

## CHAPTER 14

### **Conventional Forces Budgets: Building Combat Capability**

Washington withdrew its remaining combat forces from Vietnam in early 1973. The U.S. military by then was considerably smaller than it had been at the beginning of the Vietnam War. After Defense Secretary Melvin Laird announced the end of conscription on January 27, 1973, the military relied exclusively on volunteers as it sought to restore its combat capabilities and readiness, both badly sapped by the protracted war in Southeast Asia. At the same time, despite the easing of superpower relations from *détente*, the Soviet Union undertook a massive military buildup and modernization program. Defense Secretary Elliot Richardson sought to address the challenge but could do little in his short tenure beyond defending the Defense budget from those members of Congress who were eager to cut spending and reduce American commitments overseas. His successor, James Schlesinger entered office with the primary goal of reviving the military from its post-Vietnam nadir. He planned to do so by refocusing the Department of Defense on the Soviet threat.

When discussing the Defense budget with freshmen members of Congress in September 1973, Schlesinger warned that the Soviet Union had caught up or surpassed the United States in many conventional metrics since the mid-1960s. At the same time, tighter Defense budgets along with the Nixon administration's decision to switch to an All-Volunteer Force had reshaped the force structure. The end of conscription brought increased personnel costs, forcing cuts in the active-duty force. In turn, DoD relied more heavily on National Guard and Reserve Forces. Even American naval superiority could not be taken for granted. "We are now weaker, just in numerical terms ... than the Soviets," Schlesinger warned. Citing Brookings Institution studies

from the previous year, he argued that during the Vietnam War “the United States moved from a 2½ war capability to a 1½ war capability, [while] the Soviets moved from a 1½ war capability to a 2½ war capability.”<sup>1</sup>

Schlesinger had anticipated that budget constraints imposed by Congress would make his efforts to revive American combat power more difficult over the next several years. If the trends were not reversed, Schlesinger repeatedly warned Congress, the United States might lose its status as the world’s most powerful nation. He believed the U.S. military needed to concentrate primarily on preparing for war in central Europe against the Warsaw Pact. For the Army, this task meant a shift toward heavy, mechanized divisions and an increase in the number of combat formations. For the Air Force and Navy, the need to deploy advanced weapons for use in Europe during a time of constrained budgets presented a dilemma. To solve the problem, Schlesinger pursued a “high-low mix” concept, conceived initially by a diverse group of defense reformers, in which a smaller number of highly capable, high-cost aircraft and ships would complement a larger number of lower capabilities, low-cost units. Thanks to the White House’s preoccupation with Watergate, Schlesinger enjoyed substantial autonomy within the executive branch in this effort. Schlesinger and his successor, Donald Rumsfeld, viewed the conventional force budget as essential to restore U.S. capability and readiness.<sup>2</sup>

### **Schlesinger’s Incentives**

Schlesinger’s critique of former Secretary Robert McNamara’s use of systems analysis and the Planning, Programming, and Budgeting System shaped his view of how best to manage the Pentagon. Schlesinger’s three immediate predecessors (Clark Clifford, Melvin Laird, and Elliot Richardson) had successively diminished the Office of the Secretary of Defense’s control over

force structure. Secretary Schlesinger furthered the drive by pushing key decisions to the services. An economist by training, Schlesinger relied heavily on providing the proper incentives to achieve his goals. McNamara's decision to prescribe force structure had incentivized each service to pack as much capability into each unit as possible and reject low-cost options. This type of management, Schlesinger wrote later, caused the services to fear that "if they designed cheaper capabilities, they would simply lose resources." As a result, sophisticated units drove up per-unit costs that were unsustainable during budget tightening cycles. The secretary also perceived that under McNamara, OSD had suffered from "a growing tendency to disregard Service viewpoints," so he informed the services that OSD would prescribe the resources, instead of the force structure, allowing each service to extract the best combat capabilities from those resources. As Schlesinger later recalled, a secretary of defense is obliged to "protect service resources from the 'enemy'; that is, from the Office of Management and Budget, the Congress, and perhaps, even from the systems analysis office."<sup>3</sup>

Schlesinger wanted the services to have a high-low mix of weapon systems to allow the U.S. military to retain a technological edge over the Soviet Union without risking a perilous quantitative inferiority. The "high" in the high-low mix referred to sophisticated, expensive systems, while the "low" referred to simpler, less costly systems. To rely on expensive systems, he believed, increased risk, especially as Congress sought to cut the Pentagon's budget. Such systems could be destroyed or disabled early in a war or could be spread too thin during a global crisis or conflict. He thus pushed the Air Force to pursue a lower-cost fighter in addition to the high performance, but expensive F-15 fighter, and the Navy to build several smaller, less costly aircraft carriers rather than a single large nuclear-powered carrier.<sup>4</sup>

The secretary understood OSD lacked the power to bend the services to its will if they disagreed. “No authority is so powerful,” he wrote as a RAND analyst in 1966, critiquing then-Defense Secretary Robert McNamara’s management at the Pentagon, “that it does not have to bargain with anyone.” As defense secretary, in a conscious repudiation of McNamara’s approach, Schlesinger sought to bargain rather than dictate to the services, incentivizing rather than directing them to adopt the programs he favored. He promised Air Force Chief of Staff David C. Jones, for example, that he would support four additional tactical fighter wings if the Air Force would support the less expensive F-16. In another rejection of McNamara’s methods, Schlesinger usually delegated decision-making authority because he believed centralizing the decision-making process at OSD would limit its consideration of alternative courses and narrow the services’ responses. He wanted to delegate greater operational, analytical, and procurement responsibility to the services. The service chiefs welcomed the independence.<sup>5</sup>

### **The Context of Military Budgets**

In a July 1975 House Budget Committee hearing, Assistant Defense Secretary (PA&E) Leonard Sullivan made insightful observations about the challenges of budgeting for U.S. military forces in the mid-1970s. The services, he explained, prioritized the acquisition of new equipment and research and development over funding for ongoing operations and maintenance. They assumed that if war began, the resulting maintenance deficiencies could be quickly remedied through emergency appropriations. New equipment, however, could not be designed and produced fast enough to reach the battlefield. The unique context of military budgets, caused by a combination of congressional acquisition requirements and a changing military threat, meant that the cost of

military forces increased over time regardless of inflation or domestic economic performance.

Sullivan vividly explained the phenomenon:

If you reduced the Defense Department to one man, and it was me, and you gave me nothing but a loin cloth and spear and then asked me to make a 5-year projection of how much it would cost for you to maintain me, it would go up that 2 percent line.... Somebody will change the standards for loin cloths and what state they have to come from. The enemy will get a slightly longer spear and I will insist on it. Then we will adjust the materials. Then somebody will say “buy American” and I will stop buying Australian spears. Over time I will cost you 2 percent more a year.<sup>6</sup>

Each service budget, Sullivan told the House Budget Committee, must be considered in the unique context of that service’s culture, tradition, and organization. The Army tended to ask for roughly the amount required for its purposes. The Air Force was “comfortable” in its budget planning and therefore OSD tended to cut Air Force budget projections. Finally, Sullivan admitted “the Navy we don’t know what to do with,” because of the irreconcilable demands of various intra-Navy communities. The House, the submarine community, and the powerful long-serving head of naval reactors, Admiral Hyman Rickover, tended to push for more nuclear-powered ships, while the Senate and the rest of the Navy were less enthralled with nuclear power. There was also little agreement about how to reduce the fleet size or the rising cost of warship production.<sup>7</sup>

Schlesinger also observed that each service approached budgeting differently. In general, the Air Force and Navy concentrated on acquiring platforms, ships, and aircraft, while the Army tended to focus on personnel. Schlesinger once quipped to newly appointed Army brigadier generals, “The Army ... buys equipment for its men. The other services obtain manpower to handle the equipment.” The Air Force and Navy measured their strength by counting planes and ships while the Army judged its combat power by counting active-duty soldiers. Schlesinger would adjust incentives accordingly to persuade each service to do what he wanted.<sup>8</sup>

### **Increasing Army Combat Power**

Schlesinger shared the concerns of senior Army leaders about the shrinking numbers of ground forces. In FY 1968, the height of American involvement in Vietnam, the Army's active-duty strength stood at 1.57 million. By FY 1973, it had fallen to just over 800,000, a 49 percent reduction. This cut reduced active-duty divisions from 19 in FY 1968 to 13 by FY 1973. In the same period, the Soviet Union significantly upgraded its ground forces, especially those stationed in Central Europe. Schlesinger concluded in his February 5, 1975, report to Congress on the FY 1976 budget, "We basically went too far in reducing our active-duty ground forces." He warned that the diverging trajectories between U.S. and Soviet ground strength threatened the U.S. conventional deterrent in Central Europe and Korea.<sup>9</sup>

Congressional attitudes toward defense spending and troop levels contributed to the looming strategic problem. When Schlesinger first took office, he thought congressional calls for further Army budget cuts might be turned back, but he could not hope for a major funding increase for ground forces in FY 1974 or FY 1975. Many in Congress thought the Army remained unnecessarily large with too many personnel serving in noncombat administrative units. In August 1973, Schlesinger considered relying more on the Army Reserve and Army National Guard (collectively, the reserves) to weather the cuts imposed by Congress and the shifting of the Army's focus from counterinsurgency operations in Southeast Asia to mechanized conventional battles against the Warsaw Pact in Central Europe. By refocusing on the Soviet threat, the defense secretary hoped to convince Congress of the need to maintain and properly provision a large army in the wake of Vietnam. In early August 1974, he told Army generals that he thought the Pentagon had "an implicit contract ... that if the Army will proceed to use its

manpower resources effectively or to add to combat strength that Congress” would not continue to cut the Army.<sup>10</sup>

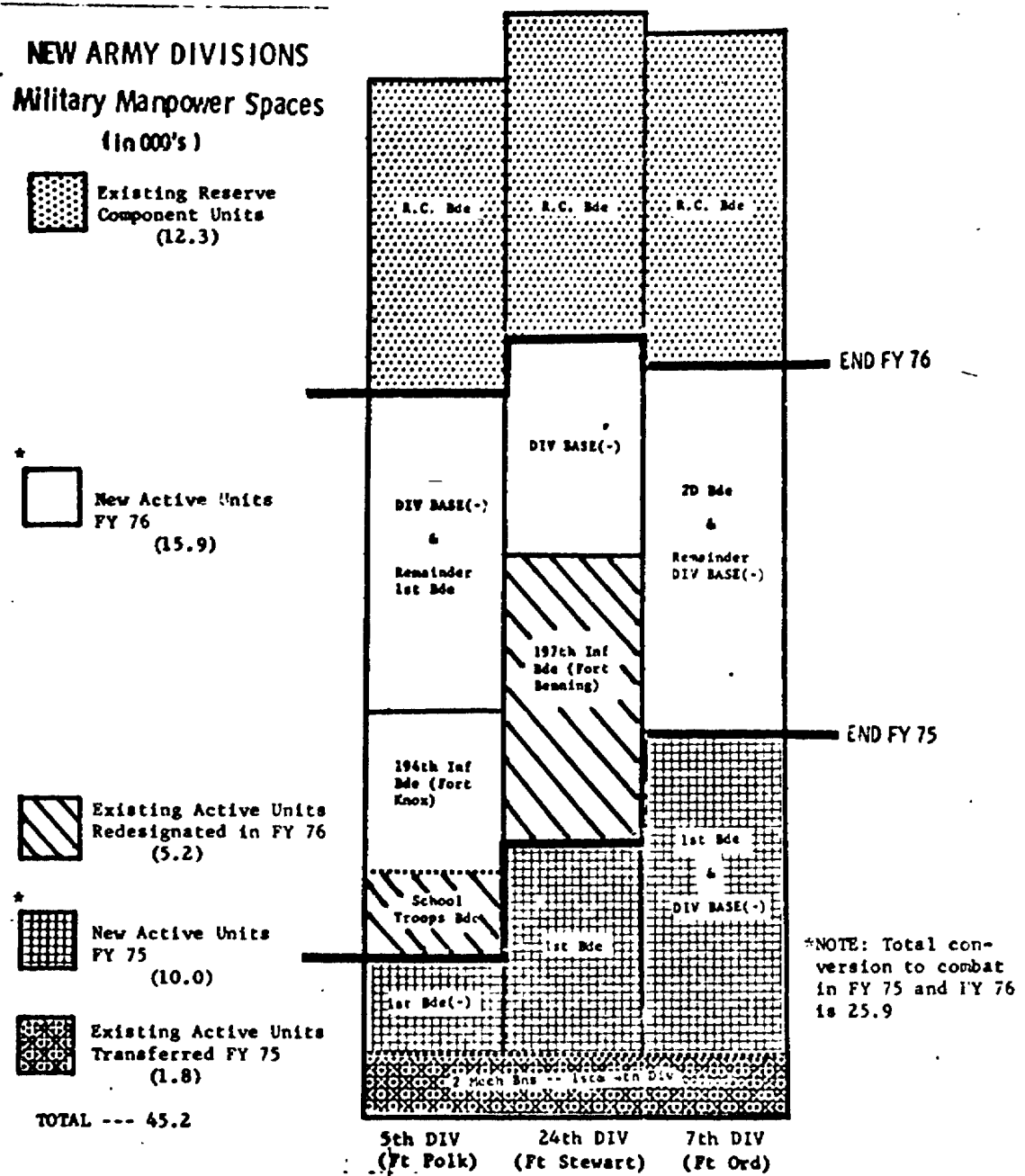
Schlesinger found a powerful ally in Army Chief of Staff General Creighton Abrams, the former commander of Military Assistance Command, Vietnam. The general feared the continuing cuts would render the Army a feeble force, “The thing that worries me, is that we Americans will let the Army go down to 500,000 men, then to 300,000, and so on.” The Seventh Army, the principal ground formation in Europe, had been used for too long as a mere depot for Vietnam deployments, to the detriment of its readiness. The command had also been affected by the drug and disciplinary problems of the era. To reexamine Army strategy and roles after Vietnam, Abrams established a study group at the Army War College in 1973. Considering the Nixon Doctrine’s 1½-war approach, the group’s final report found the existing 13-division force inadequate to defend U.S. interests in Western Europe and East Asia. The report grounded Abrams’s and Schlesinger’s efforts to bolster the Army’s capabilities.<sup>11</sup>

In late 1973 Schlesinger offered Abrams his support to strengthen the Army in what would become known in the Army as the “golden handshake.” Abrams agreed to increase the number of Army divisions from 13 to 16, though Abrams and senior Army generals recognized the 13 divisions in existence already suffered from shortages in materiel and trained leadership. In exchange, the secretary promised to protect the Army’s 785,000 active-duty personnel from OMB and congressional cuts. Abrams agreed and obtained the secretary’s support for the XM-1 tank, the Army’s highest priority acquisition project. The two met frequently as they planned how to implement their compromise. The general smoked his cigars while the secretary puffed from his pipe, and the two developed mutual trust and a close personal relationship. The

Schlesinger-Abrams agreement set the stage for revival of the Army's combat power, though much work would have to be done to avoid creating a hollow force.<sup>12</sup>

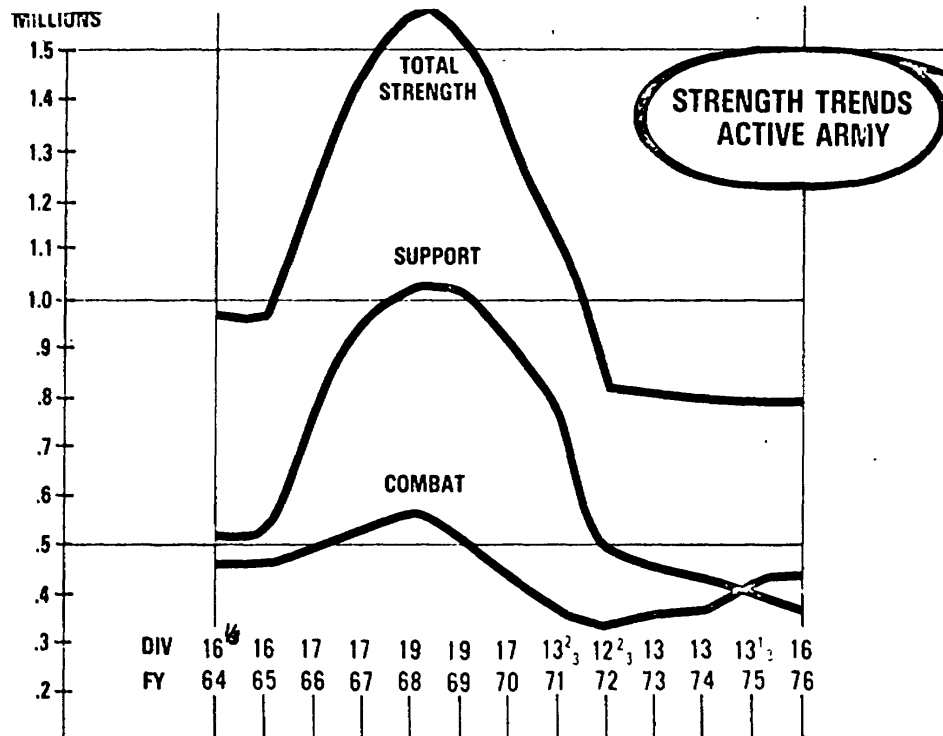
To reverse the reductions in Army funding that occurred after the Vietnam War, Schlesinger fixed his attention on the defense of Western Europe and a renewed American commitment to NATO. Part of this effort involved adding two brigades to Seventh Army (see chapter 15) and advocating for three new divisions stationed in the United States that could reinforce the alliance in time of war.<sup>13</sup> To create the three new divisions without eviscerating the rest of the active force, the Army would rely heavily on the Army Reserve. Each new division would consist of two active-duty and one Reserve brigade, known as the "round-out" brigade. The Army would transfer the bulk of responsibility for logistical and combat support functions from active-duty units to Reserve units, freeing active-duty personnel to be formed into new combat brigades. Implementing the plan, the percentage of the active-duty Army personnel in combat units rose from 43 percent in 1973 to 53 percent in 1976.<sup>14</sup>

### Composition of New Army Divisions



Source: HCAS, *Hearings on Military Procurement and H.R. 3689 Department of Defense Authorization for Appropriations for Fiscal Year 1976 and 1977*, 94th Cong., 1st sess., pt. 2:2112.

Active-duty Personnel in Support and Combat Units, FYs 1964–1976



Source: House Committee on the Budget, *Force Structure and Long-Range Projections: Hearings*, 94th Cong., 1st sess., 10 Jul 1975, pt.1:58.

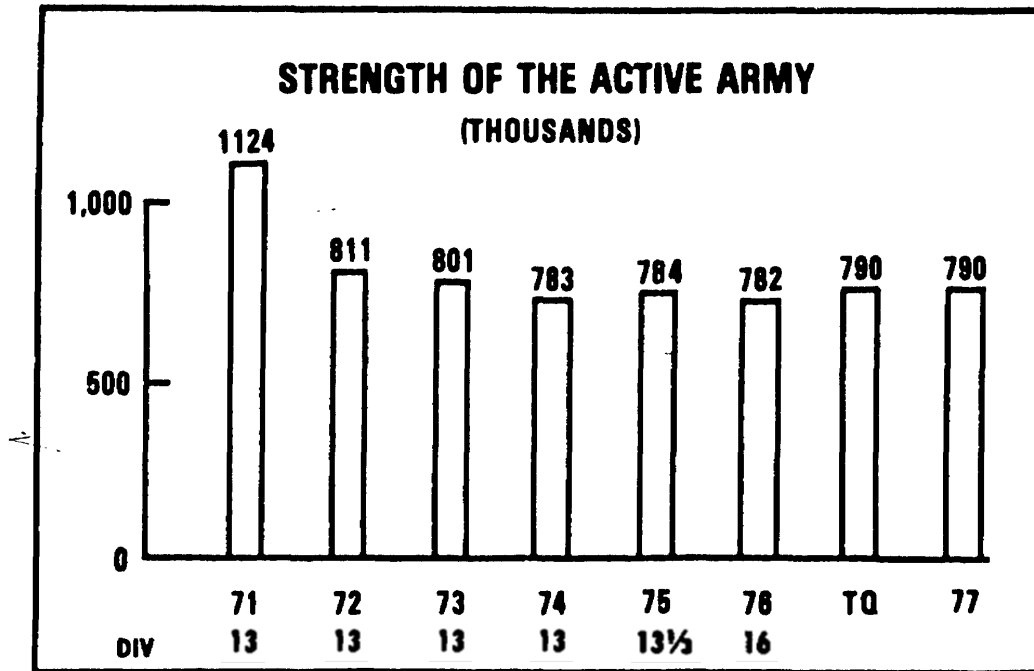
Schlesinger and General Abrams considered President Lyndon Johnson’s decision to fight the Vietnam War without calling up the Reserves a serious mistake that had left the Army bereft of logistical and engineering skills. The lack of Reserve units had forced the Army to rely heavily on draftees, whose constant rotations undermined unit cohesion and combat effectiveness in Vietnam. Because Military Assistance Command, Vietnam could not draw upon the Reserves, it had taken personnel and equipment from other commands, especially Seventh Army in Europe. Abrams insisted, “They’re never going to take us to war again without calling up the reserves.” Schlesinger and Abrams so closely aligned the active-duty and reserve units that future presidents could not easily separate them in wartime again.<sup>15</sup> By transferring more support

functions to the reserves, the Army would also help correct the imbalance of too many support and administration units in the active-duty forces that had resulted from the Vietnam drawdown. The Army had demobilized and disbanded disproportionately more combat units than support units, because the latter still had to maintain the tanks, helicopters, and equipment left behind for the South Vietnamese army. Extensive combat operations in Vietnam had also damaged or worn-out thousands of pieces of equipment, creating repair backlogs for support units that continued for years. Assistant Secretary of Defense (PA&E) Sullivan highlighted this problem in 1975: “We are still fixing tanks that broke in Vietnam ... it takes about 4 years to recover.” Moving support functions to the reserves would help remedy this imbalance.<sup>16</sup>

Schlesinger and Abrams carefully managed the public presentation of the three new divisions. Although the two men agreed to the change in late 1973, the FY 1975 budget presented to Congress in January 1974 only mentioned an increase to 13½ divisions, adding one new brigade. By including a small piece of the planned change in the FY 1975 budget, the secretary and Abrams hoped to avoid resistance from the Office of Management and Budget before they could present the budget to Congress. During the FY 1975 hearings in February, Abrams announced his personal desire to increase to 16 divisions, thereby tying the three new divisions to his considerable personal prestige. Abram’s proposal found favor in Congress. Senator Milton R. Young (R-ND), for example, told Abrams, “I like your ideas. I hope you are successful.” Abrams, with Schlesinger’s support, then formally announced the change in August 1974. The secretary subsequently endorsed the new units later in 1974, and the FY 1976 budget sent to Congress in early 1975 included the three new divisions. Congress supported the new force structure proposed by Schlesinger and Abrams because it reduced the number of active-duty support units, as well as trimmed rear-echelon, headquarters, and support personnel.<sup>17</sup>

After Abrams's death in September 1974, Secretary of the Army Howard Callaway and Abrams's successor, General Frederick Weyand, continued to emphasize to Congress that the Army was cutting its headquarters personnel and devoting more personnel to combat roles. Their approach helped convince Congress that the Army could be trusted to effectively use the resources given it. At a hearing of the House Appropriations Committee in March 1975, Representative John J. Flynt Jr. (D-GA) praised Callaway and General Weyand for "a tremendous job in carrying out the request of this committee to reduce excess headquarters." Later in the hearing, Representative Robert F. L. Sikes, a senior Florida Democrat, praised the new force structure, saying that the Army was "doing what Congress has been asking from time immemorial" by making "better use of your troops."<sup>18</sup> Congressional support provided the personnel stability the Army needed to implement the new policy. To Army leaders, such as Army Secretary Callaway and his successor Martin Hoffman, stability meant an Army of roughly 785,000 active-duty soldiers.<sup>19</sup>

### Army Personnel and Division Strength, FY 1971–FY1977



Source: SCAS, *Fiscal Year 1977 Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve, and Civilian Personnel Strengths: Hearings*, 94th Cong., 2nd sess., 3 Feb 1976, pt. 2:608; HCAS, *Hearings on Military Posture and H.R. 3689 Department of Defense Authorization for Appropriations for Fiscal Year 1976 and 1977*, 94th Cong., 1st sess., 5 Mar 1975, pt. 2:2085.

Schlesinger and Abrams had together achieved a significant increase in the Army's combat capability by shifting support functions to the reserves. The three new divisions would become operational by 1978. The combat units were created through greater reliance on the reserves, a portion of which were assigned to the three new divisions. These new units would cost \$2.5 billion over five years in FY 1976 dollars.<sup>20</sup>

The Pentagon's renewed focus on Europe also had led to a shift in the mix of light, mobile, and heavy mechanized units in the force. In October 1974 Schlesinger told Callaway that the Army had too many light units and insufficient armored and mechanized units. Equipment and funding shortages, however, prevented the Army from pressing forward with plans to

convert two light divisions into heavy divisions by the end of FY 1980. In August 1976.

Rumsfeld, who also wanted more heavy divisions, authorized additional production funds in the FY 1978 budget, enabling the Army to convert one light division to a heavy division by the end of FY 1979 and a second by the end of FY 1980.<sup>21</sup>

### **New Fighters for the Air Force**

As with the Army, Schlesinger wanted to increase the Air Force's combat capabilities and refocus the service on defending Western Europe. Since his time at RAND in the 1960s, Schlesinger had been convinced the Air Force needed to procure less costly aircraft with fewer capabilities to complement the sophisticated but expensive planes its leadership then favored. In 1973 the Air Force's main fighter was the F-4 Phantom, which the Air Force planned to replace with the F-15. Schlesinger, however, thought the Air Force leadership failed to understand that in a tight fiscal environment, they could not hope to replace the F-4 without severely reducing the overall size of the fighter force. Instead, he sought to complement the F-15 with the procurement of a cheaper aircraft to improve overall combat power at a time when Congress sought to trim the Defense budget. Schlesinger bargained with Air Force generals to overcome their resistance to the lightweight fighter. By promising to support funds for four more fighter wings, roughly 400 aircraft, he secured the support of Air Force Chief of Staff General David C. Jones for the lightweight fighter, which would become the F-16. Although initially far more resistant to Schlesinger's attempts to change policy than the Army had been, senior Air Force leaders came to support the secretary's high-low mix concept.<sup>22</sup>

Schlesinger feared that in an extended conflict with the Soviet Union, attrition would erode the Air Force's combat power because of its limited aircraft inventory. In 1966 as a RAND

analyst, Schlesinger complained about the Air Force tendency “to stress relatively small numbers of high-quality aircraft.” Air Force doctrine, then devised mostly by bomber generals, however, focused on preparing for nuclear war with the Soviet Union. In such a conflict, U.S. planes would conduct independent long-range strikes with nuclear weapons with little outside support. A massive use of nuclear weapons would obviate the need for a force capable of fighting a long war of attrition, planners thought. The new aircraft would carry heavy payloads long distances, along with equipment such as radar, to enable independent operations, and operate in poor weather, all conditions which required a heavy airframe and powerful engines such as those found on the F-105 Thunderchief fighter-bomber and the F-4. Rather than engage in close-range dogfights with enemy fighters, Air Force generals had anticipated the fighter-bombers of the future would fire homing missiles and destroy their targets from long range. Reflecting such confidence in the obsolescence of dogfighting, the original F-4 design lacked a cannon, relying exclusively on air-to-air missiles against enemy planes. The shortcomings and losses of these aircraft, along with faulty missiles, during the Vietnam War demonstrated that the era of close aerial combat had not ended. The Air Force needed to better plan for prolonged conventional conflicts.<sup>23</sup>

Although a far more effective air superiority fighter than the F-4, the McDonnell Douglas F-15 Eagle packed as much capability as possible into a single aircraft. The large, all-weather fighter was equipped with two engines and carried a large payload; its advanced radar could track targets for medium-range AIM-7 Sparrow air-to-air missiles. The Air Force had selected the design in 1969. Air Force Chief of Staff General George Brown and senior Air Force generals hoped to acquire the F-15 in large numbers.<sup>24</sup>

Schlesinger, however, believed the Air Force brass failed to understand that in the budget climate of the mid-1970s, the F-15 was far too expensive for the service to replace the F-4 with on a one-to-one basis. Instead, in August 1973, he expressed his strong support for the ongoing Lightweight Fighter (LWF) program to produce a less expensive fighter to complement the F-15. The LWF program had emerged from an alliance of civilians in the Office of the Director Defense Research and Engineering (DDR&E) and the “fighter mafia” within the Air Force, a group of field grade officers led by Col. John R. Boyd who also wanted a smaller fighter than the F-15. In the early 1960s, Boyd and mathematician Thomas P. Christie had developed the Energy-Maneuverability Theory, which stressed maneuverability performance—the ability to quickly change speed, altitude, and direction—over other factors such as top-speed. Air Force generals, however, were concerned that the aircraft might not be fast and powerful enough to best the new Soviet aircraft, and added requirements that increased the aircraft’s weight, sophistication, and cost. Boyd, who had worked on the F-15, was so frustrated he told his superiors “I could fuck up and do better than this.” He began work on a new, more agile fighter and briefed Schlesinger on plans for a lightweight aircraft shortly after the secretary entered office. The proposed fighter would be substantially less costly and lighter than the F-15, with a higher thrust-to-weight ratio, and capable of short-range air superiority and ground attack missions in fair weather conditions. To achieve performance specifications and cut costs, the aircraft design did not include an all-weather capability, nor did it allow for the plane to carry the Sparrow missile. The defense secretary embraced the LWF program.<sup>25</sup>

Most senior Air Force leaders, however, refused to support the lightweight fighter, fearing if it were developed, Congress might purchase fewer F-15s in favor of the less expensive plane. Thus, the Air Force structured the Lightweight Fighter program as a technology testing

effort rather than an acquisition project that would eventually lead to purchasing the plane. In March 1973, Lt. Gen. Otto J. Glasser had told Congress, “We have no intention in the Air Force of going into production for this airplane [the LWF]. . . . It is purely a technology endeavor.” Air Force Chief of Staff General John D. Ryan insisted that the lightweight fighter “is not a weapon system.” The program’s administration reflected its low priority within the Air Force. Two colonels oversaw the LWF project while major generals ran the B-1 and F-15 programs. Schlesinger would need to change the Air Force’s attitude toward the lightweight fighter if the program were to survive.<sup>26</sup>

While senior Pentagon leaders disagreed over the LWF’s value, Congress focused on the F-15 in 1973, particularly the aircraft’s Pratt & Whitney F-100 engine. Representative Les Aspin and other congressional critics accused the Air Force of pursuing a flawed design, citing developmental problems with the engine such as an afterburner that failed at times. Internal Pentagon reviews concluded otherwise, and the Defense Systems Acquisition Review Council approved the engine’s continued development.<sup>27</sup> The Pentagon requested just under \$1 billion dollars in FY 1974 funds to purchase 77 F-15s. Still disturbed by the plane’s reported engine problems and concerned about rising development costs, the House Appropriations Committee cut the planned purchase to 68 planes and the Senate further reduced it to 60 aircraft; the two houses settled on 62 F-15s for FY 1974. Meanwhile, Congress provided the full \$48 million requested in FY 1974 for the Lightweight Fighter program.<sup>28</sup>

The internal Pentagon debate over the lightweight fighter intensified during the FY 1975 budget process. At an August 1973 meeting with General Brown, who succeeded Ryan on August 1 as Air Force chief of staff, Schlesinger explained that he wanted to supplement the F-15 with a low-cost fighter. Brown said that he was not against a mixed force, hardly a ringing

endorsement. Brown's statement aside, Air Force actions made clear the service's opposition to the lightweight fighter. Attempting to kill the program, the Air Staff persuaded Malcolm R. Currie, the DDR&E, to drop \$30 million for the plane from the FY 1975 budget until Schlesinger ordered the funding reinstated. The 1973 Arab-Israeli War provided evidence to support the lightweight fighter's advocates. The Israeli Air Force sustained severe losses early in the conflict, nearly crippling the Israeli war effort and supporting Schlesinger's concern that wartime attrition could bring down an Air Force overly reliant on high-capability planes that were fewer in number than their predecessors because of budget constraints.<sup>29</sup>

In fall 1973 Schlesinger made an astute bureaucratic move that set the stage for an agreement with Air Force leaders on the lightweight fighter. At the time, the Air Force's tactical fighters were organized into 26 wings composed of 72 planes each—on paper. However, because of losses sustained during the Vietnam War and the growing cost of military aircraft, the Air Force was short by roughly 300 planes and had only enough tactical fighters to fully equip 22 wings. During the FY 1975 budget preparations, the Air Force requested OSD approval to procure the additional aircraft required to fully equip 26 wings. Schlesinger refused and directed the Air Force to remain at a strength of 22 wings. At a December 1973 review of the FY 1975 budget, Brown and Schlesinger revisited their disagreement. The defense secretary expressed his concern that the F-4's retirement combined with the high cost of the F-15 would shrink the Air Force to 12 or 14 wings. Still doubting the lightweight fighter's capabilities, Brown replied that he did not want planes that would be defeated in war. Schlesinger's 22-wing directive was reflected in the final FY 1975 budget presented to Congress in spring 1974.<sup>30</sup>

Schlesinger's position placed a bureaucratic roadblock in the Air Force's path to expand from 22 to more than 26 wings, giving him something he could trade in exchange for support for

the lightweight fighter. In early March 1974, Schlesinger made the offer explicit: he would support the Air Force's growth to 26 wings of tactical fighters if General Brown supported the lightweight fighter. The new wings would be equipped with the lightweight fighter. As with the Army, Schlesinger also wanted the Air Force to move personnel from headquarters and support units to combat units. The two men agreed and on March 11 the Air Force issued a statement supporting the acceleration of the LWF program. On May 17, 1974, Schlesinger received the Air Force's FY 1976 Program Objective Memorandum proposing an increase to 25½ wings, which he approved. During an April visit to Europe, Schlesinger affirmed this deal with General Jones, then the senior Air Force commander in Europe. Jones supported the deal, which likely played a role in Schlesinger selecting him as the next Air Force chief of staff later that summer. In fall 1974, Schlesinger sweetened the agreement by approving an Air Force request to procure 18 additional F-15s in the FY 1976 budget, bringing the total request to 135. Schlesinger's agreements with Brown and Jones allowed the Air Force to expand its tactical fighter capabilities and was a major success for the high-low concept.<sup>31</sup>

While reaching agreement within the Pentagon required considerable effort in 1974, NATO interest in the LWF improved the monetary case for producing the fighter and the aircraft sailed through Congress that year. In early 1974 a consortium of European nations, which included Belgium, Denmark, the Netherlands, and Norway, expressed interest in purchasing American aircraft to upgrade their aging fighter fleets. Schlesinger's FY 1975 budget requested funds to procure 72 F-15s and to continue the LWF program. On April 29, 1974, Schlesinger informed Congress that the Defense Department had selected the General Dynamics YF-16, a single-engine fighter, and the Northrop YF-17, a dual-engine fighter, to compete for eventual

production of an air combat fighter. Congress fully funded the additional F-15s and the LWF program.<sup>32</sup>

Both the YF-16 and YF-17 had been designed under the scrutiny of Col. Boyd, who sought to ensure the fighters' costs remained low and reflected the energy-maneuverability theory in performance. Pilots testing both aircraft preferred the more maneuverable YF-16, and in January 1975 Secretary of the Air Force John McLucas announced that the General Dynamics design, the YF-16 (soon-to-be renamed F-16) would become the Air Force's new lightweight fighter. The four NATO nations ordered 384 F-16s in June 1975, which improved NATO standardization efforts and was popular with congressional representatives concerned about the U.S.-Europe balance of payments. The Navy would select the YF-17, largely because Navy admirals considered the vulnerability of a single-engine plane operating over water and preferred the superiority of the YF-17 design for carrier landings. The Navy lightweight fighter would be renamed the F-18.<sup>33</sup>

In spring 1975, Schlesinger presented the new tactical fighter force structure to Congress as part of the president's FY 1976 budget. The Air Force would increase its combat power by procuring the F-16 and converting four squadrons of F-4s, scheduled to be moved to the reserves, into active force air defense suppression units. To provide personnel for these new formations without increasing overall personnel numbers, the Air Force relied more on the reserves and planned to eliminate several headquarters and support units, freeing up over 30,000 personnel. Fulfilling his side of the agreement with the Air Force, the secretary requested funds to almost double F-15 procurement from 72 to 135.<sup>34</sup>

Some members of Congress began targeting the expanding Air Force tactical fighter program. At a February 26, 1975, hearing of the House Appropriations Committee,

Representative Sikes questioned the need for additional fighters given the technological improvements in U.S. aircraft. Schlesinger replied that the Air Force needed to counter Soviet airpower economically, which could be best accomplished by a mix of F-15s and F-16s. When questioned by Senator Howard W. Cannon (D-NV) in a Senate Armed Services Committee hearing about Air Force support for the F-16 in exchange for the new fighter wings, Maj. Gen. Abbott C. Greenleaf denied the existence of any deal between OSD and the Air Force. Congress significantly boosted funding to support the high-low mix for the Air Force. In the FY1976/T budget, Congress backed an 11.4 percent real increase in Air Force procurement total obligation authority, most of which stemmed from increased funding for the F-15 and F-16.<sup>35</sup>

In the FY 1977 DoD budget, the high-low mix of F-15s and F-16s Schlesinger had promoted continued to shape Air Force planning. Rumsfeld, who succeeded Schlesinger in November 1975, supported the existing Air Force tactical fighter program and approved additional funding for F-15 production. Congress supported the proposed F-15 and F-16 programs, providing funds to buy 108 F-15s. The Air Force remained on track to achieve its goal of 26 tactical fighter wings by 1981 as shown in the growing purchases of F-15s and close air support A-10s in Table 1.<sup>36</sup>

**Table 1. Air Force Fighter Procurement, FY1973–FY1978**

	FY73	FY74	FY75	FY76/T	FY77	FY78
F-15	30	62	72	132	108	96
A-10	0	0	22	73	100	144
F-16	0	0	0	0	0	105
A-7	24	24	24	0	0	0
F-5	0	0	71	0	0	0
F-111	12	12	0	0	0	0
F-4	48	24	0	0	0	0
Total	114	122	189	205	208	345

Source: SCAS, *Fiscal Year 1977 Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve and Civilian Personnel Strengths: Hearings*, 94th Cong., 2nd sess., 9 Mar 1976, pt. 9:4837, 4872; SCAS, *Department of Defense Authorization for Appropriations for Fiscal Year 1979: Hearings*, 95th Cong., 2nd sess., 8 Mar 1978, pt. 6:4537; SCAS, *Department of Defense Authorization for Appropriations for Fiscal Year 1979: Hearings*, 95th Cong., 2nd sess., 16 Mar 1978, pt. 5:3804.

Although Air Force leaders initially resisted the high-low concept for tactical fighters, the secretary's incentive of supporting four more wings worth of fighter production ultimately succeeded. Like the Army, the Air Force achieved a considerable increase in combat power by moving personnel from support units to combat units. Table 2 illustrates the change in the Air Force's active tactical fighter inventory over the course of the Nixon and Ford years, including the introduction of the F-15. The F-16 began reaching operational combat squadrons late in the Carter administration.

**Table 2. Active Tactical Fighter Force (Aircraft in Operational Units)**

	FY73	FY74	FY75	FY76	FY77	FY78
A-7	216	216	216	192	168	96
F-15	0	0	0	48	48	216
F-4	1008	1008	1008	1044	1044	978
F-111	270	276	276	288	288	282
A-10	0	0	0	0	0	72

Sources: SCAS, *Fiscal Year 1977 Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve and Civilian Personnel Strengths: Hearings*, 94th Cong., 2nd sess., 9 Mar 1976, pt. 9:4859–4863; SCAS, *Fiscal Year 1976 and July-September 1976 Transition Period Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve, and Civilian Personnel Strengths: Hearings*, 94th Cong., 1st sess., 10 Mar 1975, pt. 8:4163–4167; SCAS, *Fiscal Year 1975 Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve and Civilian Personnel Strengths: Hearings*, 93rd Cong., 2nd sess., 12 Mar 1974, pt. 8:4168; SCAS, *Department of Defense Authorization for Appropriations for Fiscal Year 1979: Hearings*, 95th Cong., 2nd sess., Mar 1978, pt. 6:4561–4562, 4569; Comptroller of the Air Force, *United States Air Force Statistical Digest, Fiscal Year 1977*, 31 May 1978, 2, [www.afhso.af.mil/usafstatistics](http://www.afhso.af.mil/usafstatistics), accessed 5 Oct 2016; Comptroller of the Air Force, *United States Air Force Statistical Digest, Fiscal Year 1978*, 31 May 1979, 2, <https://media.defense.gov/2011/Apr/14/2001330226/-1/-1/0/AFD-110414-057.pdf>.

Despite Schlesinger’s insistence that the F-16 remain a low-cost aircraft, the Air Force gradually added capabilities and cost to the aircraft in the early 1980s after the F-15 production run had been secured. Adding such additional capabilities on the F-16 earlier in development, Air Force leaders knew, might have undermined congressional support for the F-15. For example, the Air Force had developed the F-16 without the ability to operate in poor weather conditions or to carry the AIM-7 Sparrow medium-range missile, both of which were features of the F-15. During the Reagan years the Air Force modified the F-16 to do both. Successful though Schlesinger was at bargaining with Air Force generals to adopt his preferred procurement plans while he was in office, the Air Force later pursued its preferences in a more favorable budget climate.<sup>37</sup>

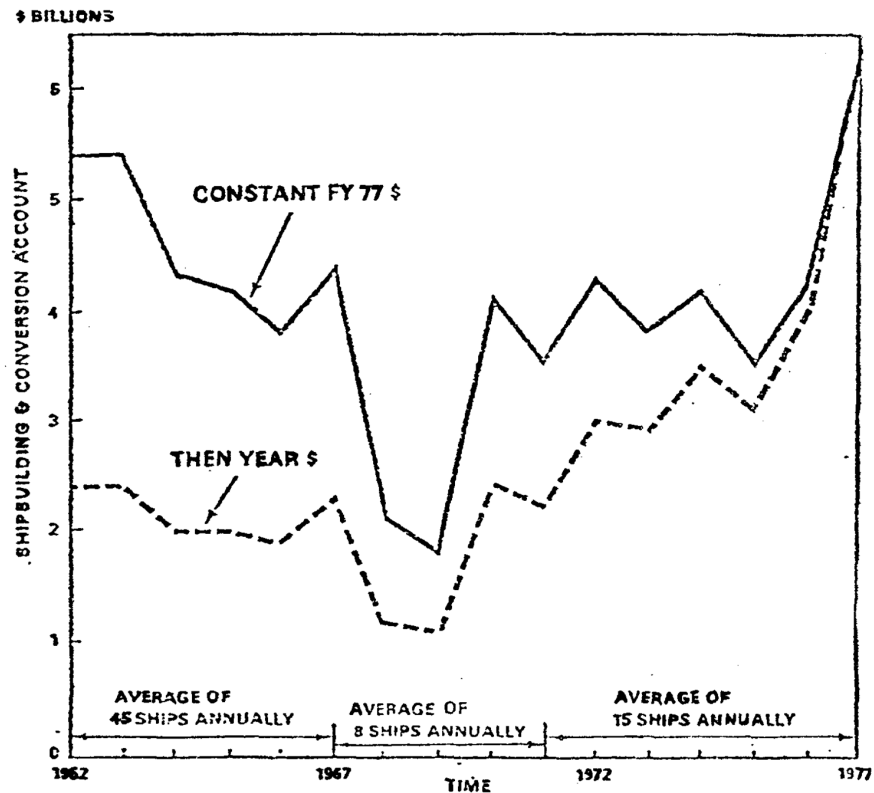
### **The U.S. Navy and Nuclear-Powered Escorts**

Richardson's and Schlesinger's efforts to expand the Navy by supporting the acquisition of less expensive ships initially appeared promising. The Navy's shipbuilding programs already included several high-capability ships, and Chief of Naval Operations Admiral Elmo Zumwalt sought to introduce lower-capability ships to economically increase the fleet's size. In the FY 1974 DoD budget, Secretary Elliot Richardson and Zumwalt introduced four new, less costly ships into the Navy's budget request. Ultimately, of these four ships, only the *Oliver Hazard Perry*-class patrol frigate became a major acquisition project.

Many variables affected Navy shipbuilding in the early 1970s. As the Navy retired the last of its World War II-era ships, the fleet's size plummeted. In 1976 the Navy included 95 cruisers and destroyers, down from 240 in 1965. Rising ship production costs, driven by inflation and expensive electronics, prevented the Pentagon from replacing all the ships. At the same time, the costly Vietnam War drained shipbuilding funds and forced redirected support to combat operations in the western Pacific. The wear and tear of wartime operations forced the Navy to retire some ships earlier than planned. Finally, various factions within the government could not agree on the types of ships to build. One group, led by Admiral Hyman Rickover, the renowned head of naval reactors called for nuclear-powered escorts to complement the fleet's growing number of nuclear-powered aircraft carriers and submarines. Rickover enjoyed considerable popularity in Congress, especially in the House Armed Services Committee, which supported nuclear power in the Navy. Schlesinger and Zumwalt preferred to build more conventionally powered ships to cut costs. The naval aviation and submarine communities largely supported Rickover, while the surface ship community supported expanding the fleet size by

complementing nuclear-powered ships with the less costly conventionally powered ships. Schlesinger's efforts to make a significant course change faced major resistance.<sup>38</sup>

### Navy Shipbuilding Appropriations, FY1963–FY1976



Source: Donald Rumsfeld, *Defense Department Annual Report FY1978*, 179.

In the FY 1974 DoD budget presented to Congress, Secretary Richardson had requested funding for four lower-capability ship types. The budget included a small aircraft carrier, the sea control ship (SCS), that would be designed to carry a squadron of helicopters and a few jump jets to defend convoys against submarine attacks. The *Oliver Hazard Perry*-class frigates would provide convoy support by fending off Soviet submarines with antisubmarine detection equipment and weaponry. The very small patrol hydrofoil missile PHM ship, armed with

antiship missiles, was intended to guard coastal waters against similar Soviet craft. The budget also included funding for two prototype surface effect ships (SES), expected to reach high speeds over 80 knots, far faster than the approximately 30-knot maximum on most existing warships. Each vessel type would allow the Navy to visit the ports of small nations, thereby projecting U.S. presence and sea power far from home, a critical Navy function in the eyes of Richardson. He had requested just under \$200 million for the four shipbuilding projects—SCS, *Perry*-class frigate, PHM, and SES—which Congress largely provided with the passage of the FY 1974 budget in December 1973.<sup>39</sup>

In the FY 1974 Defense budget, Congress also supported procurement of expensive and highly capable ships. The Pentagon requested the final batch of funding required for the third massive, nuclear-powered *Nimitz*-class aircraft carrier along with funds for five nuclear-powered attack submarines. The Navy also sought to start the final seven of the 30 *Spruance*-class destroyers, powered by gas turbines. Although Congress supported the destroyers, the House Appropriations Committee report on the appropriation bill warned “the worldwide energy crisis [should] mandate increased use of nuclear propulsion for Navy ships in future years.”<sup>40</sup>

As the FY 1975 Defense budget was prepared within the Pentagon, nuclear power was a central issue for Navy shipbuilding. Meeting with Zumwalt on July 20, 1973, Schlesinger, who replaced Richardson in summer 1973, agreed with the admiral’s complaint that the high cost of nuclear power was “devouring” shipbuilding budgets. The \$200 million cost for each new nuclear-powered attack submarine, for instance, forced the Navy to gradually reduce its submarine fleet size. Because of their cost, Schlesinger had lowered the annual procurement rate for these submarines from five to three in FY 1975. The secretary hoped to supplement nuclear-powered attack submarines with less expensive diesel-powered boats.<sup>41</sup>

The House Armed Services Committee, however, wanted the Navy to procure more nuclear-powered ships, despite their high cost. This attitude reflected Admiral Rickover's powerful influence in Congress and close ties with senior representatives in the House. Rickover persuaded his congressional allies to insert a requirement into the FY 1975 defense authorization bill that would require nuclear power for use in major warships unless the president certified that doing so would not be in the national interest. Although Deputy Secretary William Clements fought this provision, the requirement became law in August 1974. Presidents Ford and Carter, however, consistently certified that nuclear power was unnecessary for surface ships until the requirement was finally repealed in 1978.<sup>42</sup>

Congress then proceeded to deal major blows to the high-low concept Schlesinger and Zumwalt advocated as the FY 1975 Defense budget moved through Capitol Hill. The Senate Armed Services Committee denied the Pentagon's request for funding for the first of eight sea control ships, the small carrier designed to hunt submarines. The appropriations committees followed suit, ending the SES project, which had come under withering attack from critics who charged the ship could not provide effective fleet defense. The House Appropriations Committee found that "the sea control ship and its currently available aircraft provide only a limited capability to counter the submarine torpedo threat, and virtually no capability to counter the major threat to convoys and to the fleet—the cruise missile." The ship lacked strong support within the Navy. Admiral Rickover had opposed the small carrier because it was not nuclear-powered, and naval aviators—such as the new chief of naval operations (CNO) in June 1974, Admiral James L. Holloway III—viewed the ship as a threat to future procurement of large, nuclear-powered carriers.<sup>43</sup>

Congress followed up on the demise of the sea control ship by slashing the funding for *Perry*-class frigates, austere ships designed to protect convoys from submarines. The estimated unit cost of the 50 planned frigates roughly doubled from \$64 million in FY 1974 to \$121 million in FY 1975, caused by inflation and contracting problems with the builder. Congress cut four of the seven planned FY 1975 frigates. Critics within the Navy attacked the ships as under armed and therefore lacking flexibility. Still, Schlesinger wanted the ships built in large numbers, viewing them as perfectly suited for deployments around the world to remind nations of American influence. He later recalled that the frigate and the other low-capability ships were opposed by “all of the people in the nuclear Navy; [since] ... it was a Navy tradition to get the best ship that you can.”<sup>44</sup>

The two pieces of Schlesinger’s and Zumwalt’s high-low strategy that survived the FY 1975 budget cycle were ultimately doomed. Instead of the planned 30 missile-armed hydrofoils, the Navy received six before Defense Secretary Harold Brown canceled the program in 1977. The surface effect ship, designed to allow for a more visible U.S. global presence, languished in development throughout the 1970s. Zumwalt’s departure in July 1974 heralded the end of the high-low strategy for the Navy and deprived Schlesinger of his principal Navy ally. The next CNO, Admiral Holloway, sharply disagreed with Schlesinger over Navy roles and force structure. When the two met in early August, Schlesinger held that the Navy’s principal mission was sea control and said he thought the Navy overemphasized large, expensive aircraft carriers. Holloway responded that he wanted high-capability ships, large nuclear-powered carriers that could stand up to the Soviet navy. “A large-deck nuclear carrier,” Holloway wrote later, “was the only acceptable carrier.”<sup>45</sup>

In the FY 1976 Defense budget, Schlesinger sought to achieve a balance between high and low capability ships. The president's budget requested funds for a new class of nuclear-powered strike cruisers, equipped with cruise missiles and capable of engaging airborne and submerged threats. The secretary also asked for funds to build 10 *Perry*-class frigates and the final seven *Spruance*-class destroyers, neither of which were nuclear-powered. Congress provided most of the requested funds for the conventionally powered ships. However, the strike cruiser's high cost, which approached that of a nuclear carrier, and the absence of a firm ship design, undercut congressional support for the project. Congress ultimately appropriated only \$62 million instead of the requested \$397 million for the strike cruiser in FY 1976.<sup>46</sup>

Ford's firing of Schlesinger in November 1975 removed the principal advocate for building more low-capability ships. Upon becoming secretary, however, Rumsfeld found himself caught up in a congressional struggle between critics and advocates of the high-low mix. During the Pentagon's budget process, the Navy requested funds to begin construction of a new *Nimitz*-class nuclear-powered carrier, but Rumsfeld denied the request. In the FY 1977 budget presented to Congress in early 1976, Rumsfeld and Ford tried to strike a balance between nuclear and conventional power, requesting funds to build a nuclear-powered strike cruiser, a conventional destroyer designed for air defense, and eight *Perry*-class frigates. In late March, however, the House Armed Services Committee decided that more nuclear-powered ships were needed and added two more nuclear-powered strike cruisers, a nuclear carrier, and two nuclear submarines, and then cut the funding for five conventional ships. The Senate Armed Services Committee's preference for fewer nuclear ships placed Rumsfeld in a difficult position when he appeared before that body in early May.<sup>47</sup>

In his Senate testimony Rumsfeld tried to avoid criticizing the House report, even though it differed markedly from President Ford's budget request. The secretary avoided comment on the specific mix of nuclear and conventional ships needed, simply stating that he supported the president's budget. Instead, he praised the House for "point[ing] up the fact that the Navy of the future does need to be strengthened." After Rumsfeld's testimony, the Senate Armed Services Committee took the opposite view of the House. On May 14, the Senate committee took out the carrier and the strike cruiser while approving the eight frigates and the air defense destroyer. The final FY 1977 authorization bill cut out both the nuclear strike cruiser and the air defense destroyer. In the FY 1977 appropriations bill the two houses continued to disagree: the House Appropriations Committee funded the strike cruiser and the air defense destroyer while the Senate cut both ships. Ultimately Congress funded neither vessel.<sup>48</sup>

Aside from the *Perry*-class frigates, the high-low concept Schlesinger and Zumwalt advanced failed to gain enough support within the Navy. Opposition from Admiral Rickover and his allies in Congress, especially the House, undermined the effort to build large numbers of low-cost warships and the number of escort ships fell precipitously as a consequence (see table 3). Schlesinger later recalled his frustration with the Navy, declaring it "a force unto itself" like "an independent barony" that rightly believed "it will get what it wants from Capitol Hill." The strong support for large aircraft carriers and resistance to smaller carriers within the Navy suggested there was some truth to the secretary's description.<sup>49</sup>

**Table 3. U.S. Navy Operational Warships, 1973–1976**

	FY 73	FY 74	FY 75	FY 76	FY 77
Carriers	16	14	15	13	13
SSNs	60	61	64	64	68
Escorts	204	161	161	159	155

Source: OASD (Comptroller), Defense Management Summary, 10 May 1977, OSD/HO.

Secretary Schlesinger's efforts to provide incentives to the services brought about major shifts in the force structure of the Army and Air Force. The Navy remained unconvinced by Schlesinger's advocacy for low-cost warships to bolster the fleet's size. A storm of competing pressures proved intractable with the result that Navy shipbuilding remained in turmoil in 1977. The Army and Air Force, however, took major steps toward rebuilding from the effects of the Vietnam War through Schlesinger's incentives. Both expanded their combat power in response to Schlesinger's pressure to shift more support functions to the reserves. The number of active-duty Army divisions increased from 13 to 16. These new units allowed the Army to assign more units to the defense of Western Europe, one of Schlesinger's main objectives. The Air Force supported the F-16 fighter in exchange for increasing the number of tactical fighters from 22 to 26 wings worth of aircraft. The introduction of the F-16 to complement the larger F-15 laid the foundation of American airpower for decades to come. Schlesinger orchestrated both shifts through the annual Pentagon budget process, a textbook example of how a defense secretary can use the budget to make strategic choices with lasting effects on U.S. national security policy.

## Endnotes

---

1. Remarks to Freshmen Congressmen, 12 Sep 1973, *Schlesinger Public Statements 1973*, 2:654–655 (quote); Richard Hunt, *Melvin Laird and the Foundations of the Post-Vietnam Military*, 265.
2. Remarks to Freshmen Congressmen, 12 Sep 1973, *Schlesinger Public Statements 1973*, 2:653–656.
3. Schlesinger later recalled, “Bob McNamara said, ‘There shall be a force of fifteen carriers; there shall be 16 Army divisions; so many air wings,’ and so on.... He created great incentives for each of the military services to build as much capability into those units as they could, and that tended to drive up per unit cost.” Schlesinger interview, 12 Jul 1990, OSD/HO, 48. James R. Schlesinger, “The Office of the Secretary of Defense,” in Peter Hays et al., ed., *American Defense Policy* (Baltimore, MD: John Hopkins University Press, 1997), 106 (quote); James Schlesinger, “Defense Planning and Budgeting: The Issue of Centralized Control,” May 1968, Acc AD0669377, Defense Technical Information Center. In April 1973 Richardson announced that the Office of Systems Analysis would be redesignated the Office of Defense Program Analysis and Evaluation and explained to the Systems Analysis staff that the new title better represented the office’s broader responsibilities as well as his expectations that systems analysis would be but one of the many techniques he expected analysts to employ. Office of Assistant Secretary of Defense (Public Affairs), “Secretary of Defense Announces Appointments and Organization Changes,” News Release, 11 Apr 1973; Clarification of Statement (DoD Press Release No. 182-73,) 12 Apr 1973: both in *Richardson Public Statements 1973*, 3:1278–1279.
4. Schlesinger interview, 12 Jul 1990, OSD/HO, 48–54.
5. Schlesinger, “Defense Planning and Budgeting,” 14 (quote), William Kaufmann, interview by Lawrence Kaplan and Maurice Matloff, 14 Jul 1986, OSD/HO, 28; William Kaufmann, interview by Maurice Matloff, 23 Jul 1986, OSD/HO, 28–29; James Schlesinger, “Organizational Structures and Planning,” Feb 1966 in Schlesinger, *Selected Papers on National Security, 1964–1968* (Santa Monica, CA: RAND, 1974), 59–60 (quotes); Charles Stevenson, *SecDef: The Nearly Impossible Job of Secretary of Defense* (Washington, DC: Potomac Books, 2006), 52–53. Chief of Naval Operations Elmo Zumwalt recalled that the relationship between the military services and the defense secretary was “much happier during the Laird-Richardson-Schlesinger years” than they had been during McNamara’s tenure. He praised Schlesinger for his ability to engage military leaders on substance and stimulate thought. “He was respected as a thinker more than as a manager,” Zumwalt recalled. Elmo Zumwalt, interview by Alfred Goldberg and Maurice Matloff, 29 May 1991, OSD/HO, 17-19.
6. House Committee on the Budget, *Force Structure and Long-Range Projections: Hearings*, 94th Cong., 1st sess., 10 Jul 1975, pt. 1:36–38 (quote).
7. *Ibid.*, 13 (quote).
8. Remarks to Newly Appointed Army Brigadier Generals, 6 Aug 1974, *Schlesinger Public Statements 1974*, 8:2667 (quotes).
9. Center for Military History, “Department of the Army Historical Summary: FY 1969,” [www.history.army.mil/books/DAHSUM/1969/chIV.html](http://www.history.army.mil/books/DAHSUM/1969/chIV.html), accessed 27 Sep 2016; Center for Military History, “Department of the Army Historical Summary: FY 1973,” [www.history.army.mil/books/DAHSUM/1973/chVI.html](http://www.history.army.mil/books/DAHSUM/1973/chVI.html), accessed 27 Sep 2016; Schlesinger, *Annual Defense Department Report FY 1976 and FY1977*, 5 Feb 1975, III-15 (quote).
10. Notes on SecDef Review of Major Program Issues, n.d. [Aug 1973], folder 100.54 (21 Aug-31 Aug) 1973, box 14, Acc 330-78-0001, OSD Records, WNRC; Remarks at Swearing-in Ceremony for General

Frederick Weyand, 7 Oct 1974, *Schlesinger Public Statements 1974*, 9:2872 (quote); Remarks to Newly Appointed Army Brigadier Generals, 6 Aug 1974, *Schlesinger Public Statements 1974*, 8:2660 (quote).

11. Lewis Sorley, *Thunderbolt: General Creighton Abrams and the Army of His Times* (Bloomington: Indiana University Press, 2008), 362 (quote); Richard Lock-Pullan, *US Intervention Policy and Army Innovation: From Vietnam to Iraq* (London: Routledge, 2006), 53–54; Harry G. Summers, “The Astarita Report: A Military Strategy for the Multipolar World,” U.S. Army War College, 30 Apr 1981, 21, 38–39, Acc ADA098700, Defense Technical Information Center; Richard Stewart, ed., *American Military History, Volume II: The United States Army in a Global Era, 1917–2008* (Washington, DC: U.S. Army Center for Military History, 2010), 379–380 (quote).

12. Richard Stubbing, *The Defense Game: An Insider Explores the Astonishing Realities of America’s Defense Establishment* (New York: Harper & Row Publishers, 1986), 323–324; James Kitfield, *Prodigal Soldiers: How a Generation of Officers Born of Vietnam Revolutionized the American Style of War* (Washington, DC: Brassey’s, 1995), 149; Lewis Sorley, *Thunderbolt*, 360.

13. Schlesinger, *Annual Defense Department Report FY 1975*, 85; Schlesinger, *Annual Defense Department Report FY1976 and FY 1977*, III-14; House Committee on the Budget, *Force Structure and Long-Range Projections: Hearings*, 94th Cong., 1st sess., 10 Jul 1975, pt.1:76; Schlesinger interview, 12 Jul 1990, OSD/HO, 34

14. Hunt, *Foundations of the Post-Vietnam Military*, 292, 494; Kitfield, *Prodigal Soldiers*, 150; House Committee on the Budget, *Force Structure and Long-Range Projections: Hearings*, 10 Jul 1975, pt.1:58; memo, Colonel Kenneth Bailey for MGEN Richard Lawson, 7 Feb 1975, folder 020 Army (WH 5992) (31 Jan 75), box 4, Acc 330-78-0058, OSD Records, WNRC.

15. Sorley, *Thunderbolt*, 151 (quote); Allan Millet, Peter Maslowski, and William B. Feis, *For the Common Defense: A Military History of the United States from 1607 to 2012* (New York: Free Press, 2012), 525–527; Poole, *Joint Chiefs of Staff and National Policy*, 32.

16. House Committee on the Budget, *Force Structure and Long-Range Projections: Hearings*, , 10 Jul 1975, pt. 1:43 (quote), 56.

17. Stubbing, *The Defense Game*, 324; Schlesinger, *Annual Defense Department Report FY 1975*, 99; Schlesinger, *Annual Defense Department Report FY 1976 and FY 1977*, III-14; Sorley, *Thunderbolt*, 365; Senate Committee on Appropriations, *Department of Defense Appropriations for Fiscal Year 1975: Hearings*, 93rd Cong., 2nd sess., 12 Mar 1974, pt. 2:34 (quote); PDM 264, 11 Dec 74, folder 110.01 (PBD# 210-264) (31 Dec 74), box 16, Acc 330 -78-0011, OSD Records, WNRC.

18. HCAS, *Hearings on Military Posture and H.R. 3689 Department of Defense Authorization for Appropriations for Fiscal Year 1976 and 1977*, 94th Cong., 1st sess., 5 Mar 1975, pt. 2:2081, 2096, 2116, 2119, 2948, 2977; House Committee on Appropriations (HCA), *Department of Defense Appropriations for 1976: Hearings*, 94th Cong., 1st sess., 13 Mar 1975, pt. 2:225 (quote), 272 (quote).

19. SCAS, *Fiscal Year 1977 Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve, and Civilian Personnel Strengths: Hearings*, 94th Cong., 2nd sess., 3 Feb 1976, pt. 2:702; HCAS, *Hearings on Military Posture and H.R. 3689 Department of Defense Authorization for Appropriations for Fiscal Year 1976 and 1977*, 94th Cong., 1st sess., 5 Mar 1975, pt. 2: 2084.

20. House Committee on the Budget, *Force Structure and Long-Range Projections: Hearings*, 94th Cong., 1st sess., 10 Jul 1975, pt. 1:73; Center for Military History, “Department of the Army Historical Summary: FY 1977,” [www.history.army.mil/books/DAHSUM/1977/ch02.html](http://www.history.army.mil/books/DAHSUM/1977/ch02.html), accessed 29 Sep 2016; General George Brown, *Military Posture for FY 1978*, n.d. [Jan 1977], folder 110.01 HNGS 1977, box 1, Acc 330-80-0016, OSD Records, WRNC.

21. Memo, SecArmy Callaway for General Frederick Weyand, 29 Oct 1974, folder Korea 300-900 1974, box 66, Acc 330-78-0011; memo, Rumsfeld for Secretary of the Army Martin Hoffman, 9 Aug 1976, folder Program Decision Memorandum 1976, box 12, Acc 330-79-0049.
22. Walter Boyne, *Beyond the Wild Blue: A History of the United States Air Force, 1947–2007* (New York: St. Martin's Press, 2007), 257–259.
23. James R. Schlesinger, "Organizational Structures and Planning," in James R. Schlesinger, *Selected Papers on National Security, 1964–1968* (Santa Monica, CA: RAND Corporation, 1974), 66, 69 (quote); Mark Clodfelter, *The Limits of Air Power: The American Bombing of North Vietnam* (New York: Free Press, 1989), 27, 31; Marshall Michel, "The Revolt of the Majors: How the Air Force Changed After Vietnam" (Ph.D. diss., Auburn University, 2006), 101.
24. James Slife, *Creech Blue: General Bill Creech and the Reformation of the Tactical Air Forces, 1978–1984* (Montgomery, AL: Air University Press, 2004), 15.
25. Notes on SecDef Review of Major Program Issues, n.d. [27 Aug 1973], folder 100.54 (21 Aug-31 Aug) 1973, box 14, Acc 330-78-0001; Ingemar Dorfer, *Arms Deal: The Selling of the F-16* (New York: Praeger, 1983), 13; Coram, *Boyd*, 144–148. Boyd quote found in Stephen Budiansky, *Air Power: The Men, Machines, and Ideas that Revolutionized War, from Kitty Hawk to Iraq* (New York: Penguin, 2004), 400. David Aronstein and Albert Piccirillo, "The F-16 Lightweight Fighter: A Case Study in Technology Transition," in Jacob Neufeld, et al., *Technology and the Air Force: A Retrospective Assessment* (Washington, DC: Air Force History and Museums Program, 1997), 203; Grant Hammond, *The Mind of War: John Boyd and American Security* (Washington, DC: Smithsonian Institution Press, 2001), 96; SCAS, *Fiscal Year 1974 Authorization for Military Procurement, Research and Development, Construction Authorization for the Safeguard ABM, and Active Duty and Selected Reserve Strengths: Hearings*, 93rd Cong., 1st sess., 19 Mar 1973, pt. 6:4490 (quote); Michel, "Revolt of the Majors," 176–177; William Y'Blood, "The General Dynamics F-16 Falcon," Air Force History Support Office.
26. Ingemar Dorfer, *Arms Deal: The Selling of the F-16* (New York: Praeger, 1983), 13; David Aronstein and Albert Piccirillo, "The F-16 Lightweight Fighter: A Case Study in Technology Transition," in Jacob Neufeld, et al., *Technology and the Air Force: A Retrospective Assessment* (Washington, DC: Air Force History and Museums Program, 1997), 203; Grant Hammond, *The Mind of War: John Boyd and American Security* (Washington, DC: Smithsonian Institution Press, 2001), 96; SCAS, *Fiscal Year 1974 Authorization for Military Procurement, Research and Development, Construction Authorization for the Safeguard ABM, and Active Duty and Selected Reserve Strengths: Hearings*, 93rd Cong., 1st sess., 19 Mar 1973, pt. 6:4490 (quote); Michel, "Revolt of the Majors," 176–177; William Y'Blood, "The General Dynamics F-16 Falcon," Air Force History Support Office.
27. Deputy Secretary of Defense David Packard set up the Defense Systems Acquisition Review Council (DSARC) in May 1969. The council included the director of research and engineering, the assistant secretary for installations and logistics, the assistant secretary for systems analysis, and the comptroller. Although the services retained primary responsibility for weapons' acquisition and management, DSARC allowed greater OSD oversight of major programs by evaluating each system at contract initiation, the transition from contract to development, and the shift from development to production. Richard Hunt, *Melvin Laird and the Foundation of the Post-Vietnam Military, 1969–1973*, 21.
28. Memo, PDASD(SA) Christie to DDR&E et al., "F-15," 14 Feb 73; Memo, ASD(I&L) to DepSecDef, "F-15 Program," 22 Feb 73; OSD(PA), "F-15 Production Approved," 28 Feb 73; all in folder 452 F-15 (Jan-May) 1973; ltr, DepSecDef to Representative Aspin, 1 Jun 1973, folder "452 F-15 (1973)"; memo, DDR&E to DepSecDef, "F-15 Engine," 15 Oct 1973, folder 452 (Jun-Dec 1973); all in box 55, Acc 330-78-0001; Elliot Richardson, *Annual Defense Department Report FY 1974*, 12, 69, 77–78, 121; "Congress Clears \$73.7-Billion Defense Appropriation," in *CQ Almanac 1973*, 29th ed. (Washington, DC: Congressional Quarterly, 1974), 167–177.

29. Entry for 27 Aug 73, BG Taylor Notebook, 8-27 Aug 1973, folder 020 SD (31 Dec 73), box 7, Acc 330-78-0001; Dorfer, *Arms Deal*, 9–10; Hammond, *The Mind of War*, 95.
30. James Stevenson, *The Pentagon Paradox: The Development of the F-18 Hornet* (Annapolis, MD: Naval Institute Press, 1993), 158; SCAS, *Fiscal Year 1976 and July-September 1976 Transition Period Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve and Civilian Personnel Strengths: Hearings*, 94th Cong., 1st sess., 14 Mar 1976, pt. 9:4581; BG Taylor Notebook, entry for 14 Dec 1973, folder 020 SD (31 Dec 1973), box 7, Acc 330-78-0001; Schlesinger, *Annual Defense Department Report FY 1975*, 236.
31. Dorfer, *Arms Deal*, 14; General David C. Jones, interview by Alfred Goldberg and Maurice Matloff, 12 Aug 1987, OSD/HO, 12–13; Hammond, *Mind of War*, 96; Douglas Campbell, “Plane in the Middle: A History of the U.S. Air Force’s Dedicated Close Air Support Plane” (Ph.D. diss., Texas Tech University, 1999), 226; Slife, *Creech Blue*, 16; Michel, “The Revolt of the Majors,” 180; Stevenson, *The Pentagon Paradox*, 171; SCAS, *Fiscal Year 1976 and July-September 1976 Transition Period Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve and Civilian Personnel Strengths: Hearings*, 94th Cong., 1st sess., 10 Mar 1975, pt. 8:4176; memo, McLucas for Schlesinger, 17 May 1974, folder 100.54 (S-1471) 17 May 1974, box 13, Acc 330-78-0011; PBD 185RC, 24 Dec 1974, folder 110.01 Decisions PBD 141-209 31 Dec 1974, box 16, Acc 330-78-0011; *The Reminiscences of Vice Admiral Raymond E. Peet, U.S. Navy (Retired)* (Annapolis, MD: U.S. Naval Institute, 1984), 320.
32. Schlesinger, *Annual Defense Department Report FY 1975*, 145, 150, 151; Schlesinger, *Annual Defense Department Report FY 1976 and FY 1977*, III-103, III-110–III-113; News Release, “DoD to Pursue Air Combat Fighter Production Option,” 29 Apr 1974, *Schlesinger Public Statements 1974*, 6:2028.
33. John W. Finney, “General Dynamics Wins Order to Build new Air Force Fighter,” *New York Times*, 14 Jan 1975, 1; Aronstein and Piccirillo, “The F-16 Lightweight Fighter,” 222; Y’Blood, “The General Dynamics F-16 Falcon,” Air Force History Support Office.
34. Schlesinger, *Annual Defense Department Report FY 1976 and FY1977*, III-103, III-110–III-113, V-4.
35. HCA, *Department of Defense Appropriations for 1976: Hearings*, 94th Cong., 1st sess., 26 Feb 1975, pt. 1:333; SCAS, *Fiscal Year 1976 and July-September 1976 Transition Period Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve and Civilian Personnel Strengths: Hearings*, 94th Cong., 1st sess., 10 Mar 1975, pt. 8:4176; OUSD(C), *National Defense Budget Estimates for FY 2017*, Mar 2016, 195.
36. Rumsfeld, *Annual Defense Department Report FY 1977*, 186–188; “Congress Approves \$104.3-Billion Defense Bill,” in *CQ Almanac 1976*, 32nd ed. (Washington, DC: Congressional Quarterly, 1977), 762–780.
37. SCAS, *Fiscal Year 1978 Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve, and Civilian Personnel Strengths: Hearings*, 95th Cong., 1st sess., Mar 1977, pt. 7:4632, 4634; Slife, *Creech Blue*, 16.
38. Norman Polmar, Thomas Allen, *Rickover* (New York: Simon & Schuster, 1982), 396–397; Drea, *McNamara, Clifford, and the Burdens of Vietnam*, 516; Robert W. Love Jr., *History of the U.S. Navy, 1942–1991* (Harrisburg, PA: Stackpole Books, 1992), 641, 644.
39. Richardson, *Annual Defense Department Report FY 1974*, 69–70, 82–86; Richardson, interview, 14 Dec 1989, OSD/HO, 16; Schlesinger, *Annual Defense Department Report FY 1975*, 119–120.
40. “Congress Clears \$73.7-Billion Defense Appropriation,” in *CQ Almanac 1973*, 167–177.

41. BG Taylor Notebook, entries for 20 and 30 Jul 1973, BG Taylor Notebook, 20 Jul-6 Aug 1973, folder 020 SD (31 Dec 73),” box 7, Acc 330-78-0001; Notes on SecDef Review of Major Program Issues, n.d. [Aug 1973], folder 100.54 (21 Aug–31 Aug) 1973, box 14, Acc 330-78-0001, WNRC; Schlesinger, *Report of the Secretary of Defense, FY 1975 Defense Budget and FY 1975–1979 Defense Program*, 4 Mar 1974, 136.
42. Ltrs, DepSecDef to Senator Stennis, 16 May and 10 Jun 1974, folders Chron Files—May & Jun 1974, box 4, Acc 330-80-0034, OSD Records, WNRC; “\$22.2-Billion Authorized for Weaponry,” in *CQ Almanac 1974*, 30th ed.(Washington, DC: Congressional Quarterly, 1975), 571–586; Francis Duncan, *Rickover: The Struggle for Excellence* (Annapolis, MD: Naval Institute Press, 2001), 236–237; Ronald O’Rourke, *Navy Nuclear-Powered Surface Ships: Background, Issues, and Options for Congress* (Washington, DC: Congressional Research Service, 21 Sep 2009), 28.
43. “\$22.2-Billion Authorized for Weaponry,” in *CQ Almanac 1974*, 571–586; “Congress Sends Ford \$82.6-Billion Defense Bill,” in *CQ Almanac 1974*, 41–49; Norman Friedman, *U.S. Aircraft Carriers: An Illustrated Design History* (Annapolis, MD: Naval Institute Press, 1983), 354; George Baer, *One Hundred Years of Sea Power: The U.S. Navy, 1890–1990* (Stanford: California University Press, 1994), 406.
44. Norman Friedman, *U.S. Destroyers: An Illustrated Design History* (Annapolis, MD: Naval Institute Press, 2004), 385; Love, *History of the U.S. Navy*, 644; Schlesinger interview, 28 May 1991, OSD/HO, 23 (quote), 26. James Schlesinger, *Annual Defense Department Annual Report, Fiscal Year 1975*, 127.
45. Norman Friedman, *U.S. Small Combatants: An Illustrated Design History* (Annapolis, MD: Naval Institute Press, 1989), 388; Rumsfeld, *Annual Defense Department Report FY 1978*, 191; memcon, Schlesinger and Holloway, 4 Aug 1974, folder 1, box 11, Papers of Admiral James L. Holloway III, Operational Archives Branch, Naval History and Heritage Command, Washington, DC; James Holloway, *Aircraft Carriers at War: A Personal Retrospective of Korea, Vietnam, and the Soviet Confrontation* (Annapolis, MD: Naval Institute Press, 2007), 372–373, 375–376, 385 (quote).
46. Schlesinger, *Annual Defense Department Report FY 1976*, III-76–III-77; Rumsfeld, *Annual Defense Department Report FY 1977*, 161; “\$90.5-Billion Defense Funding Bill Approved,” in *CQ Almanac 1975*, 31st ed. (Washington, DC: Congressional Quarterly, 1976), 873–887.
47. “Congress Backs Ford on Arms Procurement,” in *CQ Almanac 1976*, 275–293.
48. SCAS, *Fiscal Year 1977 Authorization for Military Procurement, Research and Development, and Active Duty, Selected Reserve and Civilian Personnel Strengths: Hearings*, 94th Cong., 2nd sess., 4 May 1976, pt. 13:7120 (quote); “Congress Backs Ford on Arms Procurement”; “Congress Approves \$104.3-Billion Defense Bill,” in *CQ Almanac 1976*, 762–780.
49. Schlesinger interview, 12 Jul 1990, 54 (quote); Schlesinger interview, 28 May 1991, 10 (quote); Schlesinger interview, 1 Aug 1991, 59 (quote): all in OSD/HO.