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THE WHITE HOUSE
WASHINGTON

December 20, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JIM LYNN

FROM:

JIM CONNOR *JEC*

The attached memorandum from the Secretary of Defense was returned in the President's outbox with the following notation:

"Don Rumsfeld sent me this from the Joint Chiefs.

Unless you are convinced, I'll stick with previous decision. You might talk with Secretary of Defense."

Please follow-up with appropriate action.

cc: Dick Cheney

Attachment:

Memo from Secretary of Defense
dated 12/18/76 re: Commissary Study

file

THE WHITE HOUSE
WASHINGTON

Jim Fynn

Don Rumsfeld
sent me this from the Jt.
Chiefs.

Unless you are
convinced I'll stick with
previous decision.

You might talk with
Sec. Def.

THE PRESIDENT HAS SEEN

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

December 18, 1976

MEMORANDUM FOR: DICK CHENEY

FROM: DONALD H. RUMSFELD *for*

Attached is a copy of a memo I just got from the Chiefs on the subject of the commissary study. I hope something can be done.

Attachment

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

JCSM-421-76
17 December 1976



MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Commissary Subsidy

1. The Joint Chiefs of Staff, on behalf of all members of the Armed Forces, would like to express their appreciation to the President for his continuing support for matters affecting national defense. They recognize that, faced with severe budget restraints, his administration has nonetheless strengthened our nation's defenses. There are, however, some issues that transcend simple budget implications because they impact heavily on the morale and welfare of our Armed Forces. One of these is the commissary subsidy, which has become a symbol of the pay and benefits erosion military people see occurring.
2. There is a growing apprehension among military personnel that the fundamental character of a Service Career as a respected, secure way of life in which the leadership takes care of its own is changing to their detriment. They perceive little effort on the part of their leaders to halt the erosion of their benefits--benefits that they viewed as a commitment at the time they decided on a Service Career. This in turn has caused a growing number of personnel to consider seriously the prospect of unionization as a substitute for the civilian and military leadership which has traditionally spoken up in their behalf. This trend must be arrested before it seriously damages the efficiency of command and the maintenance of effective military forces.

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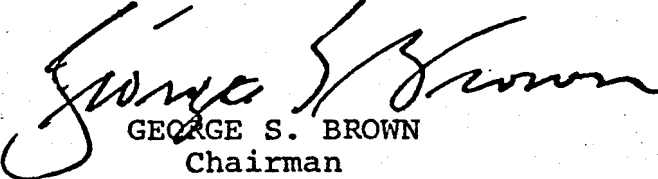
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3. In structuring the Service budget requests this year, we have attempted to reflect a reasonable balance with respect to responding to the needs of our people and constraining personnel cost growth. We believe the program you presented to the President would permit us to set a tone throughout the military establishment that would partially defuse the benefit erosion issue and would reinforce our commanders in their efforts to enhance high morale and readiness. The tentative decision to withdraw the commissary subsidy at this time is the most important adverse decision affecting these efforts.

4. Because this issue has become one of such symbolic and substantive significance to our people, we believe that a change in position on this matter would do much to maintain faith in their leadership.

5. The Joint Chiefs of Staff request you forward this memorandum to the President with their recommendation that the Commissary Subsidy be included in the FY 1978 budget.

For the Joint Chiefs of Staff:



GEORGE S. BROWN
Chairman

Joint Chiefs of Staff

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