elements of the current strategy, and recently reaffirmed their view with reference to the 90-day initial conventional defense of NATO.

4. ~~(TS)~~ The following subparagraphs provide the views of the Joint Chiefs of Staff with respect to selected major topics in the TSG:

a. Resource Limitations and Conceptual Approach to Strategy. The TSG adopts a conceptual approach in which available resources seem to predetermine strategy (page 3). More specifically, the TSG establishes, as a basic goal, a military force "that in peacetime would require no more than about 7 per cent of GNP and be made up of no more than 2.5 million volunteers" (pages 2 and 22). The Joint Chiefs of Staff consider that US security interests and threats to those interests should be the prime ~~rationale~~ ^{factors} in defining US military strategy. Thereafter, the military requirements of the strategy should be derived. Only after these two basic steps have been accomplished should resource constraints be imposed. The Joint Chiefs of Staff recognize domestic fiscal realities, but believe that fiscal constraints should be applied selectively to resource requirements and in a manner which maximizes capabilities and minimizes risk. [Such a relationship between military requirements and fiscal constraints is provided for in the major steps of the PPBS.] Accordingly, it is believed that fiscal constraints should be imposed in the context of the fiscal guidance memorandum and not in the FSGM. As a related matter, the Joint Chiefs of Staff believe that in future PPB cycles, the FSGM, without fiscal constraints, should be promulgated prior to development of JSOP, Volume II, Analyses and Force Tabulations, and fiscal constraints should be imposed subsequent thereto, as is provided for in DOD Instruction 7045.7.

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b. The Relationship of Deterrence to Flexible Response and Warfighting Capability. The Joint Chiefs of Staff concur in the principal thrust of the Strategy of Realistic Deterrence which seeks to deter war at all levels of conflict. They support the concept of exerting a "downward pressure continually on the probability of conflict." JSOP, Volume I, gives similar recognition to "credible deterrence" as one of the three interrelated elements of the strategic concept that forms the basis for the military strategy therein; the other two elements are "flexible response" and "collective security." In general, the views of the Joint Chiefs of Staff with respect to collective security conform to the discussion of reliance on allies throughout the TSG. However, in the judgment of the Joint Chiefs of Staff, deterrence can best be achieved by maintaining both a full range of warfighting capabilities and a manifest national determination to use them when necessary, in order to make unmistakably clear to our adversaries that the price for aggression, at any level of conflict, would far outweigh any possible gain. Moreover, since there is an essential interdependence between all levels of deterrence, the possession of credible warfighting capabilities at all levels of conflict, i.e., a flexible response capability, is central to a credible strategy of realistic deterrence and should be included as a concept in the FSGM.

c. Definition of the "Shield." The Nixon Doctrine states that the United States "shall provide a shield if a nuclear power threatens the freedom of a nation allied with us, or of a nation whose survival we consider vital to our security and the security of the region as a whole." As a security issue, the TSG indicates a need to define "shield" under the Nixon Doctrine more clearly, i.e., "Nuclear? Nonnuclear? or both?" It is recognized that there are advantages to not revealing the exact nature of the US response to aggression. However, in the context of strategy guidance, the Joint Chiefs of Staff believe that the meaning of the shield should be more clearly defined. In their view the shield of the Nixon Doctrine is intended to deter all forms of aggression against US allies, and to some degree, virtually all US Forces contribute to that deterrence. Thus, the Joint Chiefs of Staff believe that the FSGM should recognize that the shield is provided by the full range of US force capabilities, combined with the unmistakable will to employ these capabilities in defense of US allies.

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d. Criteria for Strategic Sufficiency. The discussion of "A New National Security Strategy" (pages 26-32) does not specifically address criteria for strategic sufficiency nor provide guidance with respect to satisfying these criteria. However, the 28 January 1970 Strategy Guidance Memorandum (SGM) did provide guidance concerning the four elements of criteria for strategic sufficiency set forth in NSDM-16. Subsequently, the Joint Chiefs of Staff reflected this guidance in JSOP, Volume I, which additionally reflected the view that strategic forces should possess the obvious capability to insure that the United States would emerge in a position of relative advantage from any level of nuclear warfare. Furthermore, since the sufficiency criteria pertain only to attacks on the United States, JSOP, Volume I, stated that strategic forces should be sufficient in their combined capability to make credible the US commitment to employ its strategic forces as may be necessary for the successful defense of NATO and other allied territories. In view of the foregoing, the Joint Chiefs of Staff believe the FSGM should include a discussion of the criteria for strategic sufficiency as well as the additional criteria set forth in JSOP, Volume I.

e. Mutually Supporting Strategic Forces. The Joint Chiefs of Staff note the TSG statement that future US force planning should "ease [the] requirement on three independent retaliatory forces" (page 31). Rather than focusing on the potential of each of the strategic offensive force components, the Joint Chiefs of Staff believe that the guidance should focus on the importance of maintaining confidence in the deterrent capability of a mix of strategic offensive forces. The effectiveness of US strategic offensive forces in a nuclear exchange is dependent upon many factors, several of which are highly uncertain. These include the circumstances under which the exchange starts and continues, the degree of prior warning to US Forces that an attack is imminent, the future Soviet and CPR threats, and the performance of US strategic forces in an environment in which they have not been and will not be pretested. Because of these uncertainties, the United States attempts to maintain confidence in the capabilities of strategic offensive forces by having a deterrent capability provided by a mix of mutually supporting strategic forces; land-based missiles, sea-based missiles, and bombers. Such a force mix provides: (a) assurance that a technological breakthrough against any one element will not negate the effectiveness of the entire force; (b) a hedge against widespread failures of any element due to unanticipated nuclear.

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weapons effects; (c) a compounding of Soviet offensive and defensive problems in attempting to defeat or defend against US Forces; and (d) reinforcement of the viability of each element by the presence of the others, thereby strengthening the credibility of the total deterrent posture. The Joint Chiefs of Staff recommend that the FSGM incorporate the views outlined above and reflect the requirement for a mix of mutually supporting strategic offensive forces.

f. Coupled Nuclear Deterrence. The discussion of the relationship between strategic nuclear forces and theater nuclear forces appears to be inconsistent in the TSG. On page 21, reference is made to "free world deterrent forces that are effective independently of strategic nuclear forces" However, reference is also made on page 27 to a "coupled" deterrent approach for nuclear weapons. Finally, the deterrent objectives for theater nuclear forces stated on page 45 imply a deterrent role decoupled from strategic nuclear forces. The Joint Chiefs of Staff recommend that this apparent inconsistency be resolved by affirming the essential interdependent deterrent relationship between strategic and theater nuclear forces.

g. Service Responsibility for Geographic Regions. The TSG appears to assign primary responsibility for NATO to the Army and Air Force and primary responsibility for Asia to the Navy and Marine Corps (page 32). The meaning of "primary responsibility" as used in the TSG is not clear. It is uncertain, for example, whether assignment of operating responsibility is intended, whether a majority by force composition is intended, or whether some other meaning should be assumed. The Joint Chiefs of Staff believe that the capabilities of the forces of all Services are complementary and that crises or conflicts in either Europe or Asia will require forces from all Services, carefully task organized, to deter or defeat aggression. Further, the Joint Chiefs of Staff consider that US regional command and operational responsibilities must continue to rest with the regional unified commanders, and that Service responsibilities should be as described in DOI Directive 5100.1 and as amplified in JCS Pub 2, Unified Action Armed Forces (UNAAF). It would seem appropriate for the TSG to discuss the roles and capabilities of various Service force elements in geographic scenarios; however, determination of required force mix, task force composition, and similar questions should be resolved only after a thorough evaluation of the military considerations involved, including the recommendations of the regional unified commanders. For the foregoing reasons, the Joint Chiefs of Staff recommend that regional responsibilities not be identified for specific Services in the FSGM.

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h. The Role of US Forces in Asia. On page 47 the TSG states, "Do not plan on U.S. conducting large conventional land war in Asia." Later in the same paragraph the TSG states, "If a large land war occurs in Asia, we must plan on using subtheater-oriented conventional forces ... or those earmarked for NATO." The impression created by the foregoing, when considered in conjunction with the Navy/Marine Corps orientation in Asia, would suggest that the full range of US general purpose force capabilities would not be brought to bear in the event of CPR aggression in Asia. On that subject, in his report to the Congress, United States Foreign Policy for the 1970s, the President stated the following:

"In the effort to harmonize the doctrine and capability, we chose what is best described as the '1 1/2 war' strategy. Under it we will maintain in peacetime general purpose forces adequate for simultaneously meeting a major Communist attack in either Europe or Asia, assisting allies against non-Chinese threats in Asia, and contending with a contingency elsewhere.

.

"To meet the requirements for the strategy we adopted, we will maintain the required ground and supporting tactical air forces in Europe and Asia, together with naval and air forces. At the same time, we will retain adequate active forces in addition to a full complement of reserve forces based in the United States...."

(1) Thus, the President reaffirmed the strategy guidance directed by NSDM-27. The "either Europe or Asia" feature of the Presidential strategy prohibits maintenance of major forces to conduct operations against the CPR and the Warsaw Pact simultaneously. Accordingly, the Joint Chiefs of Staff consider that the President has directed planning for military operations against major communist aggression in Asia as well as Europe, but not for both simultaneously. Furthermore, in the above quotation, the President also stated that the United States will maintain ground, naval, and tactical air forces forward deployed in both Europe and Asia. For the reasons above, JSOP, Volume I, reflects the requirement to plan for major combat operations, in concert with allies, against a CPR aggression in Asia.

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(2) The Joint Chiefs of Staff agree with the thrust of the Nixon Doctrine as it looks "to the nation directly threatened to assume the primary responsibility of providing the manpower for its own defense." However, the Joint Chiefs of Staff recognize that indigenous allied ground forces may not in all cases be capable of withstanding a non-CPR aggression. JSOP, Volume I, states that, in the event of a non-CPR or non-USSR aggression outside the NATO area, US Forces will "provide materiel, logistic, advisory, and intelligence support, and if necessary, backup air and naval, and minimum essential ground forces, to assist allies...." The failure to include appropriate recognition to requirements for all force elements could lead to restrictive military planning.

(3) Therefore, the Joint Chiefs of Staff believe that elements of the guidance should be broadened, and recommend that the FSGM reflect a requirement to plan to conduct major combat operations in concert with allies against a CPR aggression in Asia, and give adequate recognition to the contribution of all force elements in assisting an ally against a non-CPR aggression.

i. The Role of US Forces in NATO. The TSG tends to disassociate the Mediterranean from the Southern flank of NATO, fails to address the Northern flank, and overlooks the importance and relationship of the flanks to the overall security of the Alliance. Therefore, the Joint Chiefs of Staff recommend that the guidance be broadened to include these important elements in the defense of NATO.

j. Mobility Forces. The Joint Chiefs of Staff agree that "perhaps the most difficult area to manage will be the range of situations ... requiring the positioning or use of conventional forces." The possibility of adjustments to the US overseas posture, combined with the Presidential reaffirmation that the United States will meet its commitments and continue the US role as a leading world power, lend credence to that judgment. The Joint Chiefs of Staff are concerned, however, that the TSG does not include sufficient force planning guidance for the mobility forces necessary to provide the flexibility to cope with the possible range of international politico-military crises. While improvements to conventional forces may enhance their mobility, an essential factor in the US security posture for the 1970s will be the availability of sufficient civil and military airlift and sealift resources, along with mobility support forces. The Joint Chiefs of Staff recommend that the FSGM reflect the requirement for adequate mobility forces and provide appropriate planning guidance relative to that requirement in the section titled "Specific Planning for the Military Spectrum."

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k. Defense of Lines of Communication (LOC). The TSG does not adequately recognize the criticality of the sea and air LOC in the event of aggression by the Warsaw Pact or CPR. The serious challenge to the LOC that would exist in either situation and the criticality of providing necessary reinforcement and support to forward deployed US Forces as well as to US allies make access to LOC vitally important. The United States must have the capability to defend these LOC against the most serious threat that exists. Accordingly, the Joint Chiefs of Staff recommend that the FSGM reflect the requirement to defend essential LOC.

l. Unilateral US Force Capabilities. The Joint Chiefs of Staff note that the TSG places considerable emphasis upon the contribution of allied capabilities to the achievement of US national security interests. They note also that these capabilities are to "form an integral part of our force planning for the future." These concepts require the acceptance of several critical assumptions, including an increase in allied capabilities, increased US military aid despite congressional pressure to the contrary, and increased effectiveness of nonmilitary instruments of US foreign policy. The Joint Chiefs of Staff would caution against planning which could make national security excessively dependent on Allied forces or which could reduce the US capability to conduct unilateral military operations when such action is in the national interest and allied capabilities are inadequate or when allied interests diverge from those of the United States. Accordingly, the Joint Chiefs of Staff recommend that the FSGM reflect the requirement to maintain the capability to conduct unilateral military operations, while concurrently striving to improve allied capabilities so that US allies may, in the future, be capable of assuming a greater share of the burden of Free World security.

m. "Tailoring" of Forces for "Subtheater" Operations. The Joint Chiefs of Staff consider that subtheater warfare, as described in the TSG, embodies many of the features of what has been termed "assistance to allies" and/or "minor" contingencies, "where force commitments are of a minor nature but where their timeliness may be crucial," as described in JSOP, Volume I. It should be noted that existing general purpose forces of all Services are equipped, organized for, and have carefully developed operational procedures for

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conducting small-scale (subtheater) as well as large-scale operations, unilaterally, jointly with other Services, and/or in concert with allies. In addition, since forces for use in subtheater operations may also be tasked to participate in a major conflict, the Joint Chiefs of Staff believe it advisable to continue to develop general purpose forces primarily to meet the most dangerous threats to US security while building flexibility into these forces to the maximum extent possible.

n. Other Issues. Reference 1a states that "In some specific areas, new concepts and directions are provided. In others, some basic issues are raised." However, it is not clear in some cases which new concepts or issues constitute definitive guidance to the Services, and which ". . . should be addressed and clarified with a view to resolving them" during the forthcoming year. Some examples in the TSG include:

- (1) The role of theater nuclear weapons (pages 21, 27, 31, 32, 45, and 46);
- (2) The presumption of critical deficiencies in existing strategic offensive forces, the assessment of future threats to their survivability, and evaluation and endorsement of alternative responses to these threats (pages 31, 32, and 38-43);
- (3) Appropriate ballistic missile defense (pages 31, 32, 38, 41, and 42);
- (4) Austere versus balanced air defense for the United States (pages 39 and 42);
- (5) Provision of air support from ships other than large attack aircraft carriers (pages 57 and 58);
- (6) The concept of consolidation versus coordination of survivable command and control systems for strategic forces (pages 39 and 43); and
- (7) Incomplete and speculative examples of general purpose force structures and operational concepts which "could emerge," some of which are reflected in ongoing programs and others of which require considerable further evaluation (pages 31-34, 48, 51-53, and 56-58).

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To avoid prejudging the merits of issues currently under investigation or requiring detailed analysis, it is recommended that concepts which require further review be deleted from or specifically identified as conceptual in the FSGM.

5. (U) In forwarding JSOP, Volume I, to you, the Joint Chiefs of Staff stated:

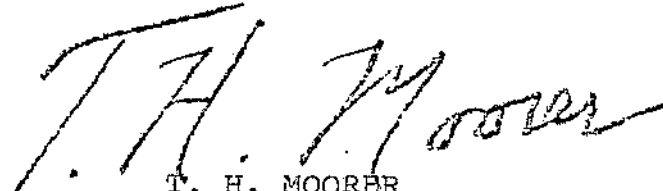
"The Joint Chiefs of Staff endorse fully your desire that 'Volume I of the JSOP will routinely reflect our military strategy and will require minimum revision in the process of the scheduled OSD review of the JSOP.' It would be most useful to that end if the SGM would focus on specific substantive differences with respect to the attached document, including the Evaluation of the Military Risks, without addressing topics on which there is general agreement."

Accordingly, the Joint Chiefs of Staff request that the FSGM include an additional section, keyed specifically to JSOP, Volume I, which identifies and discusses substantive differences between your views and those set forth in JSOP, Volume I. That section of the FSGM will be most useful in preparing JSOP, Volume I, for FY 1974-1981 to be forwarded to you in June 1971.

6. (U) In view of the fact that the TSG represents a substantial change from the 28 January 1970 SGM, and further recognizing that other agencies will be making substantive comments, the Joint Chiefs of Staff request that they be provided an opportunity to review the FSGM prior to its issuance.

For the Joint Chiefs of Staff:

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Date: FEB 01 2012



T. H. MOORER
Chairman
Joint Chiefs of Staff

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By <u>167</u> NARA Date <u>2/22/07</u>

MEMORANDUM

NATIONAL SECURITY COUNCIL

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July 12, 1971

MEMORANDUM FOR DR. KISSINGER

FROM: K. Wayne Smith *KWS*

SUBJECT: Upcoming Defense Issues

Considering the major policy and budgetary issues that need resolution, we face a period of intense activity in the DPRC. In particular, this memo focuses on the principal issues involved in George Shultz's briefing of the President at the budget preview session now scheduled for July 15-17 in San Clemente.

Attached at Tab B is a paper outlining the main points prepared by the OMB staff for Shultz to make with the President.

The Defense Policy Guidance

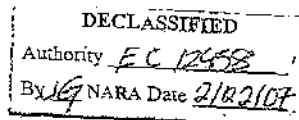
You will recall the DOD Policy Guidance that the DPRC reviewed in late April. Since then, this guidance has ostensibly been revised on the basis of State/JCS comments. Dave Packard recently forwarded to you a copy of the guidance finally issued. Its principal features are as follows:

-- The NATO strategy of initial conventional defense for 90 days approved by the President is adhered to with the exception that a limited capability will be retained "to sustain a stabilized military situation in Europe beyond D+90 days." This guidance is acceptable even though it does provide more sustaining capability in our forces than is really necessary or desirable.

-- The Asia strategy stipulates that after 1975 we will plan no ground force capability to assist our Asian allies against a non-GPR attack and after 1977 no ground forces to deal with a CPR attack. Prior to 1975, we should "retain the capability to provide limited ground combat support but not to exceed the deployment levels authorized in Korea... and Southeast Asia."

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In general, the revised DOD guidance stipulates that we should plan our general purpose forces for a contingency strategy aimed at Europe rather than a 1-1/2 contingency strategy that enables us to assist our allies in Asia as well, particularly against non-CPR threats. Consistent with this recommended change in our strategy, the guidance on force planning is as follows:

-- The strategic forces will be planned to meet the "sufficiency criteria outlined in NSDM 16. The forces should meet these criteria even "after a nuclear exchange with the CPR." A full 12-site Safeguard system is assumed. In strategic terms, the guidance points toward a damage limiting capability against China that, rather than conventional forces, would serve as the principal deterrent to aggression.

-- The tactical nuclear forces "should be capable of deterring the use of such weapons against our allies." "The possession of such capability may, in fact, help to deter conventional attack as well but should not be used to decrease our conventional deterrent." This represents a radical change in the earlier versions of Laird's strategy which place primary responsibility for deterrence in Asia on tactical nuclear weapons. However, it still maintains that a "theater" conflict even in Europe might be decoupled from general conflict.

-- The conventional forces would be planned to meet a NATO contingency alone. In addition, a reserve would be planned of two divisions, two air wings, and two carrier task forces that would, in DOD's view, provide reasonable resources for "a strategic reserve, minor contingencies, and aid to allies in Asia. If additional forces were needed to carry out the strategy, they would be provided "to the extent they can be accommodated within a balanced program!" Presumably, the adjective "balanced" refers to Laird's idea of the fiscal (7% or less of GNP) and manpower (2.5 million men) constraints that we should observe in defense planning.

In effect, this Laird guidance proposes that we significantly reduce our general purpose forces for Asia, particularly ground forces, without a corresponding change in our foreign commitments or any assurance that we will be able, in fact, to rely on our strategic or tactical nuclear forces to maintain a deterrent. This policy represents a refined and

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slightly modified restatement of Laird's "Strategy of Realistic Deterrence" presented to the President last fall. While the Services have, to date, largely ignored it in their force planning and Packard cautions that he "intends to revise and reissue the guidance in the fall, "this guidance as it stands poses major issues for Presidential consideration at San Clemente. Needless to say, however, the President should not be asked to decide these strategy issues until the interagency preparations for them are completed. A NSC summary of the issues involved in U. S. strategy and forces for Asia is now being reviewed by the agencies and will be ready for the DPRC in the next several weeks.

The Fiscal Situation

As you know, we face a very difficult overall budgetary situation in FY 1973 that could have a very significant effect on our strategic planning and defense program. In particular:

-- We will have a \$6-8 billion dollar full employment deficit in FY 73 even assuming that no new Presidential initiatives are undertaken in an election year. Although some past Presidential initiatives will not be passed by Congress, the resulting savings will probably be absorbed by new Congressional initiatives.

-- The economy is unlikely to reach full employment so that government revenues will probably fall short of the revenues available at full employment -- the level we are planning on. The actual budget deficit in FY 72 may reach \$22 billion and will be at least \$13 billion in FY 73.

In the past, the President has had a strong commitment to balance under the full employment budget concept. In attempting to balance the FY 73 budget, however, he will have to make a Hobbesian choice among the following courses of action: (a) raising taxes in an election year; (b) reducing planned government expenditures while undertaking no new initiatives; or (c) running a significant full employment deficit with its probable consequence of continuing inflation. Since a tax increase before 1973 is probably impossible, the President's policy will have to be some mixture of cutting planned expenditures and running a full employment deficit. To illustrate these choices and their implications for the DOD planned budget (\$78.7 billion), OMB poses three alternatives as shown in Table 1:

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TABLE 1

The FY 73 Fiscal Situation and the DOD Budget
(\$ Billions)

<u>Outlays</u>			
DOD	74.0	77.0	78.7
Non-DOD	<u>172.8</u>	<u>179.8</u>	<u>183.7</u>
Total Outlays	246.8	256.8	262.4
Full Employment Receipts	<u>251.0</u>	<u>251.0</u>	<u>251.0</u>
Full Employment Surplus (Deficit)	4.2	-5.8	-11.4
Actual Budget Surplus (Deficit)	-3.0	-12.7	-18.2

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-- An FY 73 full employment surplus (\$4 billion) leaving room for election initiatives would result in a DOD budget at the \$74 billion level -- almost \$5 billion lower than the \$78.7 billion target set by Secretary Laird and \$1-2 billion lower than FY 72 expenditures.

-- A significant full employment deficit (\$6 billion) would result in a DOD budget of about \$77 billion -- a \$1 billion increase over FY 72 but a decrease below planned levels.

-- A larger budget deficit (\$11 billion) would be required to provide the OSD-desired level of defense spending which is \$78.7 million. This alternative was discussed with the President several weeks ago and discarded for the time being.

In general, the budget situation and the President's commitment to full employment balance in the budget point toward a DOD budget that involves at best no significant increase in defense spending and at worst a slight decrease from the FY 72 planned level of \$76.0 billion. Expenditures at this FY 72 level are about \$2 billion less than Secretary Laird's target and \$5 billion less than the minimum thought essential by the JCS. On overall budgetary grounds, OMB is likely to favor a DOD budget of this size and you should be careful to forestall any effort by them to have the President approve it at this time.

In addition to preserving the President's flexibility, this situation raises fundamental issues of government policy that need to be addressed at San Clemente:

-- Should full employment balance be the guiding rule for fiscal planning regardless of the substantive merits of the additional programs made possible by a deficit?

-- Should DOD and non-DOD expenditures be reduced proportionately if cuts are necessary? OMB in this exercise assumes that DOD absorbs 40% of any decreases or increases in the budget. What substantive judgements, if any, does this rule involve? Couldn't the substantive merits of the particular trade-offs involved be examined?

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-- If we were not going to follow a general rule on budget cuts, how can the substantive merits of DOD and non-DOD programs be sensibly portrayed so that the President can make the necessary judgements on the merits?

The DOD Budget Situation

The DOD budgetary situation is dominated by the following trends:

-- Vietnam Savings. The present budget calls for Vietnam related expenditures to fall from \$7.8 billion to about \$4.0 billion. The resulting savings of \$4.0 billion represent a net addition to the DOD program. As you know, moreover, Vietnam savings will be substantially greater (\$1-2 billion) if we drawdown to a residual force by June 1972 rather than early 1973 as the budget assumes.

-- Pay and Price Increases. The pay increases (including all-volunteer) likely to result from pending Congressional actions total to over \$3.0 billion dollars above the FY 72 level. Combined with an \$1 billion increase in the prices of the weapons we procure that is solely attributable to inflation, this means that the FY 72 defense program would cost us about \$4 billion more in FY 73 if there were no Vietnam savings.

On balance, the pay and price increases over last year will be offset by savings resulting from the Vietnam withdrawal so that the FY 72 budget should be sufficient to support a real defense that is at least as large as last year. In other words, the real purchasing power of \$76 billion should be about as great in FY 73 as it was in FY 72 and considerably above the 1964 level:

	<u>FY 64</u>	<u>FY 72</u>	<u>Projected FY 73</u>
DOD Budget (Current \$B)	\$50.8	\$76.2	\$78.7
DOD Budget (1964 \$B)			
Excluding Vietnam	\$50.8	\$48.0	\$53.0

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As you know, the Laird budget target calls for FY 73 expenditures of \$78.7 billion -- a level that should actually allow an increase in our real defense effort since expenditures of only \$76 billion should allow us to maintain it. Despite the sufficiency of these overall resource levels, however, it is likely that our defense establishment will prove itself again unable to maintain our military capabilities without greatly increased resource inputs. The reasons for this paradox are:

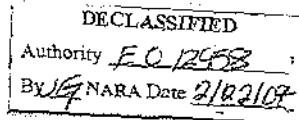
-- Unit Manpower Costs. In 1964, the average cost per military man-year was about \$4,500. Today, the same cost has risen to over \$8,400 and further increases will take place in the future. With its rising cost, we should be doing everything we can to cut back on unnecessary manpower but Secretary Laird has directed the Services to avoid these reductions so that base closures and other support reductions will not have adverse political effects. This means force levels must be reduced.

-- Unit Equipment Costs. The new weapons we are planning will cost three times as much as the weapons they replace and will be little more effective. While much could be done to get hold on this problem, DOD has taken few steps of any consequence and the cost of modernizing our forces has continued to skyrocket.

Given these cost increases, we face the future prospect of either a continued decrease in our active force structure or substantially increased defense budgets that may require reductions in the President's domestic programs. The only way out of this dilemma is to achieve greater efficiency in our defense effort and George Shultz has some very useful suggestions on this score, namely:

-- New Acquisition Policy. To get a grip on equipment cost, OMB proposes that the development of more effective and less expensive prototypes be developed for a large number of our on-going development programs. For example, a new air superiority fighter costing \$3 million per plane would be developed that would be at least equal in combat effectiveness to the F-15 which will cost over \$10 million per plane. Carrying out this new policy for a number of systems would require an additional outlay of about \$400 million in FY 73 that could be more than offset by about \$1 billion in procurement reductions.

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-- Manpower Reductions. DOD now plans to reduce its military manpower from 2.7 million men in end FY 72 to about 2.4 million at end FY 73. Civilian employment of about one million men would not be reduced. OMB has developed a plan for reducing non-combat civilian and military manpower that could reduce support manpower about 200,000 men without significantly affecting combat capabilities. Unless such politically unpalatable reductions are made, our force structure will have to be reduced significantly. For example, to get equivalent manpower savings by reducing combat forces, we would have to cut 2-1/3 ground divisions, 2 carrier task forces, and 3 air force wings from our force structure. DOD will probably prove willing to make the necessary support costs.

Through these economy steps and others like them, OMB is likely to argue that we could maintain our current forces with no increase over last year's defense budget (\$76.2 billion). While this view is essentially correct, the important issue for the President to consider is not what aggregate defense budget he is willing to provide DOD, but rather the sorts of changes he wants you and George Shultz to ensure are made in the DOD management progress in order that our military capabilities do not continue their downward trend. In this regard, you should be aware that Secretary Laird has not seen fit to even answer the Presidential manpower and procurement letters (at Tab) sent to him last month. Obviously, DOD will not solve these problems unless the President and the White House staff force him to make changes.

The Meeting

George Shultz will present the principal briefings on the fiscal situation and DOD budgetary issues. Your talking points are designed to discuss the points he will raise and to outline for the President the preparations to be made by the DPRC prior to his decision on a budget target for DOD later this summer. As outlined in your April 28 memo to the DPRC, these preparations include:

-- Formulation of the major strategy and policy issues for immediate Presidential consideration. Our work on U. S. strategy and forces for Asia is well in hand and should be ready for the President in August. So will our work on strategic forces and objectives. Further work will, of course, have to be done by DOD when the details of the FY 73 program are firmer.

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-- Preparation of alternative DOD programs with their corresponding force levels. Your guidance calls for two alternatives: A \$78.7 billion level and a lower budget of unspecified size. Since DOD does not now plan to even consider a level that is significantly lower, it may be necessary to direct such an excursion with perhaps three overall levels, say \$78.7 billion, \$77 billion, and \$75 billion.

-- Evaluation of the inter-relationships between force size, modernization, and readiness of our forces within any budget level so that we can assess the trade-offs made and the capability of the resulting forces to carry out the President's strategy.

-- An assessment of the domestic expenditures foregone for each level of defense expenditures. OMB agrees to answer this critical question but little work has actually been done by them and George Shultz should be prodded on this score.

If you want this work done, we will have to start getting OMB and the agencies to work on it as soon as possible. I will keep you up-to-date on the progress in on-going DPRC studies.

In addition to discussing the overall DOD budget, the meeting at San Clemente will also focus on a number of specific program issues, e.g., F-111, Safeguard, Army force levels, etc. A paper discussing these issues is enclosed.

Your Book Contains

- Talking Points;
- The OMB Presentation;
- A brief summary of specific DOD budget issues;
- The DOD strategy guidance recently forwarded by Packard;
- A memo on the overall fiscal situation and DOD planning;
- Your memo to the President on defense management;
- Your guidance to the DPRC.

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MDR: 12-M-0459

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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16 JUL 1971

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Fiscal Year 1973 Defense Spending

We are continuing the critical review of the programs submitted by the military departments and the Joint Chiefs of Staff for Fiscal Years 1973-77. On the basis of detailed earlier analysis, I had asked them to develop programs at a \$79.6 billion level for FY 73. Although we will not complete a thorough assessment of the latest Service and JCS submissions until September, my preliminary review strongly suggests that the \$79.6 billion level will not be adequate to support sufficiently your foreign policy objectives. I currently believe we shall need Defense outlays in the range of \$82 to \$85 billion in FY 1973.

My concern over the adequacy of the \$79.6 billion funding level is derived in part from some of the specific force reductions the Services have proposed to take in order to bring their programs within the prescribed fiscal level, and in part from the judgments the Service Secretaries and the Joint Chiefs have made about the capabilities of the proposed resultant forces.

An FY 73 Defense Budget of \$79.6 billion would result in reductions from current Defense force plans such as:

- Reducing budgeted military strength by 225,000 from end FY 72 to FY 73.
- Reducing the strength of Marine Infantry battalions by 25 percent.
- Reducing the active Army baseline strength another 1/3 division, plus a separate brigade and the support units needed to sustain a division in combat.
- Reducing the tactical sorties capability per aircraft 20 percent to save on crews and maintenance.
- Reducing Naval combat ships committed to NATO for availability on short notice (category A) from about 200 to 155.

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- Retiring the amphibious lift ships needed to deploy one Marine brigade -- a reduction of 25 percent in our amphibious lift capability.
- Reducing total Naval ships from 660 to 540.

The Services' and JCS comments, in addition, contend -- based on a \$79.6 billion FY 73 budget:

- We will be hard pressed to meet current NATO reinforcement plans and must put unprecedented reliance on reserves to meet early deployment requirements.
- Our ability to control the seas would be seriously jeopardized in the event of a major Soviet effort to interdict the lines of communications in the Atlantic.
- We will have insufficient Naval forces to support sustained operations in the Mediterranean while providing protection for the sea lanes in the Atlantic.
- The United States is reaching a position where we may be unable to prevent nuclear coercion because of the growing nuclear strength of the Soviet Union.
- During a Warsaw Pact aggression against NATO, adequate tactical air forces will not be available for a strategic reserve, assistance to allies, or conducting minor contingency operations.

In my critical review of the proposed Service and JCS programs, I shall be seeking ways to improve the capability and readiness of the forces while preserving essential modernization programs. I shall carefully appraise the capability of the resulting forces and would hope to have an early opportunity to review the results with the Defense Program Review Committee (DPRC).

My concern with the adequacy -- or more to the point -- inadequacy -- of the \$79.6 billion program is reinforced when we compare it with the real Defense buying power of the FY 64 DOD program, the last pre-Southeast Asia year. As a result of inflation and, in particular, the sharp increase in the cost of military and civilian manpower (7 pay raises in the last 8 years), over \$90 billion in DOD outlays would be needed in FY 73 to buy the Defense forces and the rate of modernization we had in FY 64. Every Defense budget since FY 1968 has been below the FY 64 level, after the incremental costs of SEA are discounted. The cumulative deficits are in excess of \$30 billion, yet the threat, particularly from the Soviet strategic and general purpose forces, is much greater today.

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~~SECRET EYES ONLY~~

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DEC 21 2011

The \$79.6 billion budget for FY 73 would give us about the same real Defense buying power we have in the FY 72 program. This accounts for added pay raises, inflation, the all volunteer force program, less the \$3.5 billion reduction assumed in the incremental cost of the war in SEA.

If national security requires the forces, modernization and readiness corresponding to a \$82-83 billion program but the economy and the total Federal budget require lower Defense outlays, we may have to consider such steps as reducing or delaying the civilian and military pay increases (which will cost us \$2 billion in FY 73); foregoing the planned increase of \$1 billion in our FY 73 program to reach an all volunteer force (and as a result delay our achieving this goal); carrying out extensive base closures; and reducing our air and logistics support levels in SEA. Once the necessary Defense programs are established for the next five years, we would have some fiscal flexibility to shift expenditures from FY 73 into FY 74. But we must recognize that such actions only have a temporary effect, and in fact would complicate our Defense planning for FY 74 and the years beyond.

I understand the importance of meeting the national economic goals of full employment and relative price stability. I will, of course, work with George Shultz and the DPRC to identify and assess the risks associated with Defense programs at various expenditure levels. I thought it essential, however, as you review the current FY 73 budget planning status, to let you know of my concern that \$82-83 billion in outlays will be needed to provide adequate support for your foreign policy and the other Defense program goals you have enunciated.

William F. Friedman

~~SECRET EYES ONLY~~

~~TOP SECRET SENSITIVE~~

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

35567

8 DEC 1971

MEMORANDUM FOR THE PRESIDENT

SUBJECT: FY 1973 Budget

The FY 1973 Defense budget will be critical for US national security. From FY 1969 through FY 1972 net Defense constant dollar outlays, excluding that spending directly attributable to Southeast Asia, have been below that for FY 1964 -- the last fiscal year preceding major US involvement in Southeast Asia. The total FY 1972 Defense expenditures -- including outlays for Southeast Asia -- will be below those for FY 1964 in constant dollars. It is unprecedented for the United States to cut its National Security spending to pre-war levels and below while US forces are still engaged in combat. The National Security interests of the United States require, in my judgment, that the trend in Defense spending be altered. An FY 1973 Defense budget with outlays of \$79.5-80.0 billion is the minimum with which we can adequately support your national security and foreign policy goals.

In the paragraphs that follow I shall make some general observations about Defense budget planning, note the high cost of our past involvement in Southeast Asia, comment on the proposed FY 1973 in the aggregate, and outline my views on selected programs and issues.

General Observations.

We have supported the shift of resources implicit in moving from a war-time to a peace-time economy during the past three years. We also have provided the forces necessary to protect our vital interests. In order to continue the latter, we must now accept the fact the so-called Vietnam dividend has been paid. As you noted in your 1971 Foreign Policy Report:

It needs to be understood with total clarity ... that defense programs are not infinitely adjustable. ... For there is an absolute point below which our security forces must never be allowed to go. ... It serves no purpose in conflicts between nations to have been almost strong enough.

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 21 Feb 2012 Authority: EO 13526
Declassify: X Deny in Full: _____
Declassify in Part: _____
Reason: _____
MDR: 12-M-0460

Downgraded to Secret
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Chief, Declassification Division, WHS

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Date: FEB 01 2012

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It is my purpose to recommend spending levels and military forces which provide the US strength necessary to make sturdy the foreign policy pillars of strength, partnership, and willingness to negotiate. If we are to pursue seriously Total Force planning and the Nixon Doctrine, we will need the resources I am now requesting for 1973.

Cost of Past Southeast Asia Involvement.

The cost of the US involvement in Southeast Asia has many aspects, e.g., lives lost, dollars spent, and social trauma. Not the least of the costs have been the opportunity costs. As we have used large amounts of resources in Southeast Asia, we have foregone the opportunity to use the resources for other purposes -- private or public, non-defense or defense. This opportunity cost to the US has provided the Soviet Union a unique opportunity to reduce substantially any national security advantages the United States may have held over the Soviet Union. From FY 1966 through FY 1971 the United States spent in excess of \$100 billion for Southeast Asia military operations. The Soviet outlays to North Vietnam for the same period were less than \$5 billion.

While we have been heavily engaged in Southeast Asia, the Soviet Union has built a military momentum relative to the US in virtually all aspects of military strength. Dealing with this momentum will be a complex matter. Economic strains in the Soviet Union will help. The lessening of our Southeast Asia expenditures is helping. Your many diplomatic initiatives will help. It seems clear, however, that if the latter are to have the best chance for success, we must bolster US military strength. My FY 1973 budget proposal is designed to do that.

The FY 1973 Defense Budget in the Aggregate.

The Defense components budget submission for FY 1973 submitted in accordance with the guidance discussed in the Defense Program Review Committee totaled \$81.9 billion in outlays. This guidance provided for the support of the forces contained in Table 1 at satisfactory readiness levels. Based upon our current forecast of the results of the fiscal year 1973 budget review, I expect to be able to reduce Defense component requests at a maximum by about \$2 billion without force or measurable readiness reductions. This would result in a Defense budget of \$79.7 billion in outlays. I do not believe that further general reductions can be made without impacting upon forces or necessary readiness levels.

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The Defense budget continues to be dominated by pay and related costs. These costs will consume about 54 percent of our FY 1972 outlays. Under a \$79.7 billion budget for FY 1973, they will increase to 56 percent of the Defense budget. The combination of enacted and proposed military and civilian pay raises alone will increase Defense outlay requirements in FY 1973 by \$4.9 billion over the FY 1972 level. This represents 90 percent of the outlay increase over FY 1972. We are moving into a period of major uncertainty and without modern precedent in manpower management. We are proceeding towards an All-Volunteer Force. For forces comparable in size and capability to those being planned, we have no experience without using the draft. It is almost certain, however, that unit manpower costs will continue to rise.

When price increases other than pay are considered, the constant dollar level of Defense outlays in FY 1973 at the \$79.7 billion level will be below FY 1972. It is informative to review the trends in the three principal functional areas aside from military personnel.

Account	Outlays in Constant FY 1973 Dollars			
	FY64	FY68	FY72	FY73
Ops and Maint	18.4	27.5	21.9	21.7
Procurement	20.3	28.3	18.1	17.4
R&D	10.0	9.9	8.1	8.1

In each account the proposed FY 1973 spending level is either equal to or less than the FY 1972 level. The proposed FY 1973 outlays in each account are well below the FY 1968 levels, which reflect the higher spending for Southeast Asia. But the FY 1973 proposed Procurement and R&D outlays are also well below those for the last pre-Southeast Asia involvement year of FY 1964. We are asking for what we need -- but there is no padding in the request.

It is true that we are supporting a larger overhead establishment than we need, despite more than 1,500 installation reduction actions since January 1969 and annual savings of more than \$2.5 billion. I fully support withholding additional major base closures at this time; but Defense budget requirements are higher as a result. We are reducing overhead costs by personnel attrition to the extent possible. Optimum efficiency and additional savings must await actual installation closures, however.

Specific Programs and Issues.

I have reviewed the suggested budget adjustments contained on Table 2 and I agree that some changes could be effected. Any lower levels will

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carry some risks as I shall try to indicate.

Over the past several years, we have made significant reductions in our air defense structure and level of operations. The proposed reduction of \$100 million in outlays would constitute a further degradation of our air defense posture. Additionally, it would require a significant reduction in the Air National Guard and Army National Guard structure. I do not believe we should reduce our air defense readiness to the extent necessary to make this saving, and I believe that a reduction in the Air and Army Guard structure is not politically feasible at this time. Some adjustments in the air defense program can be made without affecting Guard structure or significantly reducing readiness. These savings, however, are nominal for FY 1973. I therefore recommend that we plan only a minimal change in our air defense forces at this time.

The inclusion of funding for four SAFEGUARD sites in FY 1973 is a reasonable approach to this program and would maintain the option to proceed towards the twelve site objectives. I believe, however, the outlay saving related to the proposed change is closer to \$100 million than \$200 million as shown on Table 2. If this budget level is approved, I believe it essential that our public posture portray the ultimate objective for SAFEGUARD as a 12-site program. This is the logical program from a national security viewpoint. It will maintain our bargaining position with respect to SALT. It is the position we maintained in presenting the FY 1972 budget to the Congress.

We are presently making a detailed review of the Intelligence program. The current Defense component requests for general intelligence are about \$400 million higher than we expect to obtain from the Congress for FY 1972. The proposed \$200 million outlay reduction would require that we hold the general intelligence effort to the FY 1972 TOA level of approximately \$3.4 billion. Because of pay and other cost increases, and the content of the Intelligence program, I believe we must increase the program in FY 1973 by at least \$200 million (TOA) over the FY 1972 level. This will, however, make a reduction in outlays in this area of about \$100 million below the Service requests for FY 1973.

We have budgeted Southeast Asia tactical air sorties at the levels you previously directed. Those levels, you will recall, called for 10,000 tactical sorties a month for FY 1972 and 8,000 a month for FY 1973. In order to reduce the cost of programmed sorties by \$200 million, it would be necessary to budget for an FY 1973 average of 6,000 tactical air sorties a month. This adjustment can be made if it is acceptable to you for purposes of planning our air activities in Southeast Asia for FY 1973.

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We have been planning a \$3.5 billion outlay level for the All-Volunteer Force consistent with guidance contained in NSDM 84. By virtue of the military pay raise and other All-Volunteer Force actions, it would be necessary -- without the funding levels we have requested -- to reduce the program in the FY 1973 budget to the FY 1972 level annualized, plus allowance for the Allot pay increase. The proposed FY 1973 budget plan would disallow any new initiatives to meet Volunteer force objectives above the first year program level. Such a limitation would seriously constrain our efforts to attain an All-Volunteer Force. The limitation would require us to make significant reductions in efforts planned for special compensation incentives, recruiting, personnel housing and service attractiveness programs. In order to maintain our momentum toward attaining an All-Volunteer Force, I believe it is essential that our public image reflect full support of the program. I do not believe such support would be apparent if funding in the FY 1973 budget were held to the annualized FY 1972 level. I therefore recommend that the \$3.5 billion programming level be retained in the budget for FY 1973.

Another area of particular concern is Research, Development, Test, and Evaluation (RDT&E). Our current budget planning provides for an RDT&E program level of \$8.3 billion TOA for FY 1973. This compares to an expected Congressionally approved FY 1972 program of about \$7.7 billion. I believe that an RDT&E program of \$8.3 billion is essential for two major reasons. First, recent analyses indicate that the USSR has significantly increased its budgetary level for RDT&E. If we are to maintain our weapons superiority over the USSR, it is absolutely essential that we adequately fund RDT&E programs in our budget. Second, RDT&E is an area that is subjected to significant Congressional pressure. We were able to obtain an increase in our FY 1972 program over FY 1971 because we requested an increase of almost \$800 million for FY 1972 and strongly supported these requirements before the Congress. If we do not request a program at the \$8.3 billion TOA level, I do not believe we will obtain funding adequate to meet our needs. We can expect Congressional reductions from whatever level our budget request contains. Dave Packard is personally monitoring this program. We will hold it to the minimum level consistent with our national security needs.

I believe that it would be desirable to include and highlight some Submarine Launched Ballistic Missile (SLBM) initiatives in the budget. We have been studying several approaches, including the acceleration of ULMS as well as some possible alternatives regarding Poseidon conversions. We have concluded that it is essential to accelerate the initial operating date for ULMS. This will require outlay increases of about \$200 million and additional TOA of \$1 billion. While the outlay impact of the ULMS acceleration would be nominal in FY 1973, it would be sizeable during the FY 1974-1977 period. This is important with respect to our long range planning and the resource constraints we may face in future years.

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I do not believe it is necessary to allocate additional money to Marine Corps manning and to tactical air readiness. The current budget levels for Marine Corps manning provide for a force of approximately 197,000. That is an adequate level. I would consider any add-on for this purpose to be of lower priority than the programs we are now considering. Any tactical air readiness increase would be attained primarily by increasing flying hour programs above currently budgeted levels. Again, I feel that this is not now necessary and such increases would be of lower priority than other program requirements.

We have initiated action to accelerate program execution for FY 1972 and to increase procurement of munitions and other supplies and materials for mobilization reserves where such increases would improve our readiness and provide for increased employment above our current program levels. While outlays for this effort will begin in FY 1972, they will continue in FY 1973. We estimate that this impact will be about \$200 million above our currently planned program. Provision for these increased outlays should be considered in the development of the Defense budget level for FY 1973.

Recommendation.

Based upon our current review and the considerations that I have outlined, I recommend a Defense outlay allowance for FY 1973 of \$79.5 to \$80.0 billion. This would provide for budget authority in the range of \$83 to \$84 billion.



Enclosures

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

24 December 1971

MEMORANDUM FOR ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

I have reviewed the program determinations underlying the President's decision to approve a defense budget request of approximately \$82 billion of budget authority and \$78.6 billion of outlays for FY 1973.

Although a further appeal at this late date in the budget process appears to be impractical, I do want to comment on the impact of certain of the program decisions as well as the resulting reflection of the total resource trend. I feel it necessary not only because of the critical requirement to preserve a strong defense posture during this period, but also because of the need to project a clear public indication that the FY-1973 budget does provide for an improving defense posture.

GENERAL TREND

In current year dollars, the trend of budget authority in FY 1972 appropriations and in the FY 1973 request is sharply up over FY 1971. After adjusting for pay and price increases, however, the actual trend is very different. In constant dollar values, the programs look as follows:

Budget Authority (\$ billions)	FY 1971	FY 1972	FY 1973
Current Prices	\$72.98	\$77.6	\$82.6
Constant Prices ('71)	72.9	71.6	71.2

The outlays or spending picture -- as opposed to that of budget authority -- reflects the same downward trend.

DoD Spending (\$ billions)	FY 1971	FY 1972	FY 1973
Current Prices	\$75.5	\$74.8	\$78.6
Constant Prices ('71)	75.5	69.1	67.4

The media, the Congress and the public have become accustomed to defense budget explanations in constant value terms. It will be difficult to communicate an impression of an increasingly strong defense posture in the face of this realistic picture. The problem is compounded by the fact that manpower trends -- whether for military, civil service or industry personnel -- all show decreases in FY 1973 when compared

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Downgraded to Secret
Date: 06/20/2011
Office: Declassification Division, WHS

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Date: 12-11-0001
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with FY 1972 and FY 1971. It is our intent to develop and present the most favorable portrayal of force structure and resource trends; but we must be prepared for difficulties as the trends are subjected to close scrutiny.

SPECIFIC PROGRAMS

In the paragraphs that follow I shall provide a few observations on programs specifically affected by the FY 1973 budget decisions.

I remain convinced that our public posture should portray the ultimate objective for SAFEGUARD as a 12-site program. SAFEGUARD has been justified on the basis of area coverage and this requires twelve sites. Fewer sites would require a different ABM rationale. Funding for four SAFEGUARD sites in FY 1973 is a reasonable approach to a 12-site program, and I plan to testify accordingly.

The reduction in All-Volunteer Force funding will eliminate all new initiatives above the first year program level. The lower funding level will delay our efforts to attain an All-Volunteer Force. We have been striving to build full support for this program both within the Department and with the Congress. It will be more difficult unless a request for additional funds in a supplemental appropriation request is favorable considered. We are working on a program package which we believe will serve as a valid basis on which to submit the Supplemental request. Manpower management currently is fraught with many major uncertainties. There is little doubt that, with fewer dollars available in the program, we will delay the achievement of our Volunteer Force objectives.

It should be clearly understood, also, that the fund reduction in SEA tactical air sorties places an operational ceiling on our capability. In the past, we have encouraged our field commanders to look upon their air sortie authorizations in annual terms and not as a mandate to fly a specific level of sorties each month. That allowed the commander flexibility in flying fewer sorties during the periods of lower tactical activity and in flying substantially more sorties during surges in tactical activity. Our commanders have done a good job over the last year in this regard. It is obvious, however, that with a reduced overall funding level available, we shall be reducing the flexibility available to our field commanders. We shall face the difficult choice of (a) cutting far back on sorties during lower tactical activity periods to be sure we can accommodate the requests for air support during surge periods, (b) reverting to an operating procedure of flying constant sortie levels per month and thereby deny ourselves flexibility, or (c) continue to allow the commanders flexibility as in the past but recognize we may be unable to meet surge requests.

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The further reduction in the intelligence Program will result in the release of additional personnel. On June 30, 1971 there were 138,000 personnel in this program. The budget request for FY 1973 contemplated an end strength of 123,000 for a reduction of 15,000. This latest budget cut will bring the strength down to 117,000 for a total reduction of 21,000 from last June 30.

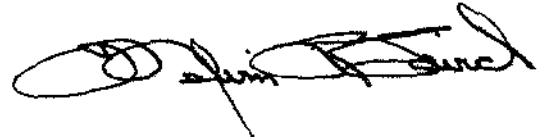
Finally, I want to point out that the substance of your memorandum confirms the inconsistency we have been discussing on the telephone with reference to the deferral of the pay raise previously scheduled for October 1972. On the first page of your memorandum you state:

These amounts include the effect of the President's decision to defer the pay raise scheduled for October 1972 until January 1973. Thus, you will be able to allocate additional outlays (estimated at about \$360 million) to highest priority needs.

On Table 1 of your memorandum your computation very clearly shows that you have reduced the budget submission by the same \$.4 billion you have provided above as an additional allocation.

SUMMARY

We, too, recognize the difficulties in reaching that optimum resource allocation among our national security, economic, and social needs. I pledge to the President that the Department of Defense will do the best job possible with the resources available to meet our national security objectives.



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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

2 MAY 1972

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Limitation on Presidential Authority through FY 1973
Defense Budget Constraints

I am concerned about our ability to continue supporting our foreign policy requirements in FY 1973. This concern stems from a combination of factors. Most immediately, we are faced with supporting the substantial augmentation of U.S. forces in Southeast Asia. Concomitantly, we have the undefined, but certainly major, equipment and supply demands of the RVNAF to fulfill. Without any adverse influences these would have been difficult to face, given the FY 72 and FY 73 budget pictures.

Now, however, there is another - and ominous - adverse factor impacting on the situation. This is a conscious decision by the Senate opposition to accomplish its objective of cutting support for the Vietnam war indirectly if they fail in efforts to do it directly. Prior to the departure of Senators Mansfield and Scott for China, the Majority Leader met with leaders of the opposition to our Southeast Asia strategy. In this strategy session, they concluded that prospects for passing a bill to cut off Vietnam war funds could not survive in the House or, if it did, could not overcome a Presidential veto. Therefore, they decided instead to seek their objective by attempting to remove all flexibility from the defense budget. Specifically, they agreed on a target of cutting the defense budget for FY 1973 by \$3.5 billion.

As you know only too well, this particular Senate is in an unprecedented posture with respect to support - or, more aptly, non-support - for strongly-held Presidential positions, either on the war in Vietnam or on other aspects of U.S. foreign policy and the defense budget. Even President Johnson in his severest testing period had the strong help of Senator Russell and Senator Dirksen to rally the necessary backing for crucial issues in defense and foreign policy. In my view, we do not have requisite backing for your foreign policy and defense programs in the Senate today. We must expect that, in line with the opposition Leadership Strategy, we will be cut heavily in the June/July period as the Senate deliberates on the defense budget.

The Senate's determination to cut \$3.5 billion out of the FY 1973 budget is complicated, among other things, by:

- The logistics build-up accomplished in Southeast Asia last fall, which required funding of almost \$100 million over and above the planned FY 1972 budget which was financed by deferring an equivalent amount of program accomplishment until FY 1973.
- The impact of our present augmentation of air and naval assets in Vietnam, which will cost us on the order of \$350-400 million in direct costs in the FY 1972 budget, and \$600-750 million in the FY 1973 budget - if current activity levels do not extend beyond the first quarter. With the prospects for a supplemental practically nil in FY 1973, we will have to take at least that amount out of our hide.
- The additional requirement for logistics support (ammunition, spare parts, etc.) and replacement of weapon attrition items generated by the augmentation of Southeast Asia forces. This will have a severe impact not only on Comus based forces but on stocks worldwide, including NATO Europe. This requirement could amount to some \$300 million in FY 1972 and \$400-500 million in FY 1973.
- The impact of a continuing resolution which will go into effect on July 1st, and which will probably require us to operate at the lesser of several possible budget levels: (1) the \$76 billion obligational level contained in the FY 1972 budget (\$6.7 billion lower than the FY 1973 request); (2) an even lesser figure if any of the Authorization or Appropriation Committees of either House have acted by July 1st to approve substantial cuts in specific appropriations; or, (3) perhaps a specific expenditure limitation that could be written into the continuing resolution itself.

It is clear to me that there will be a determined, continuing effort on the part of our opposition in the Senate to implement this indirect but nonetheless effective strategy for limiting your options and flexibility.

The accelerated logistics build-up of last fall was not part of our FY 1972 budget.

The current augmentation of forces for Southeast Asia is not part of our FY 1972 budget nor part of our FY 1973 request.

The Senate opposition's determination to cut \$3.5 billion from our FY 1973 request, added to these unprogrammed requirements, will, if successful, force us to absorb these additional costs within an already constrained defense budget.

Non-
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Some problems created by the Southeast Asia augmentation, such as increased personnel turbulence, are independent of adequate funding. But we are faced with stock drawdowns worldwide, particularly for munitions, to meet SEA requirements. We will obviously have to re-examine our entire defense budget if the opposition's proposed action is at least partially successful. Should this come to pass, we will be hard pressed to sustain our current force posture, and will probably be forced to reduce forces, reduce the tempo of operations for remaining forces, and cancel or reduce many procurement programs sorely needed for modernization.

As you know, our FY 1973 budget, in terms of constant buying power, is already below that of the last "pre-war" year, FY 1964. It is obvious that additional reductions will seriously impact on both your flexibility in foreign policy matters and our ability to carry out military strategy in support of this policy.

Non-original
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I recognize and support the proposition that our objective is to succeed in carrying out our Southeast Asia strategy. I am confident that we can and will succeed.

But our future capabilities to carry out the type of augmentation we are currently implementing will be severely limited if the Senate opposition strategy succeeds.

To be candid, it is my estimate that this strategy of the opposition leadership has a greater potential for succeeding, despite our best efforts, than any of the more direct efforts to legislate constraints on your flexibility.

We simply cannot permit the Defense Department to be the whipping boy and pay the price for the frustration of the U.S. Senate.

In my opinion, therefore, the likely prospect of success of this opposition strategy must be considered as a large factor in our planning for the next six months.

We are not giving up, but will continue working on key Senate and House members, with an objective of minimizing the impact of the opposition strategy, and achieving the best possible compromise in Conference. We may need your personal involvement in our efforts to convince Congress of the seriousness of these matters.

Finally, we are examining the alternatives available to alleviate the adverse impact such cuts would have on the Department of Defense. Regardless of whether or not we could obtain the necessary flexibility from Congress to take the reductions in areas of least impact, I believe that this developing situation poses some critical problems in the months ahead.

A handwritten signature in dark ink, appearing to read "William P. Clark". The signature is fluid and cursive, with a large initial "W" and a long, sweeping underline.

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Chief, RDD, ESD, WHS

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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

12 JUL 1972

MEMORANDUM FOR ASSISTANT TO THE PRESIDENT, NATIONAL SECURITY AFFAIRS

Your memorandum of June 28, 1972 requested a list of possible budget reductions if Congressional action on the FY 1973 budget required us to take some cuts. You also emphasized that current forces and readiness should be assured in the development of any potential cuts.

The House and Senate Armed Services Committees have now acted on the Defense Procurement and RDT&E Authorization Bill. Their actions, excluding the SALT/SEA amendment, would reduce the Defense budget almost \$1.7 billion (NOA). The Appropriations Committees have not yet acted on Defense budget requests, but I expect pressure for further reductions beyond the Armed Services Committees actions.

There are some areas in the Defense budget where program slippage, strength shortfalls or other fact-of-life changes will permit the acceptance of some Congressional reductions and I do not intend to protest cuts of this nature. Examples are the DD-963 program and Army military personnel strength. On the other hand, we have identified over \$1 billion of program cost increases in our operations area that must be financed or programs and readiness decreased. These cost increases cover subsistence, quarters allowances, transportation, currency revaluation, CHAMPUS, utilities, blue collar pay and other items that must be paid - even at the expense of program and readiness reductions. Thus, further reductions in operations funding cannot be recommended.

I have also reviewed our major forces and support programs for potential areas of reduction that would not seriously impact readiness.

I cannot recommend any reductions in systems or operational levels for Strategic Forces programs beyond the SALT changes reflected in the recent budget amendment. I am sure you agree that pending further SAL agreements, it is essential that the Strategic Forces presently planned in our Five Year Defense Program be fully supported in DoD budget requests.

General Purpose Forces programs for baseline force support are budgeted at minimum amounts to support our NATO and other force commitments. This is an area, however, where I expect the Congress

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to push for sizeable reductions, both in weapons system and operational levels. These should be strongly resisted where they impact on force readiness. I intend to carefully consider all such proposed cuts, but I cannot at this time recommend any reductions in the General Purpose Forces programs that would not impact on essential forces and readiness.

Southeast Asia operations must continue to be supported. Our ultimate requirements will probably exceed currently budgeted amounts and a further FY 1973 supplemental for SEA support may be necessary.

Support programs are particularly hard hit by the cost increases I mentioned earlier. We cannot expect to make major savings in the support area without a significant base closure and reduction program. I intend to develop such a program this Fall as we prepare our FY 1974 budget. However, base closure savings from actions taken in FY 1973 will not materialize until FY 1974. One-time costs and the time required from decision to implementation of a closure will preclude any sizeable savings in FY 1973.

In summary, the Congress is proceeding with its action on the FY 1973 Defense appropriations. Proposals for sizeable reductions have been made by the Armed Services Committees and additional reductions will be proposed by the Appropriations Committees. I propose to urge restorations in all areas impacting on forces and readiness. With regard to our total budget, aside from fact-of-life program changes or slippages which will undoubtedly be picked up by the Congress, I cannot recommend any areas for significant reduction that would not seriously impair our force readiness. We should expect that additional funds may be required for support of operations in Southeast Asia.

I, therefore, recommend that the President's Budget, as amended, be fully supported before the Congress, accepting only those cuts that represent changed program requirements that have already occurred.



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Office of the Secretary of Defense
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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

31 JUL 1972

MEMORANDUM FOR THE PRESIDENT

I have read carefully your July 26 message to the Congress calling for a \$250 billion ceiling upon fiscal 1973 expenditures. I fully appreciate the urgency of the overall budgetary and economic situation which prompted the message. However, the proposal of a Congressional limitation on 1973 fiscal year expenditures will have a serious potential impact upon current defense programs and commitments. I want to be sure that you are fully apprised of this potential impact.

While your message mentioned FY 1973 expenditures of \$7 billion over the budget, it is my understanding that our overall administration program, as adjusted by the Congress to date, will produce fiscal 1973 expenditures of about \$256 billion, some \$10 billion above the January estimates and \$6 billion above the limit suggested in last week's message. All major appropriation acts have passed the Congress or are in the final stages except for Defense and Foreign Aid. If Congress takes the steps you propose, tailoring appropriation action to a pre-established ceiling, only Defense and Foreign Aid remain to be tailored -- by some \$6 billion in spending equivalent to \$15 billion in program authority. Conversely, Congress may act upon the remaining appropriations without reference to the ceiling, and enact the ceiling separately. This would leave the administration with the task of reducing spending by some \$6 billion. Controllability and other factors being what they are, Defense would have to bear a heavy share of the cut. If the Congress does not act upon your ceiling proposal, Defense would similarly have to bear a large part of any reduction you might wish to make in order to move toward the \$250-billion goal you have set. In any event, the message is providing a major stimulus for deep Congressional cutbacks in the Defense budget.

It appears to me, then, that there is a strong likelihood of sharp cutbacks in FY 1973 Defense spending under any eventuality. It is evident that I must take steps, as promptly as possible, to bring about a significant reduction in Defense expenditures. The longer we delay, the sharper the ultimate cutbacks will have to be. We can realize the largest expenditure cutbacks in the short term by curtailing some of our operations in Southeast Asia, effective September 1. This would involve the partial withdrawal of B-52 squadrons, carriers, and tactical air units. In addition, I must initiate planning with respect to the following actions:

- Sharp reductions in operating levels (flying hours, steaming hours, and other activity rates) for forces throughout the world.

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~~SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE~~
~~EXECUTIVE ORDER 11652, AUTOMATICALLY DECLASSIFIED~~
~~AT TWO YEAR INTERVALS. DECLASSIFIED ON 31 Dec 2011~~

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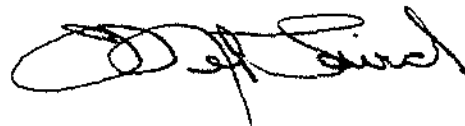
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- . Cutbacks in military and civilian personnel accessions.
- . Reductions in inventory levels, to be made up in later years if possible.
- . Stretch-out of production schedules in any case where this will reduce FY 1973 expenditures without prohibitive long-run diseconomies.
- . Base closures, in any cases where these can be accomplished promptly enough to realize an expenditure saving for FY 1973 (in many cases, the one-time costs exceed the savings in the first year).

Even by initiating these steps promptly, it will be several months before we realize a significant downturn in expenditures. If we wait, we will have to accomplish the cutbacks in a much shorter span of time, requiring cutbacks that are several times more severe and could have an adverse impact on our primary foreign policy mission of implementing the Nixon Doctrine of partnership, strength and negotiations.



DEALING WITH THE
ANNUAL REPORT
ON THE RECORDS & DEBATE ON THE
BUDGET

DEC 21 2011

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THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

APR 19 1969

MEMORANDUM FOR THE SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN, JOINT CHIEFS OF STAFF
DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Department of Defense Policy on Foreign Military Sales

In enacting the Foreign Military Sales Act last year the Congress consolidated and revised foreign assistance legislation relating to reimbursable exports. In this Act the Congress:

- o Declared the ultimate goal of the U.S. to be a world free of the dangers and burdens of armaments with...the use of force subordinated to the rule of law;
- o Affirmed the increasing cost and complexity of defense equipment and recognized that there continues a need for international defense cooperation to maintain peace and security;
- o Established that the United States will facilitate the common defense by entering into international arrangements with friendly countries...on projects of cooperative exchange of data, research, development, production, procurement and logistics support to achieve national defense requirements and objectives of mutual concern;
- o To this end authorized sales to friendly countries...to equip their forces...with due regard to impact on social and economic development and on...arms races;
- o Established that no sales of unclassified defense equipment shall be made to any economically developed country unless it is not generally available from U.S. commercial sources;
- o Declared the sense of the Congress that all such sales be approved only when they are consistent with the foreign policy interests of the United States.

This Administration welcomes the clarity and the foresight of this legislation and intends to carry it out in letter and in spirit. We will welcome consultation with our friends and allies on development,

Non-original
markings

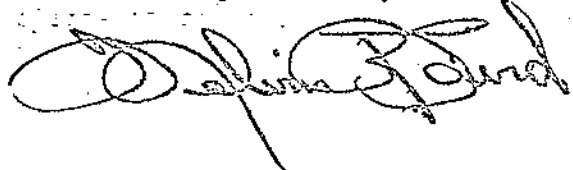
research, production and logistic support programs of mutual interest. Subject to questions of security, foreign policy and availability, we will sell military equipment to our friends and allies where, and when and to the extent needed; we will urge on no friend or ally the purchase of U.S. equipment when it is not needed. when there are better alternatives or when there are higher priority social and economic claims against limited funds. When required, and to the extent funded by the Congress, we will be willing to discuss credit availability for transactions which we consider otherwise justified.

The responsibilities and authorities of DOD Directive 5100.27 in connection with foreign military sales are reaffirmed with the following additions and emphasis:

a. Under the leadership of the ASD(ISA), all addressees will review the practices of their organizations in regard to commercial availability to determine compliance with the legislation.

b. The ASD(ISA), through the Committee on Military Exports and directly as appropriate, will consult with defense industry on the means with which the Department of Defense can best facilitate their export efforts within foreign policy requirements.

ASD(ISA) should coordinate action by all appropriate agencies to review existing directives, instructions and guidance memoranda pertaining to foreign military sales to identify and recommend any changes necessary to assure that they are in consonance with the Foreign Military Sales Act of 1968.



6355

THE SECRETARY OF DEFENSE
WASHINGTON

12 JAN 1970

MEMORANDUM FOR THE PRESIDENT

SUBJECT: FY 1970 Military Assistance Program

In mid-December 1969, we discussed FY 1971 funding requirements for military assistance (MAP) and you decided that \$400 million would be included in the budget request for this purpose. I was quite surprised to learn informally last week that the Bureau of the Budget, with no Department of Defense representative present to discuss implications, succeeded in lowering this figure to \$350 million. I do not question the decision which, I am sure, resulted from overriding budgetary pressures as well as the legislative situation. I am, however, concerned that the Bureau's procedure, if followed in the future, might result in defense decisions that do not take fully into account all pertinent considerations and implications.

I wish to reaffirm my belief that a level of \$350 million takes the Military Assistance Program too low for you to have the flexibility and options you will need in FY 1971 to take the initial steps in implementing the "Nixon Doctrine." I am convinced that steps in this direction must be taken before we formulate our FY 1972 programs on the basis of new strategy. A marked increase in MAP must be assumed if we are to proceed with major U.S. defense savings by selected reductions in our overseas forces. If our strategy is to remain credible, U.S. force reductions must be counterbalanced by effective military assistance programs for certain allied forces which would assume an increased defense role.

It seems clear to me that we must start laying the groundwork now for a FY 1971 supplemental MAP authorization and appropriation. We are also examining the possible need for a supplemental request in FY 1970 but we do not yet have a fully fleshed-out rationale and supporting detail upon which it might be justified. A supplemental for FY 1971 would, on the other hand, embody those NSC decisions that would have been made, would provide a more thorough and orderly evaluation of important requirements, could include such recommendations from the "Peterson Committee" as may be necessary, and hopefully would be more acceptable to the Congress.

0181

To set the stage with Congress, the public, and other elements of the Executive Branch, I recommend that you include in your forthcoming budget message a brief statement of your intent to seek a supplemental MAP appropriation for FY 1971 together with the reasons why this will be necessary. A suggested statement is attached.

The Department of State concurs in my views as indicated above.

A handwritten signature in dark ink, appearing to read "William P. French". The signature is fluid and cursive, with a large initial "W" and a long, sweeping underline.

Attachment
Statement

00073
THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

Richard M. Nixon Presidential
Library, National Security
Council Files, Folder DPRC and
Budget, Jan-Jul 1972, Box 237,
Agency Files.

23 DEC 1971

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Security Assistance

Following our earlier discussion in which you indicated a desire that security assistance should be transferred to the Defense budget, I prepared and forwarded to George Shultz a proposed legislative package that would bring this about in Fiscal Year 1973.

Details of Proposed Approach

This proposed legislation would effect the transfer of foreign military sales (FMS) to the Department of Defense budget, to be carried as a separate line item. In addition, the total military assistance program, including supporting assistance, would be spread through existing military function accounts in the Defense budget. We propose that the annual ceiling on grant aid programs be formulated as a single fiscal year ceiling, measured in the value of delivered military assistance and supporting assistance during that year, rather than the establishment of a specific limitation on the funds appropriated or which may be obligated for security assistance programs. This procedure would maximize the opportunity for trade-offs between military assistance and supporting assistance, and among those programs and the regular military accounts as appropriate.

Rationale of Proposed Approach

Under your leadership, we are embarked on a new course in foreign policy. As you noted in 1967, and have amplified since taking office, this approach calls for a new partnership with our friends and allies, a partnership which recognizes increased allied capabilities and growing prospects for regionalism, particularly in Asia.

We need new procedures to implement our new course -- procedures which will enable us to carry out these concepts with maximum effectiveness commensurate with the changed world situation and our changing role. I would note in passing that many members of Congress have also called for new procedures in the security assistance area.

You are aware of the many problems associated with our current approach to security assistance and our own force planning, particularly as related to Southeast Asia. For example, we must fund and manage

programs directly associated with one conflict -- our own forces, service-funded military assistance in Vietnam, Laos and Thailand, separately funded assistance for Cambodia.

When United States military power was pre-eminent, and when in fact we planned and acted like the world's policeman, we could perhaps afford the luxury of fragmenting overall free world security planning, doing our own force planning essentially as a separate entity. In my view, the changed world situation and your determination to shift U.S. burdens, demand that we revise our procedures and focus on total force planning. I have already issued instructions to this effect within the Department of Defense, and we are developing procedures to implement this approach. Implementing new procedures is not easy, particularly when an ingrained "do it yourself" philosophy remains from the past. But in my view, it is essential that we move down this path if we are to put teeth into our policy. By incorporating security assistance into our defense budget, we underscore for friends and potential opponents alike our intentions and our seriousness in implementing effective partnership.

Our experience with the service-funded military assistance programs for Vietnam, Laos and Thailand convinces me of the desirability and necessity of bringing all military assistance into a format similar to the one we have been using for those countries. My proposal would make it possible for the first time to use a total force approach to planning and programming in all aspects of national security.

I know that some take the position that a preponderance of the military assistance program does not lend itself to meaningful trade-offs between security assistance programs and the size and structure of U. S. forces. Thus far, interagency studies have identified three specific Asian countries (Korea, the Republic of Vietnam and Thailand) for which our security assistance programs can be related directly to U.S. force requirements. There are non-Asian examples, such as Greece and Turkey, for which the real trade-offs in U. S. force levels is obvious. The value of such trade-offs will vary, depending upon whether they are considered in a peacetime or wartime situation, and upon the nature of the projected threat. They would also vary depending upon the alternative strategic approach selected. To the extent that we have been successful so far in identifying direct trade-offs between security assistance and our own forces, we should be encouraged by the fact that trade-offs do exist and analysis is possible. We must proceed to develop those trade-offs further and establish appropriate machinery to take advantage of the results.

Although less obvious, there is a real and direct relationship between our own force levels and the adequacy of the military capability

security assistance recipient nations, for example, the degree to which our assistance to Israel maintains the military balance in the East has a very direct bearing on the requirements for the Sixth Fleet size and structure in the Mediterranean.

There are, of course, some recipient nations of our security assistance for which there is no force trade-off relationship. Many of these, however, reflect the quid-pro-quo arrangements where we use "security assistance" to pay for our U. S. base rights. Spain and Ethiopia are prime examples. These payments are in fact rental payments, not security assistance and should be funded in the Defense budget regardless of the format of security assistance. In my legislative proposal, these quid-pro-quo arrangements would be authorized separately from the security assistance. This should avoid some of the severe justification problems we have experienced with the current format for security assistance. (This will also minimize the direct involvement of the Senate Foreign Relations Committee in base negotiations matters).

Security assistance management also applies to executing our concept of regionalism, whereby varied assistance to individual nations will stimulate them through regional cooperation to provide greater capability to resist aggression and externally-supported subversion than would larger sums provided to fewer nations.

Another very significant factor is the more sensitive issue of other nation's attitudes toward, and confidence in us and our intentions. Less visible but real trade-offs such as basing and overflight rights may be what some others have in mind in reference to "political factors" dominating security assistance. If we were to lose such rights through loss of confidence in the U. S. by other nations, because of a cessation or non-availability of funds, this will result in the need to redesign our own military equipment for longer endurance, less base support, and other expensive factors.

Whether one relates the value of security assistance to military trade-offs or to political advantages, they are all related ultimately to strategic facets of U. S. national security. Thus, I firmly believe that security assistance programs should be structured into the Defense Authorization and Appropriation bills.

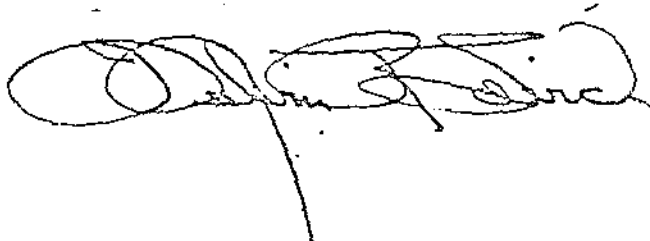
Legislative Considerations

I realize that the executive branch cannot unilaterally change the jurisdiction of the Congressional Committees which authorize security assistance. We can, however, and in my legislative proposal would, influence the jurisdictional question to the maximum extent possible.

ing the military assistance program and supporting assistance existing military functions accounts, we can assure that the referral of the authorizing legislation goes to the Armed Services Committees and that in the ensuing debate the burden would be on the Foreign Relations Committees to change the initial referral.

Although the State Department has been making contacts on the Hill with such members as Senator Stennis and Senator Margaret Chase Smith on this matter, I have instructed my staff to keep this within the Executive Branch family until the final approach has been directed by you. I am confident that when the time comes, we can persuade my former colleagues of the correctness of our proposed approach. I also believe that we have a reasonably good chance of success for getting the committee jurisdiction changed. I realize that there are many who are very pessimistic about our chances for this accomplishment, but I recall similar pessimism being expressed by the same people about our chances of obtaining passage of a supplemental security assistance program in late 1970 that included substantial assistance to Cambodia.

For FY 1973 budgetary purposes, I realize that implementation of the transfer of security assistance to the Defense budget would probably not be possible in time to be reflected in the budget document. It could, of course, be accomplished through submission of a budget amendment after the first of the year.

A handwritten signature in dark ink, appearing to read "William French Smith", with a long, sweeping underline.

~~TOP SECRET~~
SECRETARY OF DEFENSE
WASHINGTON D C 20301

23 OCT 1971

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
DIRECTOR OF DEFENSE AGENCIES

SUBJECT: Defense Policy and Planning Guidance for FY 74-78

The FY 74 Defense Policy and Force Planning Guidance (PPG) provides the definitive guidance for Department of Defense force planning, including the development of JSOP Volume II. JSOP Volume I and all relevant Presidential guidance were taken into account in preparation of the PPG, and much of the format and content of JSOP Volume I has been retained.

For the missions and strategies specified in the PPG, JSOP Volume II should specify the required force levels together with the supporting analytical rationale. JSOP Volume II should also specify the risks that the Joint Chiefs consider inherent in the strategies contained in the PPG. Where the Joint Chiefs deem a risk associated with a strategy to be imprudent, JSOP Volume II should propose a modification to the PPG strategy. The effect of each proposed modification should be presented in terms of active and reserve force requirements and in terms of risk.

I intend to carefully review JSOP Volume II before issuing FY 74-78 fiscal guidance. The two force level cases described above, - (the forces associated with the PPG strategy and those associated with JCS strategic modifications) -, will be very helpful in determining what fiscal changes from the FYDP to direct in issuing fiscal guidance and requesting FY 74 POM development. These assessments will also be used in developing the design scenarios, force requirements and planning assumptions which will be part of my fiscally constrained Policy and Planning Guidance, which will be issued with the fiscal guidance in the first quarter of 1972.

Independent of JSOP Volume II, you are invited to comment on the PPG as you see fit. I would appreciate receiving your replies by 7 December.

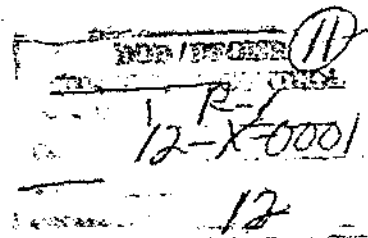


Enclosures

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~~SECRET~~DEFENSE POLICY GUIDANCE1. Introduction

This document sets forth the basic concepts, principles, and long-range objectives which comprise the assumptions upon which the Five-Year Defense Program is to be structured. The Force and Resource Planning Guidance provides further detail for force planning.

2. National Security Policy and Strategy

President Nixon's policy of peace, based on the principles of partnership, strength, and a willingness to negotiate, is designed to move our country and the rest of the world toward a generation of peace. This basic policy underlies and guides our new National Security Strategy of Realistic Deterrence.

Our goal is to prevent wars, to maintain a realistic and ready military force aimed at deterring aggression -- but adequate when combined with the forces of our allies to handle aggression should deterrence fail.

3. General Concepts

Implementing our strategy of realistic deterrence requires more stress on some factors which were not as important in the past, including:

- a. A recognition that diplomacy and political action contribute directly to deterrence, especially in communicating with potential enemies.
- b. A requirement that our allies in Europe and Asia do more for themselves.
- c. A vigorous and effective International Security Assistance Program.
- d. The application of a "Total Force" concept to our planning to take account of current world realities. This includes both active and reserve components of the U.S. and the additional military capabilities of our allies that will be made available through local efforts or through provision of appropriate security assistance programs.
- e. The enunciation of a new policy with respect to Reserve forces. Members of the National Guard and Reserve, instead of draftees, will be the initial and primary source for augmentation of the active forces in any future emergency requiring a rapid and substantial expansion of the active forces.

Many of our allies are already economically prosperous; others are rapidly becoming so. We seek by the end of the 1970's a community of free nations who support each other in alliances against common threats according to their proportionate strengths while each bears the major responsibility for its own defense. The interest of every one of our allies in

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its own security should be greater than our interest, or the interest of any other foreign power, in its security. The test of this interest is a willingness to endure great sacrifice, if need be.

Certain fundamental concepts, which will not be restated in following sections, should be explicitly taken into account in planning within the guidance given in this document.

- a. To the extent possible, flexibility should be incorporated in Defense programs to hedge against failures in negotiations, increased threats or unexpected failures of U.S. systems, and to preserve the ability to capitalize on opportunities that arise. A corollary is that U.S. military systems should be diversified enough so that one adverse event is not likely to impact heavily on the U.S. deterrent posture.
- b. In planning Defense programs, the capabilities of potential adversaries should be examined with an objective of capitalizing on intrinsic weaknesses rather than trying to meet every threat head on.
- c. In planning measures to meet threats which face the U.S., all appropriate resources for deterrence -- active and reserve, military and nonmilitary, U.S. and Free World -- should be considered in order to capitalize on the potential of available assets. In particular, we should take explicit account of allied capabilities and to the extent feasible, pursue integrated long-range planning with allies including procurement, training and operations.
- d. In some cases the effectiveness of U.S. national security policy will depend on preserving and strengthening existing alliances. In other cases it will depend on U.S. friends and allies moving toward improved regional and bilateral security arrangements and increasing their identification of their interests with those of their Free World friends.
- e. Finally, success of the efforts described above may make adjustments in U.S. forces possible. Few such adjustments are likely to be toward larger forces in the foreseeable future. The possibility of smaller U.S. forces in the future implies that great emphasis be given to their readiness and effectiveness, including especially modernization, and to increased efficiency of all supporting activities: logistics, command, training, intelligence, communications, and research and development.
- f. Where appropriate, reductions in the active force can be offset by increasing the capability or modifying the structure of the Guard and Reserve forces. Modifications to Guard and Reserve structure will be made with a minimum of personnel turbulence.

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- g. The lower sustaining costs of nonactive duty forces make possible a great deal of flexibility in planning the total force structure. Under conditions of increased reliance on Guard and Reserve forces, the capability and mobilization readiness of Guard and Reserve units must be raised, where necessary, and maintained at required readiness levels.

The basic objective of our Strategy of Realistic Deterrence is to prevent armed conflict and eventually eliminate its use as a means by which one nation tries to impose its will upon another. But so long as the threat persists that other nations may use force, adequate military power must remain an essential element of our strategy.

4. Basic Criteria

The following basic criteria are established for national security planning for the decade of the 1970's:

- a. Preservation by the United States of a sufficient strategic nuclear capability as the cornerstone of the Free World's nuclear deterrent.
- b. Development and/or continued maintenance of Free World forces that are effective, and minimize the likelihood of requiring the employment of strategic nuclear forces should deterrence fail.
- c. An International Security Assistance Program that will enhance effective self-defense capabilities throughout the Free World, and, when coupled with diplomatic and other actions, will encourage regional security agreements among our friends and allies.

5. Planning Principles

In Defense planning, the Strategy of Realistic Deterrence emphasizes our need to plan for optimum use of all military and related resources available to meet the requirements of Free World security. These Free World diplomatic efforts and military resources -- or "Total Force" -- include both active and reserve components of the U.S., those of our allies and friends that will be made available through local efforts, or through provisions of appropriate security assistance programs.

In considering the spectrum of potential conflict, the following definitions and principles shall be applied for purposes of defense planning:

1. Strategic Nuclear Forces for Deterrence

- a. Definition. Strategic nuclear warfare occurs when the United States itself is attacked by enemy nuclear weapons.

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- b. Objective. The U.S. strategic forces should possess a level of strategic capability sufficient to deter nuclear attack on the United States. To achieve the foregoing, strategic forces must be of sufficient size and quality to meet the strategic sufficiency criteria approved by the President as amplified in the Force and Resource Planning Guidance.

Further, the President has stated that, in its broader political sense, sufficiency means the maintenance of forces adequate to prevent our allies, as well as the U.S., from being coerced. Therefore, strategic forces should be planned to be sufficient in their combined capability to deter attack upon the United States, and also to help our theater nuclear capabilities and the nuclear capabilities of our allies to deter nuclear attacks upon our allies in which the enemy uses strategic or other nuclear forces. The President has also stated a requirement for:

"... forces and procedures that provide us with alternatives appropriate to the nature and level of the provocation. This means having the plans and command and control capabilities necessary to enable us to select and carry out the appropriate response without necessarily having to resort to mass destruction."

- c. Responsibility. In deterring strategic nuclear war, primary reliance will continue to be placed on U.S. strategic forces.
- d. Strategic Arms Limitation. SALT seeks to preserve U.S. strategic sufficiency through negotiations rather than unconstrained competition, and to reduce the likelihood of strategic nuclear war between the U.S. and USSR. SALT derives from recognition of the rough strategic balance that now exists and a desire to avoid major increases in strategic forces. Thus far, we and the Soviets have agreed to seek limitations on both defensive and offensive systems. How extensive these will be and how soon they will be effective have yet to be worked out. Effective means for verifying each side's compliance are essential to any agreement.

II. Theater Nuclear Forces for Deterrence

- a. Definition. Theater nuclear warfare involves the use of nuclear weapons against or by U.S. or allied forces, but not an attack on the United States itself.
- b. Objective. The desired objective of our theater nuclear forces is deterrence. If this deterrence is to be credible, our general purpose forces must possess a realistic and effective theater nuclear attack option, backed by U.S. strategic forces. Theater nuclear forces are designed to deter nuclear warfare, and they help to deter conventional aggression because of the uncertainty which surrounds the circumstances under which theater nuclear weapons might be employed.

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In addition, as the President stated in his Foreign Policy Report in both 1970 and 1971,

"the prospects for a coordinated two-front attack on our allies by Russia and China are low both because of the risks of nuclear war and the improbability of Sino-Soviet cooperation. In any event, we do not believe that such a coordinated attack should be met primarily by U.S. conventional forces;"

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Therefore, we would not plan U.S. forces to be capable of meeting primarily with conventional forces a PRC attack which occurred simultaneously with or after a Pact attack against NATO.

- c. Responsibility. The U.S. has primary responsibility for the theater nuclear deterrent, but certain of our allies are able to share this responsibility by virtue of their own nuclear capabilities. Specifically, as the President indicated in his Foreign Policy Report in 1971, "We will provide the nuclear shield of the Nixon Doctrine." This shield is designed to prevent a nuclear attack or nuclear blackmail which threatens the freedom of an ally or of a nation whose survival we consider vital to our security.

III. Theater Conventional Forces for Deterrence

- a. Definition. The term theater conventional war is used to describe a non-nuclear war involving direct conflict between the U.S. and the USSR or PRC.
- b. Objective. Our objective is to maintain ground, air and naval forces, active and Reserve, which, in conjunction with allied ground, air and naval forces, will deter such conflict through a capability to cope with major conventional conflict involving the USSR or China if aggression occurs by them against any country/area "vital" to our interests. Force planning to fulfill this objective shall include provisions for the following:
1. An initial defense of NATO Europe or a joint defense of Asia (Korea or Southeast Asia).
 2. Acceptance of some degradation in U.S. capability to reinforce NATO in the event of conflict involving joint defense of Asia.
 3. Protection of shipping and naval forces.
 4. Denying to the Soviet Union an advantage from "Conflict at Sea" involving the U.S.
 5. Unilaterally intervening in a limited conflict not simultaneous with a NATO war, but with limited Soviet opposition.
 6. A strategic reserve.
- c. Responsibility. U.S. and allied forces share the responsibility for the theater conventional deterrent. This is true of air, ground and naval forces and U.S. force planning should reflect this allied interdependence.

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Primary emphasis in force planning should be given to European defense. The President has decided that the United States will continue to give support to the concept of mutual and balanced force reductions (MBFR), and studies are now in progress. Until these and future studies which may be necessary have been reviewed by the President, general purpose force planning will not be required to take explicit account of the possibility of a future MBFR agreement. However, future U.S. force contributions to NATO may be affected by MBFR in Europe.

With regard to Asia, force planning should increasingly reflect complementary and supplementary rather than combined force planning (defined in paragraph VI following). Conventional ground forces of our Asian friends and allies, backed up by U.S. guarantees and security assistance, should increasingly constitute the primary conventional deterrent to PRC aggression. This policy incorporates two tenets:

1. We will allocate Security Assistance at levels Asian allies can absorb without undue economic penalty, in order to build to force levels which, assuming effective regional cooperation, appear adequate to deter PRC invasion forces. In this process, the ground forces of our Asian allies will receive first priority, but we will build towards a balanced force;
2. We will encourage regional cooperation at reasonably attainable levels, through security assistance and diplomacy.

IV. Deterrence of Sub-Theater Warfare and Localized Conflict

- a. Definition. Sub-theater conventional wars are wars which do not involve the U.S. in direct conflict with either the USSR or PRC. For example, these could result from aggressions by North Vietnam, North Korea, or a conflict in the Middle East between Arab States and Israel.
- b. Objective. Our objective is to shift primary responsibility to allies and friends for deterring or fighting sub-theater or localized conflict. U.S. help is to be primarily through assistance, but could include force deployments, either to provide a "presence" and/or a "quick response" for special circumstances.

Our primary means of creating a realistic deterrent to sub-theater wars will be our assistance programs. These programs will aid our allies in building military capabilities to translate their will to defend themselves into a realistic deterrent. In some cases, this deterrent will be strengthened if the possibility is left open that U.S. forces might back up local forces in response to aggression. Therefore, we will generally want to keep the precise use of U.S. forces unclear to our opponents.

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With regard to sub-theater warfare in general, our key objective will be to avoid committing the United States to a war of attrition. Our overall national security programs must be designed to shift the responsibility for fighting on the ground to our allies.

U.S. force planning to fulfill our objectives with respect to sub-theater and localized conflict shall emphasize military assistance to friends and allies. Our future planning for assistance to Allies in Asia against a non-PRC threat should be based on the assumption that we would provide only air, naval, intelligence, logistic and materiel support, except that for political and other reasons we should plan on retaining some U.S. ground forces in Korea.

- c. Responsibility. In deterring sub-theater or localized warfare, the country or ally which is threatened increasingly must bear the primary burden, particularly for providing manpower; but when U.S. interests or obligations are at stake, we must be prepared to provide help as appropriate through military and economic assistance to those nations willing to assume their share of the responsibility for their own defense. When required and appropriate, this help would consist of backup logistical support and sea and air combat support, and our planning should be based on this concept. It should be noted that the use of ground forces is not ruled out should such use be in our interest for any specific situation.
- d. The Middle East and NATO. Our European allies in NATO have legitimate interests which extend far beyond the Central Front in West Germany. Accordingly, it is in the best interests of our NATO allies to play a more active role in ensuring peace and stability in the Middle East/Mediterranean area. It is our policy to encourage our NATO allies in this regard.

V. Additional Considerations

- a. Forward Deployment. The primary purpose of U.S. forward deployment is to demonstrate to potential enemies and our allies our resolve to honor our commitments and defend our interests, thereby enhancing realistic deterrence.
- b. Forward Defense. The basic military strategy for the U.S. and its allies is forward defense. In implementing this strategy we will, to the greatest extent possible, place reliance on the forces of our allies to provide the initial capability for forward defense. U.S. forward deployed forces will enable the U.S. to assist allies in timely collective defense against an attack.

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- c. Vietnamization. We will continue to shift responsibility for the current sub-theater conflict in SEA to our Southeast Asia Allies and friends. Our objective continues to be to reduce U.S. direct involvement to zero while concurrently providing the South Vietnamese with a capability for self defense. The specific planning assumptions for Southeast Asia will be covered separately in detail.
- d. Mobilization. We should be prepared to mobilize all of the active National Guard, reserves and their associated units on warning of USSR or PRC aggression. In the event of a crisis not involving either the USSR or the PRC, we should be prepared to mobilize some Guard or reserve units on a case-by-case basis.
- e. Zero Draft. The President has directed that the Department of Defense develop an all-volunteer armed force. The Department of Defense fully supports this objective and has set a target of reducing its reliance on the draft to zero by the end of FY-73.

VI. Force Planning Under the Total Force Concept

In conducting force planning to implement these principles and concepts, the total force concept shall be applied with respect to both U.S. and Free World forces. Planning under the total force concept for the Free World, particularly with respect to conventional forces, should be considered in four general categories:

- a. Combined -- in which regional force planning is developed in close consultation with allies (e.g., at present, NATO, Korea and Vietnam) and reflects detailed consideration of all assets available to the various countries in fulfilling regional requirements for forces, both in conflict and in peacetime. The most important criterion should be overall allied capability in deterring or coping with aggression, rather than an individual nation's or individual service's respective capabilities.
- b. Complementary -- in which regional force planning is also developed in close consultation with friends and allies (e.g., Thailand, Japan, Korea long-term) but the primary consideration with regard to U.S. forces should be the role these forces would play in augmenting national forces in areas where indigenous capability is low or marginal. In general, primary reliance should be placed on use of indigenous manpower and development of self-sufficient local capabilities, with the U.S. providing specialized support and help, designed to augment local forces against large-scale external aggression.

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- c. Security Assistance, or Supplementary -- in which the role of the U.S. would be to supplement local capabilities through the provisions of appropriate security assistance. Planning should emphasize making available the training, equipment, and supplies to local nations to improve their force effectiveness commensurate with national capabilities and resources (e.g., Middle East, Indonesia, Cambodia).
- d. Unilateral -- in which U.S. force planning, particularly for responding to minor contingencies, would reflect unilateral U.S. force capabilities and operations.

VII . Readiness

Whatever the overall level of our general purpose forces, active, Guard and reserve, we must ensure that they can deploy and engage quickly, and sustain in combat for whatever period is stated in our planning objectives. Visible readiness is a necessary component of Realistic Deterrence, since it renders our force effectiveness both real and credible.

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Authority E.O. 12958
By D NARA Date 4-1-09

MEMORANDUM

NATIONAL SECURITY COUNCIL

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ACTION

February 9, 1972

MEMORANDUM FOR DR. KISSINGER

FROM: Phil Odeen

SUBJECT: DPRC Meeting on Thursday, February 10, 1972

A DPRC meeting to discuss the DOD Five Year Program and the long term budgetary situation has been scheduled for February 10, 1972.

The Purpose of the Meeting

The DPRC meeting will cover three principle problem areas:

-- The present DOD strategy guidance and program is inconsistent with Presidential decisions made last fall. For example, DOD continues to ignore the President's air defense guidance and has made no significant changes in our air defense posture.

-- The Five Year Defense Plan (FY 74-77) and the overall level of defense spending necessary to support that plan. The current plan projects FY 73 force levels with little change. However, the budget is increased to \$95 billion by FY 1977 -- about \$17 billion more than the FY 73 budget.

-- The consistency between planned defense spending and the President's long term economic and budgetary goals. It is clear that full employment balance -- the President's economic goal -- is inconsistent with planned defense expenditures unless future increases in domestic expenditures are limited or government revenues are limited.

As you know, we experienced some bureaucratic difficulties in getting this work done. OMB has interpreted it as an opportunity to reduce DOD's spending over the next five years and, therefore, resisted looking

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at other alternatives available to the President to balance his economic and budgetary objectives. A copy of a memo to you from George Shultz objecting to an earlier draft of the interagency paper is in your book.

These bureaucratic difficulties have been ironed out to the satisfaction of all agencies, and I believe the resulting papers lay out the policy problems in an effective manner.

At this point, the principal policy decision to be made is what five year budgetary guidance should serve as the basis for the preparation of a FY 74-77 DOD program. You may not wish to address the issue at the meeting.

The FY 73 Program

In general, the FY 73 DOD program is supportive of the decisions resulting from the President's review last fall. In particular:

-- There are 13 Army and 3 Marine divisions planned with 90% manning. One Army infantry division will be converted to an armor/mechanized. This should give us 16 ground divisions in FY 73 compared with only 14-2/3 at present. [Note that the Army now maintains only 11 2/3 divisions but plans to increase to 13 divisions this fall.]

-- A total of 22 Air Force tactical air wings, 3 Marine Corps wings and 67 Navy tactical air squadrons are planned for a total of about 5,500 active and reserve tactical aircraft in FY 73 compared to 5,300 in FY 72.

-- Navy attack carrier levels are maintained at 14 with overall Naval ship levels totalling 594 ships compared to 657 last year. In FY 74, attack carrier force levels are reduced to 12 carriers while overall ship levels stabilize at about 550 ships and then increase in the outyears.

-- Strategic force levels are maintained, MIRV modernization programs continued, the full 12-site Safeguard deployment is funded with six sites operational in 1980. Both ULMS and B-1 proceeds development.

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There are, however, cases where the FY 73 DOD program is not consistent with the President's guidance. Continental air defense objectives and forces have not been modified to any substantial extent. You will recall that the President's decision this fall was to change the strategic objectives of our air defenses as follows:

-- The planned warning time was relaxed from planning a surprise attack to planning on an attack in a crisis with one to two days' strategic warning.

-- Surface-to-air missile defenses were to be changed from defense of several east coast cities to defense of Washington, D.C. only.

Instead of restructuring our forces to meet these objectives, Secretary Laird has taken the approach of:

-- Retaining the ambitious objective of coping with a surprise bomber attack with an area interception of enemy bombers and a point defense of the major U.S. cities. As you know, these objectives make little sense in light of our effective inability to defend against missile attack.

-- Maintaining the FY 72 force structure with minimal change -- a net reduction in FY 73 of 8 interceptor aircraft and 3 SAM batteries. Meanwhile, a number of air defense development programs -- such as the AWACs system, are continued at considerable cost and no major force structure changes are planned for the future.

Secretary Laird has clearly chosen to ignore the President's decision on air defense because satisfactory budgetary savings were available without accepting it. It may not be wise to make too much of a point of this at the meeting; however, a number of pointed questions are in order. Laird should be directed to change his planning guidance to ensure these reductions are made in the outyears. I have previously sent you a memo on the air defense (see attached). In addition, a separate memo on the Laird Strategy Guidance also covers the air defense issue. This matter must be settled before the China trip or Laird's new strategy guidance will not be in line with the President's decision.

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The Five Year DOD Program

The current five year defense program has the following characteristics:

-- It requires annual increases in DOD spending of about \$4 billion per year over the next five years. The increase is even larger in the FY 74 budget and would be \$84 billion or about \$5.5 billion above the FY 73 budget.

-- It results in FY 77 spending of \$97 billion. This level is about \$20 billion higher than the original NSC guidance which came out of the NSSM 3 review.

On the whole, this seemingly massive increase in the planned level of DOD spending is primarily attributable to pay and price increases. The Defense Department believes that the FY 73 force levels represent the post-Vietnam baseline level and, in general, the increased level of funding is not designed to increase forces.

-- The plan assumes that inflation continues at 3% throughout the period. The \$97 billion target in FY 77 outlay equates to only \$82.3 billion in terms of today's prices -- an increase of about \$4 billion over the FY 73 program. In other words, the most important reason for the increase is the assumption that inflation will continue.

-- The real increase of about \$4 billion in spending results from two principal factors: the pay to retired personnel increased by almost \$2 billion in real terms and the expenditures on Strategic Forces and R&D also increased by about \$2.0 billion.

-- The overall expenditures on general purpose forces probably do not change significantly with a continuing decline in Vietnam costs providing room for some increases in costly weapons.

-- The DOD program shows some decline in real terms by FY 76-77 when you look at budget authority (TOA). Thus, DOD will claim that their funds really decline over the five years in terms of buying power. There is some truth in this statement, but it is largely the result of not knowing now what new programs will be started 4 or 5 years from now. Thus outyear projections of budget authority usually have a tendency to tail off.

-- Even DOD will admit that spending will increase over the next five years in real terms and that they plan for more budget authority in FY 74 and 75.

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On the aggregate, therefore, the five year program provides roughly constant force levels for a relatively small increase in constant dollar resources.

At the same time, however, it should be recognized that this program involves a very substantial modernization program which includes:

-- Procurement funding for the accelerated ULMS program which averages about \$2-3 billion per year from 1974-1977. Starting in 1977, the Air Force plans to start procurement of the B-1 bomber at an average cost of about \$1.0 billion per year from 1976 through 1980.

-- Major investment in expensive new naval ships and aircraft is also planned. Examples include a new nuclear powered attack carrier (CVAN 70) at a total cost of about \$1.0 billion each, a new generation of destroyers (DD 963) which cost about \$90 million each, and a new generation of carrier-based ASW aircraft (the S-3).

-- Investment in the Airborne Warning and Command System (AWACS) which will modernize our air defenses. During 1975, for example, \$720 million is planned for AWACS.

Even with some increase in funds for modernization, the weapons now being developed will be so expensive that we will have real difficulty in maintaining our FY 73 force levels and degree of modernity. To understand this phenomena, you should note that:

-- The equipment now being developed is two to five times as expensive as the equipment it replaces. Moreover, the planned cost undoubtedly understate real costs and further cost increases must be anticipated. The specific costs for a variety of weapons are attached in Table 1.

-- Even with increased modernization expenditures, it is, therefore, impossible to procure weapons at past rates. For example, roughly constant shipbuilding budgets supported the procurement of 40 ships per year in FY 64-67 compared to only 15 per year in FY 70-73.

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-- Over the long term, we will simply not be able to keep up force levels unless we rely in part on quite old weapons. We will have a small number of modern costly weapons and many old weapons. In the long run, this will mean that the operational lifetime of our forces will have to be extended and, when the limits are reached, force levels will have to be reduced.

While the modernization problem is quite complex, it is clear that we face tremendous pressures of our force levels and their effectiveness as a result of the rapidly increasing cost of weapons. This problem is not being solved by the Pentagon even though there is progress in some areas as stressed in the DOD paper:

-- A number of relatively low cost new weapons are introduced beyond 1974. For example, we will then be buying A-9/10 (formerly called the A-X) for the Air Force -- a \$3 million aircraft compared to the \$15 million F-15 -- planned for procurement in the next few years.

-- Force levels should not decline appreciably over the next several years. For example, we will not experience a reduction similar to the Navy's contraction from 900 ships in the mid-1960s to about 600 ships at present.

Despite these few bright spots, in most cases, DOD continues to develop and procure very high cost weapons systems for our major missions. Given the lack of any apparent DOD effort to solve this problem, you may want to forcefully raise this problem at the DPRC meeting.

The Long Term Economic and Budgetary Outlook

The interagency study on the Federal Budget for FY 74-77 projected Federal revenues over the next five years. These were matched with 2 optional expenditure projections. The first was primarily an extrapolation of the FY 72 President's Budget assuming no further Presidential or Congressional initiatives. A higher level expenditure projection was also developed. This one used the current DOD five year program and non-defense expenditures increasing at the rate actually experienced in recent years. It is generally agreed that this is the most realistic projection. The table shows the Revenue and spending projections.

Federal Revenues and Spending (\$ Billions)

	<u>FY74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>
<u>Full Employment Revenue</u>	263	286	314	346
<u>Base Case Spending</u>	274	293	309	323
<u>Higher Alternative</u>	276	303	330	358
<u>Full Employment Deficit:</u> Base Case	-11	- 7	+ 5	+23
High Alt.	-13	-17	-16	-12

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Although it is impossible to forecast the exact course of the economy over the period of FY 73-77, the budget projections show that the Federal budget will be under strong pressure for the next two years under either case. If we assume the higher option is closer to reality, then the pressure throughout the next five years will be intense. Total Federal expenditures are projected to exceed projected revenues by about \$16 billion each year from 1975 through 1977.

This is in stark contrast to the NSSM 3 and earlier projections which predicted that growth of Federal revenues would exceed growth in expenditures automatically providing funds for Federal initiatives. The current picture is reversed and shows that "built in" growth of Federal expenditures will cause constant and recurrent Federal budgetary deficits unless direct action is taken to (a) reduce planned Federal spending, or (b) increase tax rates.

The President will be faced over the coming years with a very difficult choice between raising taxes to cover the excess in expenditures over revenues or severely reducing both defense and non-defense expenditures. In order to attain the objective of a balance full employment budget, for example, planned defense spending would have to be reduced an average of \$4-5 billion each year from 1974 through 1977. (See Table 2)

In the short term, say through FY 74, the President can alleviate the problem by permitting "full employment" budget deficits. But over the long run, deficits would lead to serious economic distortions.

Current projections predict that the full employment target (4%) will be attained in FY 75 but that expenditures will still exceed revenues. Thus, some revision of Presidential tax or spending policies over the coming year appears inevitable.

DOD Fiscal Guidance

To ensure the President is provided with the necessary flexibility and information for an enlightened choice, DOD should be requested to develop a base five year program at a spending level \$4-5 billion below their current program. But the program should not be permitted to cut out forces.

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DOD should also be asked to provide a second program that spends some added amount for critical forces, e.g., \$1 billion per year more for strategic forces and \$2 billion more for general purpose forces.

The lower spending level is roughly equal to the program authorized in FY 73 and given proportionate cuts in non-defense spending would be consistent with the maintenance of a balanced full employment budget without raising taxes. It would, therefore, provide the President with necessary flexibility and also ensure the full implications of a reduction to those spending levels that are known before a decision is made.

There are other clear advantages of this approach:

-- It would force DOD to carefully reexamine the costly modernization programs as well as to work harder on support costs.

-- It would identify priority force add-ons that might be funded and prevent the extra funds from going into areas such as research and support that contribute little to our foreign policy.

The DPRC Meeting

Your objective at the DPRC meeting should be to ensure that:

-- The difficult fiscal problem facing the government is recognized and that CEA/OMB realize steps may be necessary to ensure that adequate funds for defense will be available. At the same time, DOD must recognize the problem and consider ways to hold down spending in the outyears and to attack the problem of excessive cost of weapon systems.

-- The President will be provided with a realistic DOD program for review this summer and that he will know the consequences of cuts in defense spending and areas where he can increase DOD funds to get added capability to support his foreign policy.

-- Those areas where the DOD program is out of step with the President's decisions and strategy are pointed up.

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Your Book Also Contains

- A DOD paper on their Five Year Defense Plan.
- An interagency paper on the long term economic outlook.
- George Shultz's memo on the DPRK meeting.
- My memo on Secretary Laird's decision to maintain air defense force levels.
- My memo recommending a response to Secretary Laird's Strategy and Force Guidance.

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TABLE 1

Comparison of Unit Costs for Various
Replacement Weapons

	<u>Procurement Cost</u>	<u>Cost of Follow-On Generation</u>
Tank	\$240,000 (M-60)	\$450,000 (M-60A)
Fighter Aircraft	\$3.5 M (F-4)	\$15 M (F-14/F-15)
Navy Escort	\$28 M (DE-1052)	\$90 M (DD 963)
Attack Submarine	\$80 M (SSN 637)	\$180 M (SSN 688)
Strategic Bomber	\$14 M (B-52)	\$31 M (B-1)

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TABLE 2

Federal Budgetary Outlook
 (Current Prices, Billions)

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>
<u>Deficit</u>			
At Full Employment	-13	-16	-16
Actual	-28	-20	-16
<u>Defense Reduction to</u>			
<u>Balance Full Employment</u>			
<u>Budget^{1/}</u>	-4	-5	-5

^{1/} Assumes a proportional reduction in both defense and non-defense expenditures.

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Office of the Secretary of Defense
Chief, RDD, ESD, WHS

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Date: 06 Feb 2012 Authority: E0 13526

Copy 1 of 3

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Declassify in Part: ☐

Reason: ☐ MDR: 12-M-0407

Secretary of Defense Staff
(Armed Forces Policy Council) Meeting
14 February 1972

Attendees.

Mr. Laird
Mr. Froehlke
Mr. Belieu
General Westmoreland
Governor Chafee
Mr. Warner
Admiral Zumwalt
Dr. Seamans
Dr. McLucas
General Ryan
Admiral Moorer
General Cushman
Lt General Vogt
Mr. Sullivan (for Dr. Foster)
Dr. Hall
Mr. Henkin
Mr. Kelley
Mr. Moot

Mr. Selden (for Dr. Nutter)
Dr. Rechtin
Mr. Shillito
Dr. Tucker
Dr. Wilbur
Mr. Buzhardt
Mr. Wallace
Mr. Baroody
Mr. Johnson
Dr. Walske
Mr. Friedheim
Mr. Peter Cook
M/General Pursley
R/Admiral Murphy
Colonel Furlong
Colonel Boatner
Mr. Livesay

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Chief, Records & Declass Div, WHS
Date: FEB 6 2012

1. Attendance.

Mr. Laird began meeting 0933. He welcomed General Westmoreland and Mr. Selden back from their world trips. He said Dr. Foster is making a speech in California today, and Dr. Nutter is also speaking in California, possibly to Dr. Foster. Mr. Froehlke said Mr. Laird might be interested to know he is also speaking in California tonight.

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Date: 06 Feb 2012
Chief, Declassification Division, WHS

21 12-M-0407

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Chief, Records & Declass Div, WHS

Date: FEB 06 2012

"... Nor should there be any doubt about our determination to take whatever steps are necessary to protect our diminishing forces as we continue to withdraw from Vietnam. If the enemy's response to President Nixon's comprehensive offers of peace should be a continued buildup which threatens the safety of our men - or further offensive actions - we are prepared to respond with American airpower as appropriate."

Mr. Henkin also noted that last year the Vietnam section was on page 28 of the unclassified version of the report. This year it is on page 118.

6. FY 1972 Expenditures.

Mr. Laird asked Mr. Moot to report on current expenditure rates. Mr. Moot said about the main thing to say for January 1972 is that we did not lose any more ground. We are still running \$2.7 billion behind last year, which is also the amount of the lag in procurement accounts. Each Department has furnished him a month by month phasing of expenditures from 31 January to 30 June 1972. Mr. Moot presented the substance of the attached 2 charts. Mr. Laird said there has been some improvement, but a good ways to go. Mr. Moot said from now on the charts will compare the monthly status with the specific Departmental plans.

7. DPRC Meeting.

Mr. Laird noted Admiral Moorer, Dr. Tucker and Mr. Moot had attended the last week's meeting of the DPRC. Admiral Moorer said there was full attendance. The general thrust of the meeting was that for the present we would project FY 1973 budget levels into FY 1974. Mr. Shultz brought up the deficit problem. Of course, projecting FY 1973 and FY 1974 would be affected by Congressional actions. Mr. Moot said that our update of the Five Year Defense Program indicates that the outlays for FY 1974 under present programs would total about \$84 billion. Mr. Shultz' reaction was how could it be that high. He thought the FY 1973 total plus pay increases should be in the neighborhood of \$82 billion. Mr. Shultz felt we had something in the \$84 billion figure

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that shouldn't be there. Mr. Moot said he pointed out the liquidation of \$8 billion additional budget authority in the FY 1972/FY 1973 budgets plus the next increment of programs such as F-15, ULMs, etc, plus pay raises would present no troubles in expenditures rising to \$84 billion. Nevertheless, the group decided to allow us to proceed on our current force structure. Mr. Laird said this is the posture we want to be in. Dr. Tucker indicated Dr. Kissinger is willing to proceed on the basis of present policy and planning guidance until June, and then discuss the policy issues. Mr. Laird said we need to get the DPRC talking about over-all budget and economic posture of the country. Unless the DPRC goes the route of over-all national planning, it will fall. Dr. Tucker said there was a paper prepared with OMB, Treasury and CEA in-put which raised these issues, but Dr. Kissinger chose not to address this agenda item because of the lack of time. Mr. Laird said Dr. Kissinger was over for breakfast this morning and Mr. Laird expressed his disappointment to Dr. Kissinger over the outcome of the DPRC discussions as reported to him. Mr. Laird feels we are headed toward arbitrary budget decisions in November rather than having the President presented over-all options in all areas of federal budgeting. Mr. Moot said there were facts in the paper which proved over the next 5 years the Department of Defense is contributing to a surplus rather than a deficit. Mr. Laird said we have to get this message across. The other agencies of the government are going the other way. We do not want the DPRC to provide fiscal guidance to the Department of Defense at this stage of the game. We want such guidance and decisions to be made from the President. Admiral Moorer noted the DPRC was getting into weapons acquisition in too much detail.

Mr. Froehlke noted that Mr. Henkin did not comment on the Public Affairs aspects of the President's trip to China. Mr. Henkin said the idea is to keep silent. This is under the white part of the chart Mr. Baroody showed - negotiations.

8. Southeast Asia.

Admiral Moorer reported in northern Laos the enemy forces were harrassing Luang Prabang. There are reports a high point will be generated tonight in northern Laos. The regular Laotian troops have recaptured Moung Kassy at the junction of Route 7 and 13. The situation around Long Tieng is relatively quiet. General Vang Pao has initiated an offensive on the east side of the Plain of Jars using about 5,000 men.



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

17 July 1972

MEMORANDUM FOR SECRETARY LAIRD

SUBJECT: The Defense Budget - FY 1974 and Beyond

This memorandum attempts to outline those pluses and minuses which, in my judgment, are included in the draft Memorandum for the President on the Defense Budget. I believe a relatively brief memorandum can be put together which highlights the handful of key aggregate issues on which the DPRC can usefully focus. The alternative, that of a more detailed paper, risks involving the DPRC in second, third, and fourth-order issues better left to DoD for resolution and thereby allowing the DPRC to side-step its basic purpose of addressing the major intra-Federal Government resource allocation questions.

Again, the draft Memorandum has considerable merit in its length (relatively brief) and in its attempts to delineate some of the issues involved in the FY 74 aggregate budget target. The memorandum could stand considerable sharpening and modification. In the paragraphs that follow, I shall (a) make some general observations; (b) delineate a few specific areas where additions/deletions would help; and (c) summarize with a check list of suggested do's and don'ts you might find useful at the luncheon on Monday, July 17.

General Observations

Tie to the President's Foreign Policy. First of all, it seems to me to make sense, both logically and in gamesmanship, to link the comments in the memorandum directly to the President's ability to discharge the foreign policy he has outlined in his U.S. Foreign Policy for the 1970s. That can be done by using a few -- or at least one or two -- key quotes from his latest edition and indicating how we either succeed in providing him the desired capability (with the higher DoD budgets) or fail to provide him the options he has prescribed (with lower DoD budgets that may be postulated by OMB, the NSC staff, Treasury, or others.

Approaches to Aggregate Resource Analysis. The aggregate budget analysis can be cast in a number of analytical formats, no one

of which is better than the others. Each format serves a distinct and useful purpose.

The formats might include (a) the military forces in selected force areas, e.g., Strategic Forces, General Purpose Forces, R&D, and Reserve Components -- these are the outputs from the resources allocated to DoD; (b) the factors such as manpower, hardware, and bases which are purchased with DoD dollars -- these are the inputs, or the raw materials DoD uses; and (c) selected important sub-goals that the President has emphasized for U.S. national security, e.g., force modernization, All-Volunteer manpower, an adequate force in Southeast Asia, a presence or visibility at specified levels in key parts of the world (Europe, Far East, etc.), an optimization in efficiency in putting resources together (Total Force), adequate strength overall, a proper blend of partnership, and the wherewithal to make willingness to negotiate a meaningful proclamation.

The existing draft memo addresses some of the elements outlined above, but not in a systematic way. Gardiner and Bob Moot might usefully consider lumping their comments under each of the three broad headings, viz., (a) outputs, (b) inputs, and (c) sub-goals. This is not an absolutely essential change, but it would make the analysis and presentation harder-hitting, I believe.

Myths Concerning the Defense Budget. Still another, and perhaps the most important, observation on the current memo is that it does not address -- and counter -- the most prevalent OMB/NSC arguments for a lower Defense budget. The one lower-Defense-budget argument in the memo addresses implicitly the general economic implications of an \$84-86B Defense budget. The matter is not treated sharply enough, however. The conclusion a reader is led to is that the concomitant Federal budget deficit is a high number, and such a high number comes with it unspecified economic horrors. There, the analysis ends.

I believe the paper submitted to the President and/or to the DPRC should address at least five myths (prominent arguments against higher DoD budgets) and then outline the counter-argument to each of the myths. The five arguments are as follows:

- (1) The general economic situation. To accomplish the President's foreign policy goals, there is a range of Defense outlays below which the goals cannot be achieved. We could delineate the range with the JSOP estimate on the high side (and there is a

gamesmanship plus in showing that high figure) and the current SecDef estimate on the low side, to reflect the work already accomplished in bringing reality into the planning process. Next, we could comment on the uncertainties involved in assessing a federal deficit. As long as we are below full employment, a deficit can have positive effects. Finally, we should itemize the tools, other than cutting DoD outlays, available for handling unwanted inflationary pressures, viz., controlling non-DoD outlays, raising taxes, monetary policy, debt management, price and wage controls, vigorous anti-trust policies, or a judicious combination of these. Throwing a big deficit number on the table and leaving it there for all to abhor is not a systematic or analytical way to approach the problem. It leaves the President no options. He should have a reasonable security/economy option.

- (2) Let's get Defense on the cheap. The argument will be raised that we can cut support, without cutting combat strength, and thereby lower the budget. We should counter this argument. To the extent such paving is possible, we should note the timing. Actions taken in late FY 73 or early FY 74 will have little, if any, impact -- except possibly to increase outlays -- in FY 74.
- (3) Cut gold-plating in the Defense Hardware. Apparently, the President still feels we are unnecessarily gold-plating our hardware. We should use the key points in Barry Shillito's study -- now complete -- to cut down this argument. We do not need to argue that we have achieved the epitome of efficiency; but we can argue effectively that added gains from our current reasonable position are not going to allow large and early savings in one selected DoD account, procurement.

- (4) Get more productivity from existing resources. The tac air crews, the carrier manpower, the B-52 crews, etc. can be stretched just so far and the elastic limit will be passed. Surely, with the SEA augmentation we have approached those elastic limits. The attempt to stretch manpower further is attractive to OMB, but it is potentially disastrous to the AVF goals and to the well-being of our military personnel.
- (5) Defense Budgets are currently too large and growing. Although we have outlined numerous times the facts that (a) DoD outlays in real terms have been below the pre-SEA FY 64 base-line outlays every year since 1969; and (b) DoD outlays, with manpower costed, as it should be, in market prices or what the manpower means to the economy, have fallen dramatically since 1968 (from about \$110B to less than \$80B), we could usefully outline those tables and facts again. Defense has paid a tremendous peace dividend, even though there is no peace. The dividend has been paid out of capital. The Soviets and the PRC have grown by leaps and bounds in the interim.

Specific Comments

In addition to the general comments above, I would offer a few selected specific comments. They are, in brief:

- Outlays vs. TOA/NOA. References in the paper should make it clear whether budget references are to outlays or to obligational authority. This would help alleviate misunderstanding and add to clarity.
- President's Options. At every opportunity, we should allude to draw-downs, as appropriate, in readiness, force capability, and the accompanying diminution in specific Presidential options, e.g., ability to discharge main missions, plus ability to react in contingencies like Jordan (1970), South Asia (1971-72), RoK (EC-121 shootdown of 1969), etc.

- Timing. Where it is possible to be relatively precise about timing, we should do so. For example, on page 3, the current memo reads: "About \$_____B are needed in FY 74 to reach comfortable levels sooner." It would add thrust to the memo to say how much sooner. Later on page 3, the current memo reads: "When significant base closures are politically feasible, we may be able to make further reductions." What kind of reductions, with what savings, and when may the savings be realized?
- Retain Options for SecDef. Be careful not to foreclose useful SecDef options. The step outlined on page 4 of the current SA memo that reads as follows is a case in point: "Reduce the number of tactical air wings, 10-15 percent to offset readiness and modernization costs." It may be that by going to lower-cost and simpler aircraft, we could keep the number of wings up, even with a reduced procurement and O&M budget. It seems to me we should consider, perhaps, lower tac air outlays, but not pre-judge whether that means fewer wings or the same number of wings with simpler aircraft.

Summary of Do's and Dont's

I guess, in summary, the do's and dont's that I would recommend are those outlined above. Central among the do's are (a) sticking with the aggregate resource allocation issues (not letting the discussion get into second, third, and fourth priority issues); (b) emphasizing the big cuts taken by DoD since 1969; (c) emphasizing, too, the impacts in specific Presidential foreign policy options if cuts are imposed; and (d) specifically addressing the key arguments we expect against an \$84-86B DoD outlay target and systematically presenting the counter arguments.

The key dont's are the antitheses of the points outlined above.

As an added observation, I believe it would be helpful to have Bob Moot help in the final memo preparation and to attend the DPRC meeting.

Robert E. Pursley
Major General, USAF

Doc. No.

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

2 MAY 1969

MEMORANDUM FOR THE WHITE HOUSE

ATTENTION: Colonel James D. Hughes
Armed Forces Aide to the President

Mr. Kenneth R. Cole, Jr.
Special Assistant to the President

SUBJECT: Response to Issues in Memoranda from The White
House Concerning, Among other Things, Negro
Participation in the Armed Forces

Issue 1: Does the Department of Defense maintain a continuing
overview of racial discrimination in the Armed Forces?

Response: Yes. Since 1963 there has been established in the
Office of the Secretary of Defense the Office of the
Deputy Assistant Secretary of Defense (Civil Rights
and Industrial Relations). It is under the direction
and supervision of the Assistant Secretary of Defense
(Manpower and Reserve Affairs). This Office has the
primary responsibility for formulating policies to
achieve equality of opportunity and treatment in the
Armed Forces and to monitor their effective imple-
mentation. The main thrust of the Office of the DASD
(CR&IR) duties and responsibilities is in the develop-
ment of affirmative action programs to be carried out
by the Military Services. It also handles complaints
that are forwarded to it from members of the Congress,
military personnel, relatives and friends of military
personnel, and organizations and agencies operating
in the field of civil and human rights. Counterparts
to the OSD element are established in each of the
Military Departments.

Issue 2: Adding additional Negroes to the President's Commission
on an All-Volunteer Armed Force.

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Response: At the present time there are three (3) Negroes represented on the panel studying the draft and the feasibility of a voluntary Military Force. They are:

Jerome Holland President, Hampton Institute,
Hampton, Virginia

Jeanne L. Nobel Professor of Education at New
York University, Vice President,
National Council of Negro Women

Roy Wilkins Executive Director of NAACP,
New York City

It is our view that inasmuch as Negro participation presently represents 20% of the Commission, it is suggested that it would be more effective and appropriate to find some other Defense-related advisory commissions, councils, committees, etc. on which, at the present time, there are no or few Negroes and appoint Negroes to those existing advisory groups. We are making an inventory of such existing commissions and committees and will call the matter to the attention of the appropriate appointing officials. In addition, I will forward to The White House that information calling especial attention to those situations requiring Presidential appointment.

Issue 3: The suggestion to have a statement issued by the Secretary of Defense on equality of opportunity and treatment for military personnel.

Response: A draft Memorandum on Equality of Opportunity and Treatment for all military personnel has been prepared since early 1968. A new version of that statement is now being reviewed by the Secretary of Defense with a view towards its promulgation. A copy of that Memorandum is attached (TAB A).

Issue 4: Negroes Serving on Local Draft and Appeal Boards and Employed at Selective Service National Headquarters.

Response a. Negroes Serving on Local Draft and Appeal Boards.

Members of Local Draft Boards and Appeal Boards of the Selective Service System are appointed, upon nomination by the Governor of the State, by the President of the United States. There are 4,000 Local Draft Boards in the United States. Each consists of at least 3 members, but usually about 5 persons. In some areas there are up to 8 members, in which cases they are divided into 2 panels. An Appeal Board consists of 3-5 members.

In 1967 very few Negroes served on the Local Draft Boards in the several States. In March of that year when statistical designs were initiated to reveal the racial composition of these Boards, 308 Negroes were serving on them throughout the United States. As of April 1, 1969 there were 1,906 minority group members serving on Local Draft and Appeal Boards. Of this number 1,067 were Negroes - roughly an increase of 330%; 561 Spanish-Americans; 52 American Indians; 78 Orientals and 148 women. A review of the charts of Local Draft and Appeal Boards for the Selective Service System in the States shows Negro membership in all States where the Negro population is of significance except for the State of Mississippi which has 90 Draft Boards of approximately 450 members but which has no Negro Draft or Appeal Board members in the State. Assuming that there are on the average 5 persons on the 4,000 Draft Boards, the 1,067 Negroes constitute about 5.3% of the approximate total of 20,000 members throughout the Nation. A more refined view is obtained, however, by looking at the situation in the two groupings of States on the attached Tables (TABS B and C).

Response b. Negroes Employed at Selective Service System National Headquarters.

Negroes have considerable representation as full time civilian employees at the National Headquarters of the

Selective Service System located here in the District of Columbia. There are 158 full time civilian employees - 61 of whom are Negro and 119 are women. Negroes are 38.6% of the civilian employee staff and women 75.3%. This statistic in gross does not carry grade level breakouts which would provide for more careful analysis of the employment situation here. I am requesting detailed data not only for National Headquarters employment patterns, but also for statistics on Negro employment in the Selective Service System offices nation-wide.

More attention should be paid to the utilization of Negroes as compensated employees at Local Draft Boards. The administrative cadre of the Board does the actual day-to-day work. The Boards usually meet monthly. Only in rare cases does a draftee or potential draftee see the Board and its members. The presence of Negroes on the paid staffs, in the office and visible is highly desirable.

Issue 5: Participation of Negroes in the Armed Forces.

Response a. Negro Participation in the Armed Forces World-Wide.

The several memoranda forwarded to the Secretary of Defense from The White House raised issues in reference to the participation of Negroes in the Armed Forces. In some instances these statements either alleged or implied that Negroes were being utilized to an extent that appeared to be unfair and discriminatory when viewed against the background of the Negro's presence in the Nation's population. As of March 1967 the United States had a population of 193,829,000. Of this number 172,198,000 were white and 21,631,000 were Negro. The Negroes represented 11.16% of the total population.

Army: The statistics show that there has been an appreciable numerical increase in the number of Negro officers in the Army. It has increased from 3,938 as of Dec. 31, 1965 to 5,675 on Dec. 31, 1968. A

numerical gain of 1,737. Percentage wise, however, there has been 0.2% loss dropping from 3.5% in 1965 to 3.3% in 1968. It should be noted that this occurred during a period in which the conflict in Southeast Asia required a substantial build-up.

In the ranks of the enlisted the Negro content increased from 133,311 as of Dec. 31, 1965 to 161,924 the same date in 1968. Here the nearly 14% Negro content of 1965 - actually 13.9% - declined to 12.5% in 1968.

Navy: As of Dec. 31, 1965 the Navy had 252 Negro officers representing 0.3% of the Navy's total officer complement. This number increased by 108 as of Dec. 31, 1968 when they reported 360 Negro officers constituting 0.4% of the number of officers in the Navy. The number of Negroes in the enlisted ranks of the Navy declined from 36,963 as of Dec. 31, 1965 to 32,561 as of Dec. 31, 1968, a loss of 0.8% - the percentage dropping from 5.8% in 1965 to 5.0% in 1968.

Marine Corps: As of Dec. 31, 1965 the Marine Corps had 65 Negro officers representing 0.4% of the Marine Corps' officer complement. By the end of the year, 1968, the number had increased to 231 representing 0.9% of the total Marine Corps Officers, an increase of 166, more than tripling the 1965 figure. There has also been a substantial increase in the number of Negro Marines in the enlisted grades increasing from 17,626 in 1965 to 33,189 in 1968 almost doubling the numerical strength while the percentage of the Negro content increased by 2.5%.

Air Force: The number of Negro officers in the Air Force increased from 2,096 at the end of 1965 to 2,417 the same date in 1968, an increase of 321 representing 0.2% rise in the Negro content in the Air Force officer complement. The number of Negro enlisted personnel in the Air Force had a slight increase in numbers from 75,399 as of Dec. 31, 1965 to 76,462 as

of Dec. 31, 1968. Whereas this represents a numerical increase of 1,063, there was an actual percentage loss of 0.5% from 10.7% in 1965 to 10.2% in 1968.

Response b. Negroes Serving in Southeast Asia and Off-Shore Waters and Negro Deaths Due to Hostile Action.

There has persisted for quite some time gross distortions as to the extent of Negro troop participation in Vietnam and their deaths and casualties. From time to time there have been erroneous allegations that there are twice as many Negroes in Vietnam as whites, which is false, and that twice as many Negroes are being killed as whites, which is also false. As of Dec. 31, 1965 there were 21,519 Negroes representing 12.5% of all American military personnel in the theatre. As of Dec. 31, 1968 there were 66,036 Negroes in the theatre representing 10.7% of all American forces in the area.

Between 1961 and 1966 American military personnel killed by hostile action in connection with the conflict in Vietnam numbered 6,644. Of that number during that period 1,060 were Negroes constituting 16% of all deaths. The heaviest toll was among Army and Marine Corps personnel. The Army lost 4,156 men, 832 of whom were Negroes constituting 20% of the total. The Marine Corps lost 2,027 - 223 of whom were Negroes, or 11%. It is this Army figure when seen in isolation and with the percentage being given alone without the integer that has frequently given rise to the distortions referred to above. For the calendar year 1968, 1878 Negroes were killed by hostile action representing 12.9% of the total deaths. For the entire period from 1961 through Dec. 31, 1968, 4,130 Negroes were killed by hostile action representing 13.5% of the total American troops killed in Vietnam (See TAB D). These Negro KIAs (killed in action deaths) are 13.5% of all hostile deaths. This percentage of Negro KIAs correlates fairly with the Negro percentage of the Nation's population for 1960 when it was 10.5% and in 1967 when it was 11.16%.

In TAB E, Army Casualties in South Vietnam by Race (as of Dec. 31, 1968), the Army has developed a careful analytical review of certain major units showing the proportionate relationship of Negro strengths in those units to Negro deaths due to hostile action when compared to total deaths. In these fifteen (15) units Negroes comprised 13.4% of the Unit's strength and 15.2% of the hostile deaths. The range of Negro deaths fluctuated from 1.6% fewer deaths than strength to 7.8% more deaths than their strength in the Unit. For the most part the correlation averaged out at 1.8+% deaths over strengths.

I have requested additional and more detailed information concerning the employment and utilization of Negroes at the National Headquarters of the Selective Service System as well as the same data for local Draft Boards in the States shown in the Tables at TABS B and C.

My staff is reviewing the composition of the 108-110 Advisory Commissions and Committees of the Department of Defense to determine those to which we can and should appoint qualified and talented Negro members. When we transmit this information to your office we shall indicate, if any, those appointments which are Presidential.

