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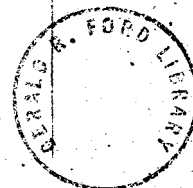
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THE WHITE HOUSE  
WASHINGTON

August 20, 1974

MEMORANDUM FOR: WILLIAM E. TIMMONS  
THRU: MAX L. FRIEDERSDORF *mf*  
FROM: VERN LOEN *VL*  
SUBJECT: Selective Service Budget Cuts

Pat O'Donnell is handling the Senate side and we have sent Fact Sheets to all of the conferees urging them to sustain the House figure.



THE WHITE HOUSE

WASHINGTON

August 19, 1974

MEMORANDUM FOR: TOM C. KOROLOGOS  
THRU: MAX L. FRIEDERSDORF  
FROM: VERN LOEN *VL*  
SUBJECT: Selective Service Budget Cuts

Conferees will begin meeting Tuesday on the HUD appropriations bill, which includes Selective Service.

Sam Shaw, Congressional Relations officer for Selective Service, says the House passed figure is about 46 million, but Senator Proxmire led a drive to reduce this to 37 million in the Senate version.

A cut of this magnitude would result in the firing of approximately 900 employees. If they compromise at a central figure, some 400 employees would have to be severed. Practically all of the Selective Service Budget is for personnel costs.

Secretary Schlesinger testified last week that "it is essential" that the Selective Service operation remain in place. Although no one is being drafted, they still must register, classify and maintain an active stand-by force. They have some 6 million active files. Present personnel is slightly under the ceiling of only 2500.

Proxmire contended that they could live within the Senate figure if they cut back on all personnel above GS-12 and made more use of volunteers. Selective Service responded that they are using 45,000 volunteers now and that it is essential to have trained professionals to supervise these volunteers, particularly since they have just converted to a ADP system which leaves no room for errors.

Recommendation: Bring up this matter at the LIG meeting today and solicit suggestions for handling the problem. Bud McFarlane is alerting OMB and Defense. Perhaps the most effective course would be a hand delivered letter from Secretary Schlesinger to all the conferees as follows. (Mansfield has indicated he supports Proxmire's position all the way on this issue).



SENATE

Democrats

McClellan	Probably OK
Proxmire	No
Pastore	OK
Stennis	Yes
Bayh	No
Chiles	?
Mansfield	No

Republicans

Mathias	No
Case	No
Fong	OK
Brooke	?
Stevens	OK
Young	OK

HOUSE

Democrats

Mahon	OK
Boland	OK
Evins(Tenn)	Probably OK
Shipley	Probably OK
Roush	Anti
Tiernan	Anti
Chappell	OK
Giaimo	Anti

Republicans

Cederberg	OK
Talcott	OK
McDade	?
Scherle	?

8/20 Sent Fact sheet to House members  
+ Homer Sharin  
H-143 Capital



Fact Sheet Concerning Selective Service System Appropriation

1974 appropriation . . . . .	\$53,760,000
Estimate, 1975 . . . . .	47,163,000
House allowance . . . . .	46,463,000
Committee recommendation . . . . .	38,500,000
Senate action . . . . .	37,345,000

1. The House allowance probably permits the System to function with no supplemental appropriation.
2. The Senate action will require the System to go out of business. It simply cannot function a year with this amount.
3. The estimate the System was required to give the Senate Subcommittee for fold-up costs was \$41,487,000. The estimate was verified by GAO.
4. The System's personnel ceiling is now 2,500 -- actual on-board somewhat less because of recruiting problems. This number of employees is a rock-bottom requirement at the end of an accelerated reduction starting from 7,400 at the beginning of 1973 and a reduction in operating sites from over 2,700 to about 650.
5. The cost of the personnel in the System is approximately \$40,000,000. The System neither buys things nor builds things. There are no programs which can be slowed down or postponed.
6. The law requires the System to register, give lottery numbers to, classify and keep active the records of six million men of ages 18, 19 and 20 years plus the maintenance of records for several million men over age 20. This permits immediate resumption of inductions in case of emergency.
7. The System has installed a modern, up-to-date automated data system which permits it to perform these functions with a very small number of paid employees, using over 45,000 volunteers in functions not requiring the precision of the Selective Service office record keeping.
8. If the System does not have enough money to keep its trained workforce its operation will be meaningless and the President will have no choice but to somehow fold it up.
9. This would be contrary to the expressed intent of Congress to maintain an effective standby System and contrary to the very recently expressed requirements of the Defense Department on a standby System.



ISSUE 4:

The Senate Subcommittee proposes to reduce the House allowance by \$9,118,000. Its suggested method of accommodating this reduction of over one fifth is to reduce the number of positions above the GS-13 level, and to increase the number of volunteer registrars and processing personnel.

RESPONSE: If every Civil Service employee over Grade 12, beginning with the Director, were demoted to Grade 12, the savings would be about \$620,000. This would leave over \$8,498,000 to be recouped by finding uncompensated volunteers to do part of the work now done by the compensated force of 2,500 people.

The registrars, advisors to registrants and board members are all required to be unpaid volunteers now. The savings would have to be found entirely by substituting volunteers for some compensated "processing" personnel, that is people employed at local board offices. \$8,498,000 amounts to about 850 people. This means finding people willing to donate on a reliable work schedule some 34,000 hours per week. These are not weekend or evening hours. They are workday hours, since these volunteers would have to substitute for part of the paid Civil Service employees in turning out a full office workday.

Our volunteers for the function of registrars or advisors to registrants with very few exceptions perform their unpaid function at their place of employment during normal working hours. For instance almost all registrars are county, city, state or even Federal employees, such as school counselors, teachers or administrators, county administrative employees, county agricultural agents, fire department employees, post office people and others whose nature and place of employment make them handy for helping registrants. In effect, their employers are making the donation of the office space and their employees' normal working time.

This generous arrangement by employers will not work for providing uncompensated people to man the offices of the Selective Service System. To replace a compensated 40 hours a week employee in an office, five people donating one work day a week, or at two hours a day once a week, 20 people, would have to be found who would put their reliably scheduled replacement of a paid Civil Service worker ahead of all other personal interests every week of the year.



Further, these volunteers would have to find time for an extensive training course in the accurate application of regulations and the precision operation of equipment in the computer system, such as the Optical Character Reading typewriter. They would be held to high standards in this. Anything less would make the entire automated data system useless.



## SELECTIVE SERVICE APPROPRIATION ISSUES

### ISSUE 1:

Progress of the Volunteer Army is said to justify an accelerated winding down of Selective Service operations in FY '75.

RESPONSE: (a) When the President proposed to Congress that use of the draft be ended and we rely upon the All Volunteer Force recommendations of the Gates Commission, he included their concept, "to establish a stand-by draft system." The Commission recommended when in an all volunteer status the nation employ a stand-by draft system which in peacetime would maintain operational all the measures necessary if the Congress should again institute inductions in case of hostilities, or other appropriate circumstances. The Congress specifically provided for this stand-by operation of the System. Successful achievement of the peacetime All Volunteer Force requires the certainty that the stand-by operation will be instantly effective whenever required.

(b) The acceleration mentioned has been in effect for two years and has now reached the point that the System has leveled out at the bottom of a rapid decline in paid employees and cost, accomplished while the System has continued its operations with millions of registrants active in its case load. Beginning in FY '72, the System commenced its reductions in size and cost while handling the same load of operations. It then had 7400 compensated employees operating from over 2700 offices. Through FY '73 and FY '74 its reduction accelerated to the level out organization we have now, of about 2500 compensated employees and 650 operating sites but still registering 2,000,000 more young men every year, assigning the appropriate lottery numbers to 2,000,000 more nineteen-year-olds, and keeping all registrant files complete, and in the 2,000,000 or so of the twenty-year-olds, actually classifying, hearing requested personal appearances and appeals for 500,000 men so that within 30 days, if Congress says so, men could be on the bus to training camp.

(c) The remark frequently heard that after the volunteer force effort has been tried for a given period it must be closely examined to measure its merit and success, has nothing to do with the stand-by draft system as an essential of the All Volunteer Force effort. The examination is to find out if it is necessary to resume active drafting for adequate armed forces.





ISSUE 2:

Reducing costs with increased use of volunteer registration and processing personnel.

RESPONSE: The System now has over 45,000 uncompensated volunteers supported by a total allowance of 2500 paid employees from the Director to the last clerk in an organization beginning at the county level, stretching from Alaska and Hawaii to Guam, the Canal Zone, the Virgin Islands, Puerto Rico and the Continental United States. Clearly the emphasis and reliance on volunteers would be difficult to match anywhere in the world.

ISSUE 3:

Make a greater reduction in employees of the GS-13 and above categories.

RESPONSE: On June 30, 1973, the System had an allowance of 283 positions at Grade GS-13 or higher. In this FY '75 the System has 171 GS-13 or higher billets. The record will show that this almost 40 percent reductions in executive type positions was taken at a faster acceleration than the rapid reduction in the System overall. Included in these 171 are the 56 excepted non-competitive positions of State Directors who are nominated by the Governors of the States.



8/15/74

Excerpts from Transcript of Secretary Schlesinger's Appearance  
Before Senate Armed Services Sub-Committee on Manpower and Reserves

(Early in the discussion Secretary Schlesinger stated that a Vietnam type operation would require the use of the draft in that the all volunteer force is for peacetime only)

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Senator Nunn: "Is the Department of Defense capable of going back to the draft on a short time basis? Do you have alternatives perhaps that would bring that about and could be implemented under wartime pressure?"

Secretary Schlesinger: "We have pressed very hard to maintain the Selective Service System and we have continued to press for the forty million or so in expenditures in authorizations for that so that we have a standby capability if the need should arise."

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There was a discussion of the readiness of reserve and National Guard units and of the possibility of a peacetime maintenance of the all volunteer force being insufficient in quantity.

Secretary Schlesinger: (The Secretary emphasized that if in peacetime there were not enough men they would then have to resort to conscription and said) "But I hope we do not have to come to that consideration."

Senator Nunn: "Are there no plans going on for that at the present time, no alternative planning going on in that regard in the Department of Defense?"

Secretary Schlesinger: "Save in regard to the maintenance of the Selective Service System."



Done  
7/1

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