The original documents are located in Box C34, folder "Presidential Handwriting, 1/29/1976" of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

THE WHITE HOUSE

WASHINGTON

January 29, 1976

MEMORANDUM FOR

THE HONORABLE DONALD RUMSFELD
Secretary of Defense

The President reviewed your opening statement before the House Armed Services Committee and indicated the following notation:

"Excellent"

James E. Connor
Secretary to the Cabinet

P.S. Jim Schlesinger no good.

THE PRESIDENT HAS SEEN.....

THE SECRETARY OF DEFENSE
WASHINGTON

INFORMATION

January 26, 1976

MEMORANDUM FOR: THE PRESIDENT

Attached is a copy of my opening statement for my testimony before the House Armed Services Committee for your information.

Attachment

Donald Rumsfeld

Excellent
DHR

STATEMENT OF THE HONORABLE DONALD H. RUMSFELD
SECRETARY OF DEFENSE, JANUARY 27, 1976

Mr. Chairman and Members of the Committee:

I am pleased to present the proposed defense budget for FY 1977 and its implications for the defense authorization request for FY 1978, and a preliminary five-year defense projection for FY 1977-1981.

In FY 1977, the Department proposes a defense budget of $112.7 billion in total obligational authority and $100.1 billion in estimated outlays. The details of this request as well as its justification are set forth in the annual Defense Department Report. I will touch on some of the points of particular interest.

I. The Defense Budget

We estimate that because of a declining rate of inflation, the defense budget for FY 1976 could permit some small real growth in defense funding for the first time since FY 1968. The budget request for FY 1977 and the preliminary five-year defense projection reflect our conviction that there must be a real program growth in the years immediately ahead.

The Defense establishment is engaged in a crucial function of government -- providing for the common defense -- contributing to peace, stability, and the preservation of freedom. I know it will receive your most serious consideration.

Within roughly three months, as prescribed by the new budget reform guidelines, you and your colleagues in the House and Senate will determine the total federal spending level, and the portion of that total which will be devoted to defense and deterrence.

These two decisions are of enormous importance to the nation and the world. They will be of major significance today and in the years to come, and they will be among the most important decisions which will be made by the Congress this year.

After careful deliberation, the President and the Defense Department have made their judgments. We recognize the importance of your decision. Representatives of the Defense Department will be explicit and candid about the requirements of national security as they appear before you concerning this budget.

II. The International Context

It is useful to consider defense strategy, force structure, and budget requests within a broad international context, as is required by law. That context has five major implications for defense planning:

-- First, military power and the international appreciation of it remain basic arbiters of international disputes and major determinants of our capabilities to achieve the objectives of our foreign policy.

-- Second, the United States has political, economic, and strategic interests in the world which must be fostered through foreign policies which are supported by our military posture.

-- Third, U.S. interests remain under challenge, primarily by the USSR, which continues to add to its military capabilities qualitatively and quantitatively. These challenges can be seen in Europe, along the Mediterranean littoral, in the Middle East and Africa, in the Persian Gulf and, indirectly, in Northeast Asia.

-- Fourth, the United States cannot escape the principal role in defending interdependent interests and maintaining world stability: If we falter or fail, there is no other power to take our place.

-- Finally, the United States must maintain a military establishment which permits it -- in conjunction with allies -- to safeguard its interests in the face of a growth in adversary capabilities. The U.S. establishment must be both nuclear and non-nuclear. Much of it must be ready at all times. Security is not available at bargain-basement rates, and the instruments of security cannot expand and contract on short notice.

Today, there are a number of misunderstandings about the relationship between defense and the international environment. I want to address two in particular. The first misunderstanding is that there is an inconsistency between detente and a strong national defense. The second is that there is a contradiction between increases in the U.S. defense budget and the maintenance of international stability.

To deal with the first misunderstanding, it is important to be precise about the meaning of detente, this word borrowed from the French. Literally, in French, detente is applied to a number of things having to do with weapons. For example, the entire trigger mechanism of a pistol is called "detente" -- the part you pull to fire it, the hammer, the firing pin, and the spring mechanism. Detente is the word, also, for uncocking a cocked pistol -- that is, releasing the tension on the spring which moves the hammer. In similar ways, detente is used to describe relaxing the tension on a taut bowstring, or reducing the pressure of a gas in a closed container.

In none of these meanings is there any hint that detente means friendship, trust, affection, or assured peace. In all uses, detente means relaxation of tension that exists -- for real, not imaginary, reasons.

On our side, detente is also a hope and an experiment. In this age of nuclear weaponry, it makes sense to seek a reasonable accommodation of our differences with the USSR. But, keeping the basic meaning of detente in mind, we should be under no illusion as to when and how accommodations might be reached. Strength is a prerequisite to acceptable agreements. That is why there is no inherent contradiction among the three main objectives of U.S. policy: defense, deterrence, and the effort to see if it is possible to achieve some relaxation of tension — detente. That is why successive Presidents, including President Ford, have emphasized the connection between strength and peace, between weakness and war.

A wise Frenchman recently noted, "that the Soviet Union today is one of the two main military powers in the world, and this power is ruled according to methods which are substantially and essentially different from... Western methods. Why therefore should it not be tempted to extend its influence, if not its rule, if it does not come up against any form of resistance on the part of a power comparable to its own?" That is why I have stressed that weakness, too, can be provocative.

To address the second misunderstanding, it is well to consider some conspicuous trends in Soviet military capabilities -- trends that are facts, not projections -- before making any judgments about the desirability of increasing U.S. strength:

-- Over the past decade, Soviet defense spending has been increasing steadily in real terms.

-- In that same period, the Soviet military establishment (not counting border guards and internal security forces) has expanded by a million men from 3.4 to 4.4 million men.

-- Between 1965 and 1975, Soviet strategic offensive forces have also increased:

- Intercontinental Ballistic Missiles (ICBMs) from 224 to 1,600 (an increase of nearly 1,400);

- Sea-launched Ballistic Missiles (SLBMs) from 29 to 730 (an increase of about 700);

- Strategic warheads and bombs, from 450 to 2,500 (an increase of about 2,000).

-- The momentum of this buildup shows no sign of slackening. Qualitative improvements continue, such as:

- The development of four new ICBMs, two of which are currently being deployed with multiple independently targetable reentry vehicles (MIRVs);

- The production of a new generation of Ballistic Missile Submarines (SSBNs), one version of which has deployed with a new 4,200 mile range SLBM;

- Accuracy improvements which could give their ICBMs a significantly reduced circular error probable (CEP);

- Large MIRVs with high-yield warheads;

- Development of a mobile IRBM (in the form of the SS-X-20).

-- Since the early 1960's, Soviet general purpose forces have also expanded substantially. Some of the significant developments have been:

- An expansion in the number of divisions from 141 to 168, with added tanks, artillery, and armored personnel carriers;

- An addition of nearly 2,000 tactical aircraft, combined with the introduction of more sophisticated fighter/attack aircraft;

- A similar growth in the sophistication of Soviet naval forces, with greater missile firepower, more nuclear-powered attack submarines, greater fleet range, more underway replenishment support, and the construction of three small aircraft carriers.

-- While much of the increase in ground and tactical air forces has gone to the Far East, Soviet forces oriented toward NATO have improved both quantitatively and qualitatively as well, and the Soviet Navy has become increasingly a worldwide force.

It must be emphasized that while these developments have been occurring in the Soviet Union, U.S. force levels and defense expenditures (in real terms) have been going down. The U.S. force structure is substantially smaller today than it was a decade ago, although it is qualitatively improved in some respects. The crucial issue, however, is not so much why these trends have occurred, or who has led whom into the competition. It is whether the United States is still able to meet its international responsibilities. The nation must also ask itself whether the United States will have a sufficient military capability for

defense, deterrence, and detente in the future if these adverse trends continue. This budget says it will not, and sets out to change the trends.

III. Defense Objectives

The primary U.S. objective is, of course, deterrence and international stability. We do not try to do everything, everywhere ourselves. We are not the world's policeman and we do not pretend to be. We do bear the principal burden of nuclear deterrence -- both for ourselves and our allies -- and hence have the responsibility, along with the USSR, for restraining nuclear competition and maintaining a stable balance of power.

The basic objectives for the strategic nuclear forces are four in number:

-- To have a well-protected, second-strike force to deter attacks on our cities and people, at all times;

-- To provide a capability for more controlled and measured responses, to deter less than all-out attacks;

-- To ensure essential equivalence with the USSR, both now and in the future, so that there can be no misunderstandings or lack of appreciation of the strategic nuclear balance; and

-- To maintain stability in the strategic nuclear competition, forsaking the option of a disarming first-strike capability and seeking to achieve equitable arms control agreements where possible.

Obviously, the United States is not responsible for the deterrence of all international disorders. Nor can U.S. nuclear forces credibly deter all contingencies of concern to the nation. For many purposes, non-nuclear forces must carry the main burden of deterrence. In order to plan the conventional forces with restraint and realism, we seek to maintain -- in conjunction with our allies -- two principal areas of strength and stability -- in Western Europe and in Northeast Asia. Insuring stability in these two vital regions requires forward deployed forces as well as strategic reserves.

If we and our allies have the forces to perform those tasks -- particularly in response to a major conventional assault on NATO -- the United States will also have the necessary capabilities (both active and reserve) to deal with other contingencies which might arise separately, as could be the case in the Middle East. A conventional force structure with this capability and flexibility will strengthen deterrence, enhance stability, and lower the probability of nuclear war.

IV. The Adequacy of Our Forces

An assessment of opposing forces is difficult and tentative in the best of circumstances. I will not presume to speak conclusively on this subject, nor with the certainty that flows from long study and thorough probing and analysis. Nevertheless, there are two judgments about U.S. capabilities that I want to convey. The first is that the current force structure is adequate to perform its missions at the present time. The second is that confidence in the future adequacy of our force structure is gradually declining. Because of the trends -- reductions on our part and Soviet military expansion -- there has been a gradual shift in the power balance over the past fifteen years. And, in light of the momentum of Soviet military programs of all kinds, it will continue to shift unless U.S. defense outlays are increased in real terms, as the President is recommending.

1. The Strategic Nuclear Situation

As of today, the U.S. strategic nuclear forces retain a substantial, credible capability to deter an all-out nuclear attack. Their ability to execute controlled and limited responses is being enhanced as a result of improvements in plans, command and control, and the increasing flexibility being introduced into the Minuteman force. However, there remains a basis for concern in three areas, and that concern will deepen in succeeding years.

-- First, the submarine and bomber forces are aging; at the same time the Soviets are improving their antisubmarine warfare capabilities and their defense against bombers.

-- Second, there is an increasing possibility that major asymmetries will develop between U.S. and Soviet strategic offensive forces because of the momentum in Soviet offensive and defensive programs, and that the Soviet strategic capability will come to be seen as superior to that of the United States.

-- Third, a continuation of current Soviet strategic programs -- even within the constraints of SALT -- could threaten the survivability of the Minuteman force within a decade. If that should be allowed to happen, our ability to respond to less-than-full-scale attacks in a controlled and deliberate fashion would be severely curtailed, and strategic stability could be endangered.

2. The Situation in Europe

The defense of Western Europe continues to be one of our fundamental interests. We are naturally concerned, therefore, about certain vulnerabilities that have developed along the southern flank of NATO. In

the crucial center region, we and our allies have the basic capabilities necessary to respond to a Warsaw Pact attack. Even here, however, there are two vulnerabilities which will grow in seriousness if we fail to take remedial action.

First, we do not have sufficient long-range airlift capability to deploy our reinforcements to Europe in a timely fashion.

Second, we are concerned that, unless we counterbalance them, increasing Soviet firepower and mobility will begin to give the Pact an unacceptable advantage in the two contingencies against which we design our forces: an attack coming with little or no warning, and one coming after a large-scale mobilization and deployment of Pact forces.

3. The Situation in Northeast Asia

The situation in Northeast Asia is directly influenced by the status of Sino-Soviet relations. At present, we do not anticipate that either power is likely to encourage or support North Korea in an attack on South Korea. If there is no outside aid to North Korea, South Korea should be able to repulse a North Korean attack with relatively modest U.S. assistance.

U.S. ground forces continue to have a deterrent and stabilizing effect on this balance. It would be unwise, therefore, to withdraw U.S. ground forces from the Peninsula and jeopardize the stability we have had in Northeast Asia during the last 20 years.

4. The Situation at Sea

A major non-nuclear conflict in Europe or in Northeast Asia would make it essential for the United States to keep open sea lines of communication to both regions, as well as to other continents and areas. A war in Europe might well become worldwide in character, but even if it were to remain contained, we would have to be concerned about Soviet land and naval deployments in the Far East. We require the major elements of a two-ocean Navy.

Maintenance of a fleet of the proper size and composition to fulfill that role is a problem which requires the most thorough consideration. The present assessment is that the current fleet can control the North Atlantic sea lanes to Europe, but only after serious losses to U.S. and allies shipping, and that our ability to operate in the Eastern Mediterranean would be, at best, uncertain. The fleet in the Pacific could hold open the sea lanes to Hawaii and Alaska but, because of a shortage of surface combatants, would have difficulty in protecting our lines of communication into the Western Pacific. This situation will presumably grow more precarious as the capabilities of Soviet nuclear attack submarines increase.

V. Proposed Programs

This general assessment of the planning contingencies which have been important to the shaping and testing of U.S. forces suggests where -- if not corrected -- our current and future vulnerabilities lie. It also suggests the direction that the FY 1977 budget should take. Accordingly, assessing the FY 1977 request requires examination of the larger picture which has been set forth. Judgments in the next few months which fail to weigh adequately the need to check present adverse trends will inexorably lead to a conclusion in the world that the United States has decided to allow the trends to continue to the point of imbalance, insufficiency and, possibly, ultimately, instability. We should not be surprised if the discounting of U.S. power and will, which would follow from such a conclusion, would bring unpleasant consequences.

Expert witnesses will be appearing before you to discuss the specific details of the FY 1977 request. In light of the objectives set forth, the expanding capabilities of the Soviet Union, and the trends described, my chief purpose today is to underline the importance of five major program areas I consider essential.

1. Strategic Nuclear Forces

U.S. strategic nuclear deterrence continues to be based on a Triad of strategic forces. These forces are designed to be able to ride out a surprise attack and retaliate in a controlled second-strike at Presidential direction. A combination of ballistic missiles -- land- and sea-based -- and heavy bombers is necessary to diversify the strategic forces sufficiently, so that neither system failures nor enemy ingenuity could prevent retaliation. Responsive command and control of these forces is essential to deal with the possibility of less than all-out attacks and to terminate a nuclear exchange at the earliest moment possible if, despite best efforts, deterrence should fail.

At the present time, one component of the Triad -- the Minuteman force -- is essential to both diversity and control. And, it is the Minuteman force that the increasingly sophisticated Soviet ICBM capability threatens to neutralize eventually. Accordingly, we must move steadily, but with deliberation, to retain the option to move toward a more secure basing mode for the ICBM force.

- The Trident program is necessary in any event to replace the aging SLBM forces in the mid-1980s. We are also concerned with possible Soviet advances in anti-submarine warfare capabilities, and the quieter Trident boat with its longer range missiles hedges against any significant Soviet ASW gains.

- The B-1 bomber represents a suitable successor to the B-52. Its ability to penetrate at low altitude and high speed will allow us to offset any Soviet air defense improvements. Most important, the B-1's advances in structural design, hardening against nuclear effects, and the ability to fly out from under nuclear attack, with minimum warning time, would represent a valuable improvement in survivability.

- The M-X missile, either in fixed silos or in a multiple-aim-point mode, with a combination of larger throw-weight and increased accuracy, should improve on the desirable features of the Minuteman, without Minuteman's potential vulnerabilities. We should develop M-X at a rate that would allow us to supplement part or all of the Minuteman force in the 1980s, should that prove necessary.

In order to keep open the option to diversify further the nuclear forces, exploiting new technology in which we lead the Soviets, we are developing two cruise missiles -- sea-launched (SLCM) and air-launched (ALCM).

With these major programs, we should be able to ensure a modern strategic deterrent force through the next decade, and remove, as necessary, the vulnerabilities that could increasingly degrade elements of our present posture. As our deterrent improves, so will our contribution to strategic stability.

2. General Purpose Forces

The primary U.S. contribution to the non-nuclear defense of Western Europe continues to be a combination of ground forces and tactical airpower. Because a war in Europe could break out suddenly, we keep the initial defense capability largely in the active force structure rather than in the guard and reserve. The added weight in men, armor, and guns that the Soviets have been providing to a potential assault force in Central Europe is a fundamental reason why the active Army is being expanded from 13 to 16 divisions (within a constant level of manpower). We are adding two combat brigades to the European deployments (also within the manpower constraints established by Congress). Two more steps need to be taken:

-- First, we should "heavy up" the additional Army divisions now programmed, to give them the increased firepower and mobility necessary for combat in the European theater.

-- Second, we should consider adding aircraft to fill out the Air Force's twenty-six fighter/attack wings, both to complement planned Army divisions and to increase firepower and mobility across the European front.

The present assessment of the situation at sea leads to the requirement for additional surface combatants and submarines in a two-ocean capability for simultaneous protection of Atlantic and Pacific sea lanes. The difficult remaining issue is one of determining how many vessels of what kind and mix will be needed to perform the mission. The basis for additional nuclear attack submarines and relatively inexpensive surface combatants, as well as the arguments for more mines and improved undersea surveillance equipment, are well-founded.

Questions concerning additional large-deck carriers, strike cruisers, and the broad adoption of nuclear propulsion merit close attention in the weeks ahead. You will find a tentative five-year shipbuilding forecast outlined in the Annual Report, as requested by Congress. It may prove to be the right program. However, we are examining some options within the Department now and it will be a few weeks before I am in a position to make specific recommendations to the President and the Congress.

3. Strategic Mobility Forces

Long-range mobility forces are critical to our capability, in conjunction with allies, to offset a major Warsaw Pact mobilization and deployment in Central Europe. There remains considerable difference of opinion as to how long it would take the Soviets to fill out and move the tank and mechanized divisions they retain in the western military districts of the USSR. For planning purposes, the United States should be able to reinforce NATO rapidly by moving a substantial number of divisions from the continental United States to the European theater within a few weeks. Current strategic lift forces cannot today fully meet that requirement for these reasons:

-- C-5A wing fatigue problems and flying hour limits reduce our capacity to move outsize cargo;

-- Strategic airlift squadrons are not manned or supported with spare parts sufficient for the requisite number of sorties; and

-- We have yet to achieve essential reductions in preparation and marry-up time (at CONUS and overseas terminals) to exploit the potential of the airlift and sealift resources we own.

The Department is moving to correct some of these defects. We continue to recommend modifications in the civil reserve air fleet (CRAF) so as to improve our capacity to move outsize cargo in the requisite amounts during the early days of a reinforcement effort.

In short, the faster we can move to reinforce, the better NATO's chances will be and the lower the probability that the Warsaw Pact will be tempted to undertake any kind of an attack. This is also why we need to continue large-scale mobility exercises which demonstrate reinforcement capabilities.

4. Readiness

Logistics capabilities undergird the readiness of forces and their ability to sustain combat. The logistics base is of particular concern at a time when competing demands on the defense budget require increasing combat productivity from both men and machines. Despite the resources previously allocated to logistics, the United States has not maintained the levels of equipment readiness and stocks of war reserves required for a fully credible posture of deterrence.

The precise impact of deficiencies in readiness on combat effectiveness is difficult to measure. However, it is widely agreed that:

-- Too many U.S. ships are overdue for overhaul, and the number is still growing;

-- Too many tactical aircraft are grounded awaiting repair, which in too many instances is delayed because spare parts are lacking;

-- The materiel readiness of U.S. land forces is improving, but remains substandard in some important respects;

-- Finally, we are running unnecessary risks because of shortfalls in war reserve stocks, especially of modern and more efficient munitions.

I will not belabor the reasons for the present level of readiness. I am persuaded that we must make a significant and sustained effort to correct the four major weaknesses just outliend. U.S. combat capabilities are already strained when judged against their tasks; we should not further reduce their effectiveness and ability to sustain themselves in combat because of weaknesses in logistics support.

5. Research and Development

A vigorous program of research, development, test, and evaluation is critical to the achievement of long-term U.S. national security objectives. The effectiveness of our strategic and general purpose forces in relation to the modernized Soviet forces depends on the quality of our R&D. We try continuously to hedge against the uncertainties of a rapidly changing future. We also attempt to reduce costs and improve effectiveness.

Overall U.S. technological leadership is as directly challenged by the Soviet Union as is our military capability. During the past decade, Soviet investment in military and space R&D appears to have at least equalled our own; now it is growing at a more rapid rate. The Soviets have been producing and deploying large quantities of advanced weapons, seizing the technological lead or closing the gap in almost every class of weapon.

Reversing these trends in R&D is vital, and FY 1976 appropriations appear to have halted the downward trend in the U.S. RDT&E program. Nearly $11 billion is requested in FY 1977, an amount essential to correct the divergent U.S./USSR trends and provided real growth needed to:

-- Strengthen the U.S. technology base to create options for future development;

-- Demonstrate selected alternatives chosen from among new options;

-- Select the best system or systems and manage the resulting development and production program efficiently and effectively;

-- Concentrate on completing current U.S. development programs to achieve improved deployed capabilities.

VI. Restraints on Defense Planning

The improvements being made in the U.S. force structure, and the efforts to maintain a superior technological base through research and development, are essential if we are to have continued deterrence, stability, and detente in this period ahead -- a period which will almost certainly include increases in Soviet military capabilities. Without improvements, the vulnerabilities which can be anticipated from the momentum of present trends will become a reality -- with all that could mean. To reduce the danger, we must begin to act now.

I recognize that national defense accounts for about 25 percent of the President's proposed outlays for FY 1977, and that roughly half of the total increase in Federal spending from FY 1976 to FY 1977 is proposed for the Department of Defense. All of us wish that it could be otherwise. But the Constitution requires that we "provide for the common Defence," and war, as Alexis de Tocqueville pointed out, is "an occurrence to which all nations are subject, democratic nations as well as others. Whatever taste they may have for peace, they must hold themselves in readiness to repel aggression..."

This much we must continue to do, but we must do it with continuing attention to economy and efficiency. In order to improve our "readiness to repel aggression," and restrain our requests, we are recommending nine key measures to reduce Defense costs. We propose to:

-- Restrain the growth in compensation levels for military and civilian personnel;

-- Eliminate 26,000 civilian positions by consolidating headquarters and other facilities;

-- Phase out subsidies for the operating costs of military commissaries over a three-year period;

-- Eliminate dual compensation of Federal employees on active duty for training with the National Guard or Reserve;

-- Reduce temporary duty and permanent change-of-station travel;

-- Decrease petroleum consumption for proficiency flying programs through greater use of smaller aircraft and ground training aids;

-- Narrow the scope of the civil defense program so that it concentrates on the support of measures at the state and local level to reduce losses from a nuclear attack;

-- Hold new military construction below the levels of FY 1976;

-- Reduce the paid drill strength of the Navy Reserve by 40,000.

These nine steps enabled us to reduce our request for budget authority by approximately $2.8 billion in FY 1977. Most of the proposed actions require the approval of the Congress. These decisions will not be easy to make. It should be recognized, however, that if these actions are not approved, additional defense appropriations of up to $2.8 billion, and total obligational authority of as much as $116 billion will be required. Within the budget of $112.7 billion that the President has presented, an amount of $2.8 billion cannot be absorbed without a reduction in combat effectiveness.

VII. Conclusion

We live in an age of paradoxes, at a time when hope and peril run side by side. To be just and compassionate, we must be strong. As you consider this budget, you will inevitably consider the military environment, the state of our defenses, and the facts of the world situation, as I have done. The arithmetic is not encouraging; the facts are not kind, but the task is fundamental. I urge your support of this request.