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THE WHITE HOUSE
PRESS CONFERENCE
OF
DONALD H. RUMSFELD
SECRETARY OF THE DEPARTMENT OF DEFENSE
THE BRIEFING ROOM

1:13 P.M. EDT

MR. NESSEN: You have just seen the President sign the defense appropriations bill. The Secretary of Defense has come to outline for us his views on the bill and why it is the way it is and to answer your questions.

SECRETARY RUMSFELD: Thank you, Ron.

I would like to make just four or five paragraphs of comments before responding to questions.

First, we have passed out a pamphlet which has a set of graphics with some brief points thereafter. What is in there is really the underpinning of what the President has done this year, why he has done it and what he was commenting on this morning when he talked about the fact that over a period of time there had been trends adverse to the United States that had stretched, depending on which one one looks at, somewhere between a decade to a decade and a half.

There is a combination of the pattern of behavior on the part of the United States in terms of level of effort and specific numbers of weapons and production rates and capabilities of weapons compared with the Soviet Union's behavior pattern over the similar period where they have been steadily expanding their level of effort in terms of weapons, in terms of sophistication of those weapons and in terms of the institutional capability to produce additional weapons of increasing sophistication.

As you know, the President just signed the Department of Defense appropriation bill for the fiscal year 1977. The Congress has not yet completed action on all of the President's national security requests; this is a single bill, obviously and clearly the largest single bill. As the President also said, this legislation does represent an important step toward reversing the trends which have been adverse to the United States over a substantial number of years.

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After years of decline in terms of our defense budget in real terms, this year real growth will be provided for the defense of the United States for the year beginning October 1.

The legislation, as the President indicated, is one of the pieces that deal with the defense establishment. There is more to be done. The Congress has failed thus far to authorize certain programs that we consider to be vital to our national security, particularly in the shipbuilding area.

Congress, in addition, has added some funds in areas that we believe to be of a lower priority and, as a result, require us to spend in those areas rather than in higher priority areas.

Third, the President, as he indicated in his statement, proposed to the Congress a set of restraints on defense spending which in a single year involves something between \$3 to \$5 billion, but over a period of five years involves in excess of \$20 billion, but for the most part they require separate legislation to be passed by the Congress.

One example is very current of interest in the Congress, and that is the stockpile sales. Another involves the changes in the blue collar wage reform legislation. Another involves the 1 percent kicker that has been discussed as being debated up on the Hill.

These various things will enable us to avoid spending in some lower priorities if the Congress passes the needed legislation. If it fails to, we will not be able to achieve those economies or restraints and, as a result, will be denying higher priority areas in the defense effort from having the funds they need.

Finally, and of immediate importance, as the President said, the shipbuilding program which he sent to the Congress in January originally, amended it as a result of some preliminary decisions out of the National Security Council shipbuilding study in May and was resubmitted in his omnibus proposal in August.

But, we believe it is critically important in rebuilding our fleet so that we can meet the U.S. Maritime strategy in the decades ahead.

The Seapower Subcommittee of the House has in fact passed that legislation unanimously, it is pending before the House Armed Services Committee and the Senate Armed Services Committee at the present time, and it is our hope -- and we certainly urge the Congress to complete work on that legislation before adjourning.

I would be happy to respond to questions.

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Q Mr. Secretary, if the President is re-elected, will he make the finding that the B-1 bomber is required for national security and order a go-ahead?

SECRETARY RUMSFELD: Listening to the way you posed the question, it is my impression that you have it in your mind that the amendment that was passed by the Congress requires a Presidential finding.

Q Doesn't it?

SECRETARY RUMSFELD: I think the first one did that was ultimately dropped out in conference on the authorization bill, but my recollection is that the one that ultimately prevailed did not require a Presidential finding. I would have to go check it.

Q Does the President have to do anything on the B-1 bomber? What happens to it?

SECRETARY RUMSFELD: If that language is in there, it would require-- I forget who the author of it was -- the original amendment did require an act by the President to say, "I have made this judgment." My understanding is that the amendment that has been passed does not.

Q What happens to the B-1 bomber after February 1?

SECRETARY RUMSFELD: There has been a good deal of confusion in the public dialogue on the subject of this amendment. There is an impression I think around that the funds for the B-1 have been delayed until February 1 as a result of the amendment passed by the Congress.

Q That is \$87 million a month until February 1. Then what happens?

SECRETARY RUMSFELD: The fact is that the Congress has authorized the total amount, as I understand it, for the B-1 and appropriated the funds, the total amount requested, for fiscal year 1977. The stipulation they put in that was not sought by the Administration was a restriction as to the spending rate during the month is from the time the fiscal year begins on October 1 and the date of February 1.

The figure they put in there is an ample figure on the basis of what the defense establishment was intending to spend, indeed it is an amount somewhat in excess of what was anticipated would be spent, but the defense establishment will be making a judgment in the weeks ahead through the so-called DSARC process as to whether or not the Defense Department will recommend full-scale production.

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Q The President said all during the primaries, "I am committed and we will build the B-1." Now you are suggesting there is some question in the Defense Department about whether it should be built.

SECRETARY RUMSFELD: We have an orderly procedure in the defense establishment for important decisions, such as this, and the remarks I have seen made by the President have always been careful, almost without exception, to the point that there is performance testing data that comes in, it has been coming in, it has been good, the B-1 program has been meeting its various benchmarks in an orderly way and he has, I think almost without exception, indicated that assuming that continued and assuming the data continued in in a favorable way, that the decision would be positive.

Q Could you clear up what happens on February 1?

SECRETARY RUMSFELD: Let me just make sure there is no one misunderstanding.

Certainly it is my assumption that it will continue that way just as it is his assumption because each of us--and I think most people who have looked at this subject--are absolutely convinced that the strategic nuclear balance is a critical balance, that it is important that the deterrent be healthy and that the strength of that deterrent for the United States does in fact reside in the fact that we have a triad of capabilities and we do not want to allow a situation to develop where we have only the submarine launched capability and the land launched capability without a follow-on to the B-25, so I am in full agreement with the President.

Q What happens on February 1 under this budget?

SECRETARY RUMSFELD: I would have to go back and read it. We are all capable of reading it, but my impression is that what the amendment provides is simply that rather than committing contracts prior to February 1 the defense establishment would be required to stipulate with contractors were the department to make a decision to proceed, that that relationship with the contractor could only be up to the limit specified by law until February 1.

After February 1, the stipulation in the amendment would no longer be valid and, therefore, the Pentagon could do that which it wished to and presumably that means commit a larger amount than that after February 1 along the lines that the program would logically call for. Although the Pentagon normally does not commit money in giant lumps, they tend to do it over a period of time anyway.

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Q But it provides the option that the President could rule otherwise at that time?

SECRETARY RUMSFELD: Any President can always make a judgment on a system such as this. There is nothing new in the amendment that would change that. Any President at any time can call in the Secretary of Defense and say, "Look, you know we have been doing this over here like this and I have changed my mind, I think we ought to do it another way," and that would be true whether he was a new President or an old President, and it would be true before February 1 or after February 1, so the amendment does not change that at all.

Q Mr. Secretary, on a more general issue, aside from the August request for shipbuilding, you were in Congress and other than getting your budget proposal enacted in the precise language in which it was submitted, haven't you done really quite well in terms of getting what you asked for?

SECRETARY RUMSFELD: When the year is over--or it is my hope that what has been done thus far and what the Congress will do between now and adjournment will in fact put the United States on a path of providing annual real increases to the defense establishment. However, a one-year fix is not going to solve our problems; we have to have that kind of a level effort over a period of time.

But yes it certainly would mark, as the President said, a very significant achievement if the United States demonstrated in calendar year 1976 with respect to the fiscal year 1977 budget that we are simply not going to allow ourselves to continue to slide down that trend line toward a position of inferiority.

That is unacceptable to the President, it is unacceptable to me and I think it is unacceptable to the majority of the American people. Frankly, that is why I think the Congress of the United States this year has in fact conducted itself the way they have conducted themselves with respect to the budget because they know the American people don't want to allow us to continue down that path.

Q Aside from the August supplementary request, haven't you really gotten more out of the Congress closer to what you asked for than you have in recent years?

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SECRETARY RUMSFELD: There is no question but this year the performance with respect to the defense establishment is better than in previous years. There is also no question but that it had to be, that we could not continue the pattern of previous years where Congress simply goes up and says, "All right, here is the President's defense budget, let's cut it, let's cut it, let's cut it." This business of saying I am for a strong national defense but there is some simple magic way we can do it at no cost to the taxpayer is just plain nonsense.

Q Before we leave that subject, Mr. Secretary, the amount that the fact sheet says the amended request was \$108 billion. What was the original request?

SECRETARY RUMSFELD: If you look in the back of your booklet we passed out, you will see it in all three methods of presentation. It is about the fifth page from the back and it is labeled Defense Budget Totals on the lefthand side.

If you look at Total Obligation Authority, you will see that the President's budget request in TOA was about \$114.2.

Q I want to make sure that when we talk about apples, it is apples. What is the comparable figure to be contained in the fact sheet?

SECRETARY RUMSFELD: I have not studied the Fact Sheet. Let me give it to you my way. If you take the President's amended budget request using what the --

Q Of \$108 billion?

SECRETARY RUMSFELD: I will give you the figure. If you take the President's amended budget request -- that is to say, what he has before the Congress -- and put it in the phraseology that the Congress uses, which is budget authority, that is what the budget committee is dealing with, called (BA) that figure, an amended figure for Budget Authority was \$114.8. Congress has reduced that by about \$4.8 billion thus far or not provided -- reduced or not provided.

Q But \$2 billion is left standing.

SECRETARY RUMSFELD: They have, however, added in \$1.2 billion that we didn't ask for. That means that if you asked a Congressman probably what they thought the gap between what we were trying to get and what we got was, they would probably say \$3.6. They would probably say \$4.8, they cut but they added in \$1.2. Therefore, they feel that the gap is about \$3.6.

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If you ask me what the gap is, from the practical standpoint of running the defense establishment, it is this: It is the 4.8 they cut. Some penalty has to be for the 1.2 they added in that we didn't want and there is some penalty for the \$1.4 billion worth of restraints that they have not yet acted on that means we are going to have to spend money on lower priority things that we think we ought not to be doing in preference for things we do think we ought to be doing, and it comes to something like \$6.2 billion. So, it depends on how you look at it.

The gap between what we are trying to achieve with the Congress and what they are doing this year thus far is somewhere between \$3.6 billion and \$6 billion.

Q But the \$2 billion left on the shipping is that part of your figure of 6 that is still left to be done or that they have not yet given?

SECRETARY RUMSFELD: Yes, it is part of the 4.8

Q And that is 2 point what?

SECRETARY RUMSFELD: If you look at our request, it was 1.6. If you look at what the Seapower Subcommittee passed positively thus far, as the President mentioned this morning, that was 1.1. They have come up with most of that.

Q Mr. Secretary, how much of the Navy request is coincidental with the fact that the President is campaigning in the south this week and we have got a big shipbuilding industry -- Litton at Pascagoula. I mean, this is a remarkable coincidence. Yesterday we tripled the sugar duty just before we go south and now we have got this big thing. The President didn't mention the B-1 in his statement today, but he does go big on the shipbuilding thing. How much of this is coincidental?

SECRETARY RUMSFELD: Obviously none and obviously you want some explanation how I can say none.

Q You mean it is not at all coincidental? You mean totally coincidental, don't you?

SECRETARY RUMSFELD: I mean there is no connection whatsoever.

Thank you. Yes?

There is absolutely no connection, as I think anyone connected with it knows. (Laughter)

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Q That is a good quote.

SECRETARY RUMSFELD: It is a fact. Let me explain the thing.

Last November and December when the President and I met and discussed the defense budget, we agreed that the shipbuilding area would have to be increased then. That was a year ago. If you think back, that was a period when defense spending was not very fashionable, it was not supported very extensively. That is a period when he decided he wanted to have a tax cut for the American people and, therefore, he would have to hold down Federal spending if he was going to achieve a tax cut for the American people and yet he still recognized that he had to increase the defense budget despite the tremendous demands on the Federal dollars.

He said, "I am not going to allow this country to move into a second-rate position. I am going to provide the funds the Defense Department needs and I am still going to provide the tax cut" that he thinks the American people ought to have. We then went into the Congress in January with that budget, and we have been debating and clearly there has been a change in the last 12 or 13 months in this country.

There is I believe today a stronger base of support for defense spending, a recognition that we cannot continue to go around saying we can have strong national defense and keep cutting in every year and thinking there is some magic that provides for our defense, and it seems to me that if one just looks at the calendar dates of these things, it is clear there is no connection whatsoever.

Q Mr. Secretary, you talk about a change of attitude in the last 12 or 13 months and also the high performance with the Congress.

SECRETARY RUMSFELD: Oh, I didn't call it high.

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Q Higher performance, better performance, as you may have put it.

Do you think that part of this could be credited to Ronald Reagan and his campaign helping to turn this around?

SECRETARY RUMSFELD: I don't know. I think that certainly the people, including Governor Reagan, who have talked about defense have contributed to the dialogue on it. Frankly, I think what has happened is that the President of the United States, well before Mr. Reagan decided to run, well before there was any suggestion such as we have just had in the last question, decided what the country needed and has provided a whale of a lot of fine leadership.

He has been meeting up here with Members of the House and Members of the Senate, has been campaigning all over the country on this subject and discussing it, and has been taking the time and meeting with Members of the Congress to try to get this legislation through. I think that has had a tremendous effect on it and I would certainly imagine that Governor Reagan has had some effect on it, and I would guess other people have, as well.

Q Do you expect the whole defense thing to be a campaign issue in the campaign against Mr. Carter?

SECRETARY RUMSFELD: It is hard to tell. I guess beauty is in the eye of the beholder. It is an important part of our national life. It certainly is a legitimate area of discussion in the campaign, but it is entirely up to how the President and his opponent decide to handle it in the campaign, and that is where I am.

Q Mr. Secretary, back on the B-1 bomber just a minute, if I could. It is my understanding that the budgetary constraints placed on the appropriation of that money at \$87 million a month means, in layman's terms, there ain't going to be no B-1 production lines until before next February. Is it not also true that as things stand --

SECRETARY RUMSFELD: Before you go too far, I think that is not correct.

Q There are going to be B-1s produced, a whole plane? A whole airplane?

SECRETARY RUMSFELD: Instead of getting into that, let's say, to what extent is the program going to be altered as a result of the amendment? Answer: Very little, if anything. I can't think of a single thing that it does to alter the program. The Pentagon will have to make the decision on the basis of test performance information sometime later this year.

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That decision will be made. The amendment permits an expenditure of funds per week, per month, that is fully consistent with what we had planned were we to make a positive decision. Therefore, I cannot see any change whatsoever.

Q That is not really my question. Whether that assumption on my part is correct or not, is it not the case that as things stand if Ford gets back in, B-1s will be produced but if Carter gets in, on the basis of what he said, they won't be.

SECRETARY RUMSFELD: I just think that I should leave the President to speak for himself and the same thing with Mr. Carter. The President has been very specific that he believes that the national defense of this country is important, that he recognizes that there is a need to see that the nuclear deterrent is strong and healthy, and that he is persuaded there has to be a follow-on system to the B-52, and that the B-1 is the logical plane. But he has qualified it to the extent of allowing the normal procedures in the Pentagon to work.

Mr. Carter has said a great many things on a great many subjects. I have trouble following him, frankly.

Q He said the Defense Secretary was not going to be politicking, sir.

SECRETARY RUMSFELD: Pardon me?

Q He said all the Cabinet Members would be going out on the political campaign trail.

SECRETARY RUMSFELD: This is not a partisan meeting, is it? Is this a partisan meeting out here?

Q Yes.

SECRETARY RUMSFELD: No, I have got no problem at all, Marilyn, responding to questions about the defense establishment even though those subjects happened, during this 3-month period, to become part of the campaign. I don't plan to be going to partisan meetings, but I don't want anyone to have any confusion in their mind who I hope wins.

Q Mr. Secretary, can you explain for us what the President means by real growth in the Defense Department spending?

SECRETARY RUMSFELD: Sure. If you take dollars and correct them for inflation and compare year to year, either there is an increase after you have corrected for inflation or there is a decrease.

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We have tended to have a decrease in real terms over the past period of years. For example, if you take that page I showed you in the budget book, it shows that the defense budget in, oh, fiscal 1964, for example, was \$113 billion in outlays and in fiscal 1976, it was down to \$97 billion in outlays, even though in each year's dollars, they go up.

Correcting for inflation, it goes down. That means in real terms, you are putting less into the defense establishment last year than you did 10 ago and that is an unacceptable pattern when it is compared with the Soviet Union that has been steadily increasing in real terms.

Q The President, this morning, talked about a defense establishment that was "unsurpassed." Does this bill do anything to close the gap between the U.S. and the Soviet Union in, one, numbers of delivery vehicles equivalent megatonnage or missile throwweight? I was a little caught by that word "unsurpassed" in view of the Institute of Strategic Studies Appraisals and there are three areas I am wondering if this bill closes the gap in.

SECRETARY RUMSFELD: First, no one bill closes the gap. The capabilities that the United States has that we assess on a net assessment basis vis-a-vis the Soviet Union, which is where you get a gap, if you will, either in effort or weapons or trends, that is a reflection of what you have in a given year, and what you have in a given year is a reflection of decisions made over a period of 20 years.

The decisions made this year with respect to the defense budget will be affecting, for example, the Naval fleet between now and the year 2000 because they will comprise a part of what we have.

Now, does it improve our total numbers of megatonnage and re-entry vehicles, for example, to have a decision on B-1 that is prospectively positive that results in having a manned bomber as the B-52 ages and falls out of the system? Obviously, if you did not move in that direction, you would have B-52s falling by the wayside as it continued to age with nothing to replace it, if you will.

So, clearly, a budget that provides real increases does in fact improve your capabilities.

Q A follow-up of that statement you made about inflation. If you wait until February, that is a difference of five months. Won't that make the cost go up for the B-1 bomber?

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SECRETARY RUMSFELD: The original amendment passed, which, as I recall, provided that you could not expend any funds from the beginning of the fiscal year, October 1st, until, I think, February 1st. Then you would have had to allow the production line and the employees to be let out of work, not get paid, and you would have had a gap in it that would have added cost.

However, the way the amendment is now drafted, if the lawyers are correct, it does not result in an increase in cost because the limits they put on the spending are well above that which we intended to spend, so there is leeway in there for a normal program to proceed.

Q What kind of shape do you think the President is in on the defense issue in this campaign, and why?

SECRETARY RUMSFELD: I am a bad person to comment on that.

Q Why?

Q You are involved in politics. I am not asking you to be partisan. I am asking you to judge the --

SECRETARY RUMSFELD: Yes, but the implication, if I start answering questions like that, is that I am knowledgeable about it and have been involved in it, and I quite honestly have not. I am not talking to people who are political extensively around the country or looking at political polls or engaged in it to that extent.

The important thing is he is doing this right and my personal view is that that tends to work to the advantage of political figures, fortunately. That is what makes our system work.

Q Mr. Secretary, you have said before you are not going to engage in partisan meetings.

SECRETARY RUMSFELD: That is right. It was Marilyn who said I would say anything that was partisan.

Q I just want to ask, does that mean unlike other Cabinet officers who will not be making political appearances on behalf of the President?

SECRETARY RUMSFELD: That is right. The President announced that with respect to State, Defense and Justice, some months ago -- in fact, when he asked me to do this job.

Q Mr. Secretary, I happened to be Champagne-Urbana the same day you were, just by coincidence.

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SECRETARY RUMSFELD: I got right up to the edge down there, there is no question about it.

Q You got very close, let me tell you. All the leads had Carter up there and you are on the TV looking good.

SECRETARY RUMSFELD: That is right.

Q Carter's thing does not make any sense; he is for a weak defense, mine is for a strong defense.

SECRETARY RUMSFELD: You are absolutely right, that I got right up to the edge there. But if you go back and read the transcript, I think what you will find is that the questions in each instance brought me to the answers and by golly, fair enough, I didn't walk out and start discussing those issues.

I was asked questions by people in the press or people in the audience and I answered them, and I intend to continue answering questions very directly and honestly.

Q Do you think Carter's defense position makes sense?

SECRETARY RUMSFELD: You are wonderful.

Q Just say what you said in Champagne-Urbana. Go ahead, say it again.

SECRETARY RUMSFELD: I will tell you what bothers me. What bothers me, since you raised it, is the implication that there is some sort of inexhaustible motherlode of money that is out there, that through some magic wand work the American people can have a strong national defense and it is not going to cost them very much, that we can kind of cut the budget with, whether it is \$15 billion one month or \$7 billion to \$8 billion another month, or \$5 billion to \$7 billion the next month.

We can cut the budget is the implication and the American people can have a strong national defense on the cheap. It is plain just not true.

The implication that we cannot afford a strong national defense bothers me, also. Today, we are spending the lowest percentage of our Gross National Product, the lowest percentage of the labor force, the lowest percentage of the Federal budget, the lowest percentage of net public spending than at any time since before the Korean War or before Pearl Harbor. We can afford a strong national defense and we darn well ought to have it if we want to contribute to peace and stability in this world.

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Q I have one more question. This is really off the wall, but I heard from a friend of mine that the American military has a laser weapon that can knock out a plane at two miles. (A) is this true; and (B) can you go any farther than two miles?

SECRETARY RUMSFELD: Who said this?

Q A friend of mine.

SECRETARY RUMSFELD: He said that who has it, the Soviet Union?

Q The United States military has a laser weapon --

SECRETARY RUMSFELD: The United States has one?

Q Yes.

SECRETARY RUMSFELD: I don't have anything to announce about that. I thought you were talking about the Soviet Union.

Q No, sir. Do we have a laser weapon of any type?

SECRETARY RUMSFELD: There have been announcements.

Q I mean, that kills with the laser's effects?

SECRETARY RUMSFELD: There have been announcements over a period of time about weapons research with respect to lasers but in terms of any announcements on present capabilities like that, the answer is no, we have not made any announcements like that.

Q Do you think you could get a compromise on the cruise missile in the SALT negotiations?

SECRETARY RUMSFELD: Do I think what?

Q Do you think you could get a compromise on the cruise missile?

SECRETARY RUMSFELD: I just don't know. If you look back over the pattern on the SALT negotiations, we have agreed on a good deal, most of the principal kinds of things -- particularly those that were discussed at the Vladivostok meeting. The gray areas are kind of the ones that are causing the difficulties.

Q Cruise and backfire?

SECRETARY RUMSFELD: Backfire, the cruise missiles and those things.

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Q Do you think you can get a compromise on cruise missiles?

SECRETARY RUMSFELD: I just don't know. That is what I said at the outset of the questioning. I think there is no way to know something like that when you engage in a negotiation with the Soviet Union until you are finally through and have it. I just don't know.

THE PRESS: Thank you very much, Mr. Secretary.

END (AT 1:43 P.M. EDT)