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PUBLIC AFFAIRS

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

February 3, 1976

The Honorable Ronald H. Nessen
Press Secretary
The White House
Washington, D.C. 20500

Dear Ron:

Attached for your information and possible use is the transcript of Don's appearance on Face the Nation last Sunday.

Sincerely,

A handwritten signature in cursive script that reads "Bill".

William I. Greener, Jr.

Attachment



SECRETARY OF DEFENSE DONALD H. RUMSFELD
INTERVIEWED ON CBS-TV "FACE THE NATION"
SUNDAY, FEBRUARY 1, 1976

BY

Mr. George Herman, CBS News

Mr. Ike Pappas, CBS News Pentagon Correspondent

Mr. Leslie H. Gelb, New York Times Diplomatic Correspondent

Mr. Herman: Mr. Rumsfeld, what is the national defense or other national interest significance of Angola? What does it mean to us?

Secretary Rumsfeld: I think the best way to look at what's taking place there is to put it in a broader context of all of Africa. If one looks over the past five years, for example, it's clear that the Soviet Union and Cuba have put something in the neighborhood of three billions of dollars into Africa, including Angola, and the effect of that, of course, is to develop ports and airfields and depots, and to strengthen governments that they feel are favorable to them. And when one looks at that entire continent and recognizes the interests that the Soviet Union has, I think that it's through that that one gets the sense of the significance.

* * * * *

Mr. Herman: Mr. Rumsfeld, you answered my opening question about the importance of Angola with sort of a sketch of the situation in Africa. I have to say that I'm not anything of an expert on that, and I need to be enlightened a little bit as to whether this presents a military and national defense threat to the United States.

Secretary Rumsfeld: I think that what it represents is clearly an increasing interest on the part of the Soviet Union, and certainly in this case Cuba, in Africa, and that our interest is served by having an African continent that the nations have governments that are of their preference and not necessarily of the Soviet Union's preference. The military significance is obvious, that to the extent that the Soviet Union improves its basing and airfields throughout the continent of Africa it is able to project power to a considerably greater extent in that part of the world than previously, but this is not a military question from the standpoint of the United States. I think the confusing thing has been that people have been saying no more Vietnams. Well, there is no one in the government that I've talked to who doesn't fully recognize that we have no intention of putting any U.S. troops in Angola, and that has never been an issue. And it's really a misservice to the discussion to get into that Vietnam analogy, because it is so flawed.

Mr. Gelb: Mr. Secretary, if we have to stop the expansion of Soviet influence in Angola and other parts of Africa, don't we have to do that everywhere; and if so, aren't we back to the 1950s and '60s in the height of the Cold War -- anything the Russians do we have to stop?

Secretary Rumsfeld: No; obviously, I think that what we have to do, however, is to look at the world and look at our circumstance and recognize the fact that

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the power of the Soviet Union has grown dramatically in the last ten to fifteen years. The United States has moved from a position of clear preponderance of power to one of rough equivalency. I don't think that my sketch of what's taking place in Africa suggests that the United States has in the past or is now attempting to stop Soviet influence everywhere in the world. I think, however, that as one watches what's taking place in Africa, reasonable people properly can be concerned about the involvement by the Soviet Union in so many nations of Africa to the tune of some \$3 billion in the last five years.

Mr. Pappas: Mr. Rumsfeld, is the United States sending money to Britain or to any other countries to train mercenaries in those countries to be sent to Angola? There's a story this morning -- a newspaper report -- which says that we are pouring twenty million dollars into Britain to train mercenaries, and sending them to fight in Angola on our behalf.

Secretary Rumsfeld: As has been widely discussed on the Hill, there was a covert activity not involving U.S. personnel and no involvement of the Department of Defense. The issue is presently being debated between the Executive and Legislative Branch as to whether, and if so to what extent, it's appropriate for the United States to provide funds to assist those forces in Angola who are in fact resisting the Soviet and Cuban-backed elements.

Mr. Pappas: I don't think that that answers the question, though. The question is, have we sent funds to other countries -- CIA money or any other kind of money?

Secretary Rumsfeld: As I indicated, there has been what was once a covert activity on the part of the United States involving some funds to provide assistance to an element in the Angolan conflict.

Mr. Passas: By using other countries -- is that correct?

Secretary Rumsfeld: I don't care to get into the details of what should have been I think properly something that --

Mr. Pappas: Is it going on now?

Secretary Rumsfeld: -- would have been handled in a covert way. I think that it's clear that the Congress has expressed itself on this, and that to the extent anything is to occur in the future, it would be as a result of extensive Executive and Legislative Branch discussions and possibly legislation.

Mr. Gelb: Mr. Secretary, you used the figure three billion dollars, total Soviet aid to Africa in the last few years. I've never heard that figure before. Could you detail that for us?

Secretary Rumsfeld: I could, I don't have the statistics with me, but I detailed it before the House Armed Services Committee last week, and it's a matter of public record. The countries between the period 1971-1975, we have estimates of the Soviet and Cuban financial assistance, military assistance and economic assistance -- basically military assistance -- and it is a matter of public record.

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Mr. Gelb: But this comes back to the whole question of how we define our interests in the world. Again you said we're trying to help out in Angola to stop the Soviets. As I look through your posture statement here, to justify \$112 billion in defense spending, every weapons system is justified on the grounds that the Soviets are doing something and we've got to match them. Are our interests in the world defined by what the Soviets do, in every case?

Secretary Rumsfeld: That's a good question, and I have answered it in that posture statement, and what I've said essentially is this -- that we certainly do not need to match the Soviets or any other country in every detail. However, the American people have been told that we have a policy, and they have supported that policy, of not wanting the United States to be second to anyone. That is to say, they have supported the concept of maintaining rough equivalence, or sufficiency. The trends that we've seen in spending by the Soviet Union versus the United States in terms of strategic and conventional general-purpose forces over the past ten to fifteen years have brought us from a position where we had superiority to one where we have rough equivalence. If those trends continue -- not in every detail, but in the aggregate -- if they continue, we will have changed our policy, because we would have said we are willing to have something less than sufficiency, and that would in fact inject a serious instability into the world.

Mr. Herman: Do you mean something less than sufficiency or something less than superiority?

Secretary Rumsfeld: I mean exactly what I said --

Mr. Herman: Nothing less than sufficiency.

Secretary Rumsfeld: -- nothing less than sufficiency. That is to say, we would be creating an unstable world. Now, the specific answer to your question is, yes, in the aggregate, to the extent that the Soviet Union continues to increase annually its spending and improve its capabilities in the strategic and general-purpose force area, there is no question but that if, on a relative basis that continues, and we continue to decrease, that we would have in fact moved to a position of a lack of sufficiency. I don't think that's the policy that the American people want; I don't believe that's the policy we're going to have in the coming years. I think we're going to check those trends and see that in fact we can continue the present policy we have of maintaining sufficiency. And that bears a direct relationship to the power of the Soviet Union.

Mr. Pappas: Mr. Rumsfeld, are the building for a war? Is that what the trend is all about? Are the Russians going to have a war with the United States ten years, five years -- that's what people are worried about; that's what people ask me all the time. Is that inevitable?

Secretary Rumsfeld: I think that we can be very pleased that the United States has, in fact, over a period of time, maintained sufficient strength that we have had a deterrent to the kind of war you're talking about. The American people want peace; they want stability. The way to have that is by seeing that we do not move to an inferior position. People talk about provocation. You can

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be provocative by being belligerent; you can also be provocative by being too weak, and thereby enticing others into adventures that they would otherwise avoid. I think that there is no question in my mind but that we can be reasonably certain that if we maintain our defense capabilities, if we maintain sufficiency -- and that's going to require checking those adverse trends -- that we can in fact be sure that we have sufficient deterrence to avert such a war.

Mr. Herman: Can some of those adverse trends be checked by negotiation and by agreement? I'm talking, of course, of the Strategic Arms Limitation Talks, or SALT for short. One of the questions Ike says a lot of people ask him about, are the Russians preparing for war; a lot of people ask, are the Russians cheating on the first SALT agreement?

Secretary Rumsfeld: I think that it is difficult for a good many people to accept the idea of maintaining adequate defense capability so that we have sufficiency, and at the same time engaging in negotiations with the power in the world that is developing the capabilities that the Soviet Union has been developing. My answer to you is yes, we can in fact -- I think, and properly should -- continue to explore ways with the Soviet Union to see if possibly our interests converge in certain areas, whether it's in SALT or Mutual and Balanced Force Reductions, and attempt to find ways to cap the growth of these weapons. So I support the strategic arms negotiations and the mutual and balanced force reduction talks.

Mr. Herman: Are you encouraged by SALT I?

Secretary Rumsfeld: -- however, we have to enter those negotiations, and conduct ourselves in those negotiations, with a recognition that we have to have as our goal the maintenance of stability and security for the United States. These negotiations can't be a one-way street.

Mr. Herman: The main part of the question was the arguments that you hear in various quarters, that the Soviet forces have been cheating on their implementation of the first SALT agreement. What is your own feeling? Have they been cheating or abiding by their agreements?

Secretary Rumsfeld: I've looked at the subject of violations. There have been a variety of them, involving concealment practices, involving some silos for command and control purposes, and the question of the heavy missile. My sense of it is that we have seen in the past that unilateral statements on our part are something that the Soviet Union does not subscribe to. We've seen that the Soviet Union, in terms of the development of its capabilities, has in the past -- and I think we should assume in the future -- every intention of moving exactly up to that line. Now, there are areas where I think a reasonable case can be made that they are questionable, and I can also say that we have in place a process that I believe, inside the U.S. government, whereby when this occurs, we can in fact raise those issues with the Soviet Union in a timely way, and it's clear to me that there have not been any violations that have affected our national security. That is to say, when a questionable practice has been identified, it's been raised, and it's been discussed with the Soviet Union, and we have worked that problem to see that our security has not been adversely affected.

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Gelb: Mr. Secretary, I'd like to come back to the question of defining our interests by matching the Soviet Union once more. The Administration has said that the Russians have put \$200 million into Angola, and 11,000 Cuban fighters. Does that mean that we have to match them, put in that much money? And if we don't put in as much as they do, aren't they going to win anyway?

Secretary Rumsfeld: Well, it obviously does not mean that we should match them in every detail, as I indicated in my answer. I think it would be certainly unwise for the United States to think that we should have our behavior controlled in every detail on the basis of what the Soviet Union has done.

Gelb: But what difference does it make, the \$28 million the Administration is asking for, for Angola, against this \$200 million and 11,000 Cuban fighters? What good would it do?

Secretary Rumsfeld: Well, I think that the good that it would do would be to provide financial support to the forces in Angola that are not anxious to have the Soviet-backed faction, which represents a minority of the people in Angola --

Gelb: Would it be enough, would we have to put in more after that?

Secretary Rumsfeld: Let me finish my answer -- which represent a minority of the Angolan people, and that to me seems to be a sensible approach. It specifically does not mean we should send in U.S. forces into Angola. There is no one who has suggested that at all. Would it be enough, I don't know.

Herman: May I ask if we are operating on the correct premise -- there have been a lot of reports that it was the United States that started the pouring of money into Angola, not the Soviet Union. Are we matching them, or are they matching us? Who started the escalation in Angola?

Secretary Rumsfeld: I think what's taking place in Angola is the fact that there is a faction involved in the conflict that is backed by the Soviet Union and by the Cubans with money and troops, and that they have in fact been providing a substantial amount of assistance and that group is prevailing.

Herman: I understand, but the question is, it has been charged that the United State was the first to put money into one of the factions in Angola, and that the Soviet Union was in fact responding to us.

Secretary Rumsfeld: Well, I was not involved except in the last two months as Secretary of Defense, and my understanding of the situation is that that's not the case. Now, I suppose somebody could go back and trace economic assistance of various types to different African countries, and say that ours started years ago, but in terms of attempting to influence the outcome of this present conflict, my understanding of the situation is that that's not correct.

Pappas: Mr. Rumsfeld, I've got a question on the amount of the '77 budget. It was widely reported and reliably reported in November that the total amount was \$110 billion, and then suddenly, after Mr. Schlesinger is fired and you come on, it's up to \$112.7 billion. Suddenly the President finds nearly \$3 billion to put back in the budget. Now did your friendship have anything to do with that with the President?

Secretary Rumsfeld: Obviously not. Presidents don't make decisions for budgets involving billions of dollars on the basis of friendship. Second, your statement that the figure was reported and reliably reported to have been at a certain level ignores the fact that the budget process lasts throughout an entire year. It is based on what the needs of this country are, and at various points it was up as high -- in excess of 122; it was at a figure of 117 at one point. The OMB at one point did have a figure of 110.

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Pappas: Well, it was pretty firm from Mr. Lynn that it was going to be 110, and--
 Secretary Rumsfeld: Well, I don't think you can make those judgments --

Pappas: And then what happened, happened right after that.

Secretary Rumsfeld: It's the President's budget, and the President made these judgments, and he made sound judgments, and it's important that the Congress pass a budget of this level and check the trends that exist, for the reasons I stated earlier. But until the President makes those decisions, which he had not at those earlier figures, whether higher or lower, it's not a budget and it's not the President's budget.

Gelb: But there were different judgments about what was necessary for the United States to spend on military security?

Secretary Rumsfeld: There were different judgments, ranging as much as \$15 billions.

Gelb: But the President's budget office sent him a memo saying that if we only ask for \$110 billion, that amount still had \$3 billion padding in it to guard against Congressional cuts.

Secretary Rumsfeld: That's just not correct.

Gelb: There is no such memo by the President's Office of Management and Budget?

Secretary Rumsfeld: There certainly is no such memo by Director Lynn. There may be staff memos floating around to that effect, but I know for a fact that the President made the judgment that he wanted a budget that he could defend in every respect. There was a good deal of debate as to whether the budget should be 112.7 or whether it should be 115 or 117 billion, because of such things as the questions that Congress has previously not agreed with, on pay, on stockpiles, on cutback in commissary. So the President said, look, we'll go for the lower amount, and say right in the budget that if the Congress increases those extras and tries to take that money out of program and investment for military capability and the balance, that we will have to go in for a supplemental. Further, we went in with a budget that fit with our present negotiating status in SALT; we did not go into a budget that would present what we would need were the SALT negotiations not to go forward. So if anything, the reverse is in the budget, rather than what you're suggesting.

Pappas: Former Secretary Schlesinger has said that he could support, he could publicly support the present budget at \$112.7 billion, yet just before he was fired in November, there was a lot of pressure for him to leave -- and he said that he probably couldn't go to the Hill to publicly support it -- now there is every indication it was too low for him, which was even below \$110 billion, and the question is, was the President politically influenced? There was a December poll that showed him trailing Ronald Reagan by eight points, and there is the accusation that he changed his mind about the budget, added to it, because of political reasons, in order to appease the right.

Secretary Rumsfeld: That's just nonsense.

Pappas: And you had no other influence on the budget itself, and on adding the \$3 billion?

Secretary Rumsfeld: No other pressure -- I don't know what you're referring to. I have been in the Department for two months. During the period I've been there, I have worked extensively with the President, the Office of Management and Budget, the Service Chiefs, and the Office of the Secretary of Defense to develop a budget that I believe represents a sensible approach to reversing the trends that have been going on for ten years. This must be done if we want to maintain a position of sufficiency. This budget does that. It fits in roughly the mix that I've described. A budget at a lower level, if we keep going on with this idea that you can cut billions out of Defense and they'll never miss it -- those days are gone.

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The Defense budget has been reordered from something in the neighborhood of 42 to 45 percent of the federal budget down to 25 percent. This budget, if it's cut in neighborhood of four to seven billion dollars, five to seven billion dollars, as has been the case in the last five years, it clearly will continue the trends that have been going on to the detriment of this country.

Herman: How long does it take a Secretary of Defense to master the Defense Department's many details, its budget, all the things about it?

Secretary Rumsfeld: On, I don't have any idea. I suppose that it varies from individual to individual. Certainly in two months, no one masters anything, I've had to restrict my involvement in the Defense Department to a relatively few number of areas during this early period. I have been deeply involved in SALT, deeply involved in the budget and intelligence activities, and personnel, and I hope that after we get through the budget cycle, I can broaden out into some of the other areas.

Herman: Some Secretaries have said it takes at least a year to master all the details, so that you have real civilian control of the Department of Defense. Is that a likely figure?

Secretary Rumsfeld: I would think that's a reasonable amount of time, but I don't think you can quantify it specifically.

Herman: Are you going to be there long enough to master all those details? Are you going to be there for a year?

Secretary Rumsfeld: I would hope I would be there certainly the rest of this year, and assuming the elections turn out in the way I would hope they would, that I would be there for a total of five years.

Gelb: Mr. Secretary, there are many who feel we should not be cutting back on our military procurement, but do argue that there are many areas of the Defense budget that can be cut. Let me just mention two and get your reaction. First, since 1968, we've reduced the number of our Navy ships by 50 percent, but the number of Navy personnel only by 30 percent -- 50 percent fewer ships, and only 30 percent fewer personnel. Again, since '68, military manpower has been reduced by 40 percent, but civilian manpower in the Pentagon, only by 23 percent. Why these gaps?

Secretary Rumsfeld: They do sound like gaps. However, I don't think that when you reduce your naval ships, as we have indeed in the last ten years, that we should expect a linear transistion in terms of manpower. In many instances, the ships that have been phased out have been the older ships, single-purpose ships, and many of the newer ships coming on line have been multi-purpose ships and of considerably more complexity:

Secondly, as to the civilian and military, there is always a trade-off. You can in some instances find areas where you can move a responsibility from a military responsibility to a civilian responsibility. There have been substantial reductions in military manpower we've been holding them level for the last three years. We are still cutting civilian -- on the civilian side; as you know, our budget proposes a 26,000 reduction in the civilian side. It is something that I am still looking at, as to whether there are possibly additional cuts in the civilian area. Part of it depends upon Congressional cooperation and base realignments and our efforts to adjust the combat-to-support ratio in terms of headquarters and these types of things.

Pappas: Mr. Rumsfeld, you asked -- or rather you told the Senate Armed Services Committee this week that you might have to come back and ask for more money in a supplemental request, if the SALT talks fail. Now how much money, and for what reason?

Secretary Rumsfeld: This is a subject that's presently before an inter-governmental working group on that subject. I don't think we can predict it with any certainty at this point, because we don't anticipate that that will happen. We think it's moving along. The important point, it seems to me here, is that in the

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next three months, the Congress of the United States is going to make the fundamentally important decision as to what the over all spending for the government should be, and what portion of that should be for the Defense Department. That decision will be made by May 15; it's a significant decision, and one that I think we should put a great weight on, and I felt an obligation to alert the Congress that some of these areas that we've been talking about with Mr. Gelb, plus the SALT area, were areas that we might have to come back in on, in the event the Congress made a decision, and address those.

Herman: Are you optimistic about SALT, and are you optimistic about getting what you need, basically need, from Congress?

Secretary Rumsfeld: With respect to SALT, it's not perfectly clear how that's going to work out. We working on it. As far as the Congress, yes, I don't think the American people want the United States to be second to anyone, and I think they are going to provide the funds that are necessary to check those trends.

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NEWS CONFERENCE
BY
SECRETARY OF DEFENSE DONALD H. RUMSFELD
AT THE PENTAGON
TUESDAY, JUNE 8, 1976

I might just take a minute and make two or three comments. As you know, I'll be leaving tonight; we're going to stop in Lisbon, taking Ambassador Carlucci back to Portugal with us on the plane. We'll be visiting there with some officials of the Portuguese Government and with Ambassador Carlucci. The discussions there, of course, will involve a fellow ally in NATO, and their security situation, and their participation in the Alliance, and how we might be of help to them.

I'll then go to Brussels that same day, be there for the Defense Planning Committee Meetings with the Defense Ministers. I believe that it's of 13 nations now, in that France doesn't participate, and Greece is not presently participating. I will be discussing with them the NATO, Warsaw Pact circumstance; the United States Government intentions to see that there are increases in our Defense budget and defense effort in real terms; and the facts and reasons that lead us to the conviction that is absolutely necessary, given the growth in Soviet capabilities over the past 10 or 15 years. We'll be working through an agenda that's prepared by the permanent representatives who sit in Brussels on a variety of subjects including the combat flexibility, standardization, common weapons systems. I also would intend to visit with the Defense Ministers about our hope that our Allies in NATO will similarly improve their level of effort with respect to the common defense. That meeting ends on Friday.

The Nuclear Planning Group Meeting begins on Monday -- a smaller number of NATO Allies who rotate in and out of the Nuclear Planning Group. It's proven to be a useful forum over the years since it started, I believe in the 60's for the very frank exchanges about sensitive nuclear issues. There will be some briefings on the strategic side and some discussions concerning theater nuclear weapons and modernization.

There's a possibility bordering on a probability that I'll make a couple of stops after I leave Brussels at the conclusion of the Nuclear Planning Group Meeting, but those arrangements I don't believe have been completely finished as yet. I'll be happy to respond to questions.

Q: Mr. Enthoven has held for some time that there are (1) too many nuclear weapons from a practical standpoint in Western Europe, and (2) they're the wrong sizes. Are you doing any discussing of this type of matter?

A: That has been a subject, of course, of continuing discussion within the United States Government, within the Alliance over the decades. The important thing there is not the numbers; in other words, you don't begin in sorting through that problem on the basis of what's the ideal number. What you do is you look at your defense capabilities and you first attempt to see that you have a strong, healthy conventional defense capability and deterrent from that standpoint. You then attempt to see that your theater nuclear capabilities are sensible in terms of the types and the locations and the degree of modernization that's been imposed on them and the arrangements for them. Those kinds

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of considerations to see that you have an effective theater nuclear capability both from a defense standpoint and a deterrent standpoint, then drives you to certain arrangements as to numbers or types or shapes or locations, and those are the kinds of things that do in fact get discussed in the Alliance.

Q: One problem seems to be that the size of the weapons is such that they might be counter-effective in the sense that they might do more damage to us than they would do to the enemy, not necessarily to our troops, but to the civilian capabilities and civilian populations.

A: That's kind of a statement.

Q: That is the argument used --

A: Of course there's a great many factors to look at. One is to look at the nature of the weapon from the standpoint of what's available technologically, and another is to look at kinds of numbers and locations, and another element is there's security which is something that's been of interest to us both from the standpoint of an attack possibly coming across and putting some in jeopardy, as well as from different types of security problems from terrorists and the like. There are a host of issues involved just as there are with conventional weapons and it's a matter for continuing attention and review, and it's something that we did discuss at the last Nuclear Planning Group Meeting and which certainly will continue to be discussed.

Q: Is there any decision that you will go to a non-nuclear warhead for the Lance?

A: Decision where?

Q: Either in this country or in NATO, as to whether that should be provided with a dual-type of warhead?

A: I don't know what you mean by a decision in NATO. There's been discussion in the building certainly in the Defense Establishment about --

Q: But as far as I can determine there's never been a decision in this building to provide American forces or NATO forces with non-nuclear warheads.

A: That's not something that's come up in connection with my planning for this particular trip.

Q: Mr. Secretary, why did you choose to promote or expand the responsibilities of a man whom you had severely reprimanded for his poor judgment?

A: Mr. Finney, let's try and take that and break it into pieces and make sure we're all on the same wave length. First of all, a decision was made with respect to Dr. Currie that he would be reprimanded. He was reprimanded. Had the decision been, based on the facts, to exclude him from involvement in the Defense Establishment, that would have been decided and announced. That is not what the facts drove reasonable people to conclude was appropriate. Had the decision been made that there had been any kind of a conflict of interest, that might have been the case. The facts were not such. Had there been facts that drove someone to a conclusion that he ought to be for some reason stopped from participating in certain aspects of the Defense Establishment business, and yet could continue employment, that would have been the decision. The facts were not such. Indeed, the facts were such that they led me to the

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conclusion that the decisions I made were the appropriate ones. They were made; they were announced in an orderly way. That means that they are what they are. They're there, spread upon the public record, and suggestions that because of that fact someone should then subsequently be additionally penalized or his service altered in some way are at variance with the facts and the decisions previously announced.

Now with respect to what occurred recently, my understanding is that there was a circular from the Office of Management and Budget that arrived in the building when I was in Hawaii or at some point prior to that; that it requested that an individual be designated so that the OMB would have those things arranged by Department in an orderly way. Mr. Clements picked the appropriate person and so designated him.

Q: This is a reorganization of DDR&E and I&L, right?

A: No. It had nothing to do with anything to do with our reorganization, it was simply an OMB request to have a single person designated so that they would have an awareness of who it was and a single --

Q: He has not been given the procurement responsibilities that were formerly in I&L?

A: He's been given exactly what the Clements letter designated as the result of a request by OMB for such a designation, nothing more; nothing less.

Q: Does not the Clements letter make clear that this designation is a prelude to facilitate the reorganization which --

A: It couldn't occur because I haven't made that judgment.

Q: You have not made that decision on the reorganization? Now, if the facts suggest that his job should not be altered in any way or he should not absent himself from any responsibility --

A: For reason of the reprimand. In other words, a reorganization would be a separate question.

Q: I understand. Why is he not participating in the current DSARC proceedings on Condor?

A: I don't know -- have to ask Bill.

Q: You did not direct that?

A: Quite sure I didn't.

Q: Could you tell us how you went about conducting this investigation of Dr. Currie?

A: The General Counsel's office did it on my behalf.

Q: Do you know whether Defense contractors were talked to; whether staff aides were talked to, or were just the principals interrogated?

A: I would want to discuss with Mr. Wiley the specific procedures he used prior to indicating to me what his judgments were -- before responding to something -- possibly Bill Greener can get that from Dick. But I personally am satisfied that Mr. Wiley has looked at it, and I agree with his recommendations.

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Q: Did Dr. Currie ever inform you since you came aboard that he had been approached by Defense contractors about possible jobs, and if so, did he inform you before this investigation was conducted?

A: I don't recall if he's personally mentioned it to me. I've heard from Mr. Wiley that he, as well as others in the building, periodically get approached, and I was informed by Mr. Wiley what Dr. Currie's response to those approaches has been. But I can't recall whether it was Dr. Currie who told me or Mr. Wiley.

Q: That would have been subsequent to the investigation if he --

A: I don't recall who it was or the timing.

Q: Who told you?

A: I don't recall who told me or the timing. I do recall having knowledge over a period of time that he, like others, is approached periodically. It's nothing very new in government, and I assume it's not unique to this business.

Q: Could you tell us just what Currie is responsible for?

A: Exactly what he has been; there's been no decision on the reorganization at all.

Q: What has he been designated as?

A: Do you have a copy of that circular?

Mr. Greener: Yes I do and I can go over it with you, Bud?

Mr. Rumsfeld: We can show you the circular.

Q: Does he have any responsibility for procurement?

A: What you'd have to do is look at his present job description under the existing directives of the building, as they've been; they've not changed, and then look at the circular. So he has the additional fact that he has been designated under that circular as having the responsibility that the circular requested be imposed to one individual in our Department.

Q: Did you ever investigate whether Dr. Currie received any other form of hospitality from Defense contractors?

A: Yes, that was a subject of discussion, I believe between Dr. Currie and me, but also certainly between Mr. Wiley and Dr. Currie during the period when there was discussion about the incident that led to the reprimand.

Q: What conclusion did you come to, as to whether he had accepted any other form of hospitality?

A: Oh, I'd want to go back and review the notes. I was dealing with four or five people on four or five different problems at the time. I know that to the extent -- I'm sure that there's a record of anything in addition that might have existed. But I know the questions were asked because they were asked of each of the individuals. In fact, I can recall asking questions myself.

Q: When do you plan to make the reorganization decision, and what are the options vis-a-vis Mr. Currie's department?

A: I don't have a timetable on it. Originally I would have anticipated that they would have been done by now. As fate would have it, some other events have intervened, and I've been busy with them. I kind of have been

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reluctant to act hastily with respect to organizational questions. This building is not a normal management arrangement. You have the history of bringing the three Services in under a single department, which at least raises a red flag of caution about decentralization that then could contribute to the centrifugal effect of having the three there. And one would not want to make an organizational decision that was very normal and understandable from a management standpoint that would not fit this building because of the fact of the history of the prior separation of the three Services.

The second thing that's unique about this building, from a management standpoint in the Defense Establishment, is the civilian military relationship. One has to again not necessarily always do the obvious from a management arrangement standpoint because that principle of our society is one that one has to be cautious about following intuition and not readdressing each possible change from that standpoint. It's more a matter of my time, and what I've been doing is meeting with people on these various organizational questions; letting them settle in the back of my head, and then talking with people as I go along through various other types of meetings, and then at an appropriate time when it seems to crystalize that there's general agreement that a certain approach makes sense, announce that piece. I think we've announced three or four pieces thus far. I would guess that there would be some more pieces, but I wouldn't want to prejudge that because until I've actually decided them, they are certainly not decided. The specific proposals are various. There must be four, five, or six possibilities as to how one might adjust the present arrangements with respect to DDR&E, and some of them relate to I&L, but, as I say, there's been absolutely no final judgments made on those at all.

Q: In answer to John (Finney), did you in effect say that Dr. Currie had accepted hospitality from other --

A: No, no, he asked me if he was asked if he'd accepted other hospitality and I said, yes, I can remember asking that.

Q: What were the answers?

A: That is what I said I would not want to comment on without going back and reviewing notes because I wouldn't want to weeks later use my own recollection, and, therefore, I'd be reluctant because as I indicated I was talking to three, four or five people at that time with a series of similar questions, one of which was that question.

Q: Is that because you're not sure about whether he accepted hospitality from any contractors, or because you're not sure of who the contractors are?

A: It's because I have not thought about the subject for weeks, I would want to go back and refresh myself on what his responses were at that point. It's clear that there were no other instances of hospitality receipt which were of a nature that they would have led us to reprimand him because the reprimand was for the things we cited. Had there been other types of hospitality that were of a kind we would have included them in the reprimand and conceivably altered the nature of the punishment.

Q: But you're not ruling out the possibility that he did accept hospitality from other contractors?

A: That happens to be correct because I'm not ruling out anything because I wouldn't want to respond without going back and reviewing my notes.

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Q: What other forms of hospitality are we talking about, were you asking about?

A: Anything.

Q: In the current climate of Washington that gets pretty broad, doesn't it?

A: I guess it does.

Q: Mr. Secretary, the question of Service recruiting policies -- racial policies -- has been raised again. Are you aware of the Services following recruiting policies which are intended to limit the number of blacks? What are your feelings?

A: No, I'm not. The article, I read one I guess this morning, was the first one I saw, but it harked back to an earlier period, as I recall from the article. It's not a subject that's come up during my time here. I believe it was a reference to some information that may have been gathered but not -- well, I'm just going off a news article, and I find that's dangerous. But there was some reference to the effect that it might have come from the Defense Manpower Group, and all I know is I didn't see that in my quick review of that report, or no one who's studied it in detail has come to me with that, nor did Curtis Tarr mention that to me when he met with me. So, it's not something that I've had an opportunity to study.

Q: Are you satisfied that current Service policies do not discriminate in (inaudible)

A: Certainly my understanding of present policies is that they do not, but it, as I say, it's not an issue that has come up in the time that I've been here in the form that the article suggested it came up during the course of the Defense Manpower Commission's study period.

Q: You mean that they didn't tell you that they kept out these documents?

A: I don't mean to be critical of them. No, I'm sure that they have normal ways of communicating with the building through people they deal with, but my recollection of my discussion with Mr. Tarr when he met with me to present it -- it was a brief meeting; we discussed a variety of things -- but I certainly do not recall, and I believe I would recall, were that one of the subjects.

Q: Some eighteen months ago Minton Francis gave a speech in which he expressed the fear that with the Volunteer Army becoming a success, the Blacks, who had formerly been sought in large numbers, would in effect be limited by the Services' choosing the whites who were coming along as the unemployment rate increased. In effect that has happened; the percentage of Blacks did go down pretty steadily over the last year.

A: I'm not familiar with that speech by Mr. Francis. I am familiar with the 60s when this issue first came up when I was in the Congress. And that was one of the concerns during the original discussions of the Volunteer Army -- the idea that with a higher percentage of minorities at the lower end

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of the economic spectrum and with the Volunteer Army that that particular vocation might therefore have a greater appeal percentage-wise to minorities than it did to whites, and that therefore you could end up with an imbalance in the military. That was accentuated during that period because there were deferments for college and various other types of things which tended to exclude more people who were not minorities than were minorities. So one of the issues that was debated extensively when the country went to the Volunteer Army was the possibility that you could end up with an Armed Service that was not really representative of the country, and concern about that. Now the fact of the matter is that I have sensed from that debate a general feeling in the country that there's a preference for having the Armed Services reasonably representative of the country, and that is in effect what has occurred over a period of years since the Volunteer Army has come in. As I say, I'm not intimately familiar with this.

Q: You're not suggesting that there is an unwritten guide which says that if the Blacks say 20 percent --

A: I'm not suggesting anything obviously because it's not an issue that I've addressed.

Q: The term representative was used --

A: Back in the sixties.

Q: By Mr. Callaway.

A: Oh, was it? I'm not familiar with it.

Q: -- kind of talk which in effect emphasized suburban recruiting in order to get more people representative of those areas that, of course, means more whites.

A: I'm not suggesting anything.

Q: Representative implies some kind of a proportional breakdown.

A: No, I was simply commenting on a debate that took place in about 1965, as I recall, when I was involved in this issue as a Congressman.

Q: But that's not your policy today?

A: Three or four issues; one was the potential cost; another was the concern about a mercenary army -- people used the phrase; and a third was that there would be a military that would be unrepresentative of the country because of the appeal of the higher pay that would be then more competitive with the outside than it had been in that period which, as I recall the statistics, said were about 50 or 60 percent of the normal civilian manpower rate.

Q: I assume from what you've said that Mr. Francis -- when you said, "that the issue is not a subject that's come up during my time here" -- I assume that Mr. Francis has not then raised the issue with you or accused the Services, as he suggested in public speeches that there is a --

A: I was not familiar with his speech, I must say, and the information that has come up as a result of this news article from the Defense Manpower work is not something that I can recall discussing personally with Mr. Francis. I wouldn't want to swear to every piece of paper that's flown around this building, but I don't recall. I've discussed the broad subject matter at some

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length with Mr. Francis -- on equal opportunity and so forth -- but that's related to a variety of specifics and certainly this was not a peak in that discussion.

Q: Do you feel it's necessary to go to the Services and ask them to double check and see what their common practices are?

A: It's my understanding that that information is now available in the building as of recently --

Mr. Greener: Within the last hour or so.

A: And certainly I would --

Q: I mean what the policy approach is.

A: I mean the information that came from the Defense Manpower Commission is now available and certainly that ought to be looked at.

Q: I understand. But as you yourself said, that reflected past events, past circumstances to some degree. We're talking about the present since you came aboard last November. Do you feel it necessary -- are you taking any action to double check?

A: I would first want to see what information has come in in the last hour and have somebody review that. All I know at the moment is what was in the news story.

Q: I understand that you're trying to arrange a trip to two countries in Africa?

A: That's a possibility.

Q: And you're also planning to go to the Middle East next month?

A: That's a possibility.

Q: These are areas not normally visited by Defense Secretaries, and I wonder is there any particular reason? What are the primary topics of conversation in these countries? Are they arms sales or new defense agreements or what?

A: No, things like -- well, I wouldn't want to rule out subjects of discussion but certainly arms sales or that type of thing tend to be discussed in the normal channels in a fairly normal way. Certainly the continent of Africa and the Middle East are areas of interest from a geopolitical standpoint and security standpoint. The possibility of these visits was discussed extensively with State, and it was felt that it was a useful idea if certain invitations came in from several countries, and it was thought to be in the United States Government's interest to have me do that, if in fact it evolves.

Q: I can't imagine you just going over there to wave the flag. There must be something specific on your mind. Is there some leftover business from the Kissinger trip in Africa, for instance?

A: Well, it would be a discussion. For example, I meet with ministers of defense from a host of countries all over the world. I'm meeting this afternoon with the Australian Minister of Defense. It isn't a matter of waving the flag or not waving a flag; it's a matter of discussing security

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problems with the various people that you meet with, and certainly the meeting this afternoon with the Australian Minister of Defense is an opportunity to express the sense that I have that the Australian Administration and Government of Australia have been functioning in a cooperative way from the standpoint of the United States defense activities, and to raise various specifics and discuss different problems with each other. But it's not something that's unique.

Q: Mr. Secretary, what conclusions have you reached as to what actions the Defense Department might take to facilitate a sale of P-3C planes to Japan?

A: I read your article (John Finney) and I've got to say -- I don't know if Bill's gotten into this with you -- but the facts on that are so contrary to the way the article was written that I might just take a minute and make you aware of it.

The article was laced with references to me. I suppose that makes it more newsworthy and gets it on page one, but the fact of the matter is I was not involved in that cable at all. It was a cable that was drafted by a person well down the line from me in ISA and sent, not to the Japanese as I understand it, but to another Defense official in the Defense Attache's Office in Tokyo.

Q: Did the story say it was sent to the Japanese?

A: I don't have a copy of it.

Q: I think I can state on my own authority it was not; it said it went to the military defense advisory office there. Wasn't the cable sent out under the name of SecDef?

A: Here's the article. The lead is that, "Defense Secretary Rumsfeld has interceded on behalf of the Lockheed Corporation in an attempt to salvage the troubled company's \$250 million sale of a patrol craft to Japan..." and then it goes on. I won't read it, but my understanding is that it was a cable that was prepared in ISA by someone who I've never met that I recall and sent to some person in the Defense Attache's Office in Tokyo in response to a cable he had sent, and it speculated about various ways that the effort, I believe, that Jim Schlesinger initiated, to encourage Japan to participate to a greater extent in the anti-submarine warfare defense of Japan and the waters around Japan. The cables that go out of this building, like the cables that go out of the Department of State, say, hundreds say, "SecDef." They also then contain an indication frequently that indicates who they're from, and this one did, I'm told, have a bullet right below, where it said SecDef. I don't seem to have it, and it said it was from some guy in ISA to someone in the Defense Attache's Office. It was indicated right on the cable that it was from that person to that person. Maybe you just didn't understand it. There's a --

Q: I'm an old communications officer.

A: Is that right? Do you have a copy of the cable?

Mr. Greener: We can get one.

A: It's interesting. It does have it right on the top I noticed, but even if it had not --

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Q: I don't want to really -- really getting to the question of whether you, now having reviewed the issue, have reached any conclusions?

A: I have never reviewed that issue. I certainly agree with the Departmental policy that it's helpful to have Japan defense forces capable from an anti-submarine warfare standpoint. The article suggested that I was altering some previous policy. I would want to make sure that everyone understood that we were not altering any policy. The article indicated that I was personally involved. I certainly am not personally involved. I have nothing I would want to say on the subject, except the classified cable was given to you, and you printed it, and the thrust of the story was inaccurate.

Q: Mr. Secretary, while we're in that part of the world, earlier this year General Brown stated that the U.S. Navy could no longer guarantee in wartime the control of the seas, control of communications beyond Hawaii. In light of that, what will your discussions with the Australians' Defense Minister be about today? Their Prime Minister recently came out with a foreign policy statement saying they are calling on the U.S. to maintain a presence in Asia. Now from what General Brown said, in wartime we won't be able to maintain a presence in Asia.

A: I think that's a subject that's received a good deal of discussion internally and externally. I think that the best thing to do is to stick with the unclassified versions of the Defense Report and the Chairman's Report on this subject. It is not possible with perfect precision to predict each of the kinds of scenarios that could evolve and then state prior to that time exactly what your capabilities would be in a given part of the world. It depends on what you're contending with, and there were several assumptions and caveats lashed onto that statement by General Brown that made certain assumptions and presumptions. I'm comfortable with the way the Defense Report reads on this subject, and that is the basis on which we're conducting ourselves. Do you have that (the message referred to earlier)?

Q: The Defense Report mentioned Japan. It called on Japan to --

A: Right on the fifth line it says, "SecDef Washington to the Defense Attache Tokyo, Info to Honolulu; and then it says Confidential; then it says from ASD(ISA) (SA), whoever that is, to DSAA-TS -- which says who it's from and who it isn't. It sounds to me like someone was trying to make mischief and fed you something to make it look like Rumsfeld was involved with the Japanese/Lockheed scandal, because that's the way it played all over the world. I kept getting asked questions out in Hawaii as though the article was written to leave people with the impression that I was somehow interlaced in that, which I'm not.

Q: I don't want to get into a defense of my story and so on. The reason I asked whether you had reviewed the issue was because Mr. Greener told us that, subsequent to that story, that you were reviewing this question, and as to whether the Defense Department should take any action, and that's why I was asking.

A: I see.

Q: And you say now that you haven't reviewed it subsequent to the story, and you still haven't?

A: I said that I didn't have anything I cared to announce. I'll tell you one thing I've reviewed is the format of cables. (laughter)

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Q: What have you done on that? (laughter)

A: I don't have anything to announce there either. (laughter)

Q: Mr. Secretary, can we get back to Australia.

A: I'm sorry, I never did finish that.

Q: In your posture statement you in effect called on Japan to take over the ASW mission in the Western Pacific --

A: Well, a portion of it. We are certainly not calling on Japan to take over the ASW mission for the entire Pacific.

Q: Are we in effect calling on Australia to take over the ASW mission for the --

A: I don't have anything to announce as far as my meeting with Australia.

Q: Do you have anything to announce on your review of the executive dining room?

Q: Mr. Secretary, I would like to revert back to the previous question on TacNucs in NATO. Sometime ago there was a report that there was a Kissinger-induced offer in the MBFR arena to withdraw some 1,000 warheads in NATO Europe in compensation for a Warsaw Pact offer for one tank Army.

A: That's still pending.

Q: Do you expect that that might be on the NPG agenda and if so, would you care to comment on this?

A: I would doubt if it would be in the NPG agenda, the reason being that the MBFR tends to get discussed in the Defense Planning Committee as opposed to the Nuclear Planning Group. To be perfectly honest, it tends to get discussed more in the NAC, meaning the North Atlantic Council, than it does in the Defense Planning Committee, the reason being that France frequently does sit in during discussions of MBFR even though they're not participating, and France only sits on the NAC. So when I was at NATO, all of the MBFR discussions tended to take place in the NAC as opposed to the NPG even though you're right, there is a nuclear component that's on the table in Vienna.

Q: Well, it was a NATO offer. Was the offer actually made by NATO itself?

A: No, it was put forward in Vienna by the participating countries, and the participating countries do not include all members of NATO. They do include all members of NATO who are in the MBFR guideline areas, plus some other countries, and some other countries are not involved.

Q: Are you concerned about the Lebanon situation? Do you feel our forces over there are adequate to deal with it?

A: Well, we of course have been aware of possible requirements that could be imposed on the Defense Establishment with respect to evacuation, and we're watching the situation. No such request has been made of the Defense Department. Were it to be made, we would try to meet it in an orderly way.

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Q: Mr. Secretary, may I tie up one other loose end?

A: You have been so quiet, I didn't even see you. Make this the last question.

Q: Are you satisfied with the recruiting situation for officers in specialties in the Services in terms of minority groups?

A: I indicated in my meeting upstairs for the signing of the Equal Opportunity Revisions in the Directive, that this is something that I feel very strongly about; something that I think our society has to address on a continuing basis, and I personally am not satisfied that we've been able to accomplish as much in the equal opportunity area as one would hope. I also indicated there, however, that I felt that the new directive would be helpful. I also indicated there that I felt that the Defense Establishment has a proud record generally in the area of equal opportunity, and has been somewhat of a leader in this area. I think it's important that the Defense Establishment has the benefit in the decision-making process at all levels, in all components, of people from all parts of this country, male and female, minorities and non-minorities. I have discussed this subject with the Service officials, with the Office of the Secretary of Defense officials, with the military officials, and I would hope that the record of the Defense Establishment would continue to be a good one in this area, which means that it has to be better.

Q: Your lack of satisfaction isn't directed at anything specific like recruiting practices, or --

A: No, because I've not addressed that.

Press: Thank you.

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NEWS CONFERENCE
BY
SECRETARY OF DEFENSE DONALD RUMSFELD
AT THE PENTAGON
THURSDAY, SEPTEMBER 16, 1976

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Good morning. I've been kind of off the track for about a month now, and I'm back at it. I would like to make a couple of comments about the Congressional situation before responding to questions.

As you know, we've been concerned about the Congressional handling of defense matters during the year and been working closely with the Congress to alter the pattern of the previous period.

Several of the things that have been heavily discussed between the Executive Branch and the Legislative Branch are various things that the Congress has failed to authorize that the President requested; various things that they authorized that were not requested that we feel were of a lower priority, and therefore, will result in placing scarce defense dollars not in the highest priorities areas but in some things that need not have been spent for.

And third, the President's major initiative for achieving some restraints which required special legislation to be passed by the Congress if we were to achieve something like \$3 to \$5 billion of restraints in defense spending in fiscal '77 and something in the neighborhood of \$20 billion over a period of the five year program.

The President, as you know, has gone back to the Congress with a resubmitting authorization request totalling about \$2.4 billion.

I, in the last several days, have been encouraged by several actions with respect to the restraints which the President proposed to the Congress. There has been some progress on the repeal of the so-called one percent kicker; there has been some progress with respect to the ability of the Executive Branch to make some stockpile sales with respect to certain items that are not needed from a strategic standpoint. We have to continue to work those matters through the House if we are going to achieve those savings.

The most important thing remaining before the Congress that the Congress has not yet acted on, and which I am convinced, and I know the President is convinced the Congress should act on prior to adjourning, is the matter of the amended shipbuilding program involving specifically four additional frigates, the AEGIS destroyer, and the strike cruiser.

We have testified both before the House and the Senate on the shipbuilding program. The case is, I believe, clear. The lead-times on ships are long, and it is important that the Congress not delay again acting on these specific proposals. As you know, the so-called Bennett Subcommittee, the Sea Power Subcommittee of the House Armed Services Committee, has favorably reported out that legislation.

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The Defense Department and the Executive Branch is now working with the Congress and the appropriate committees to see that the Congress acts on this legislation prior to the conclusion of this session.

The only other thing I'd mention from a congressional standpoint involves the Military Construction Bill. As you know, the Congress put an amendment on that bill which would in effect have required the Executive Branch of the Federal Government to waste taxpayers' funds because we would be inhibited from seeing that our base structure is in fact adjusted to meet our force structure in a sensible, efficient, sound management manner. The President vetoed that bill, the Congress sustained the President's veto. The House has passed a clean bill without that offensive amendment and now the Senate has proceeded to add a watered down version of that amendment to the Bill. It's not clear exactly what the amendment says or how it will work out but what is clear -- that the amendment does require a statutory 60 days delay which would just about double the present courtesy delay that exists before a base alignment decision could be implemented. Basically it's a provision which we do not favor and will oppose as we did the original amendment.

This one, of course, is as offensive from the standpoint of the principles involved but it is a watered down version and therefore is more precisely an instance I think, where the Congress rather than assisting us in seeing that we can expend the Defense dollars in an efficient way is inhibiting us from being able to spend Defense dollars in an efficient manner. We're hopeful that the House-Senate conference will reject that Senate amendment.

I'll be happy to respond to questions.

Q: The question's on Diego Garcia which has been postponed several times and since there has been an awful lot of action nearby in Central Africa. I wonder if you are a bit more concerned than you used to be about the situation.

A: Well, I would have hoped that the events that have taken place in the world since the original discussion on Diego Garcia, which now dates back I think years, would have assisted some of the opponents of the Defense Establishment's position and President Ford's position with respect to Diego Garcia, of the importance of that part of the world and the obvious value to the United States Navy and to the United States Government of having the capabilities that our proposals would provide. There is no question but that there has been a good deal of activity in Africa; that the Soviet Union has demonstrated a considerable interest in the periphery of Africa in developing access to ports and airfields and depots, and those things necessary to enable

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them to project power thousands of miles from their shore. I don't know what else I could add except that --

Q: What is the status? The last time I heard there was going to be some action after July 1. Well, July is behind us now. Where is it now? Is it just in limbo?

A: As I recall, there was a provision that prohibited expenditure until a report was filed. The report was filed, and the Department fully complied. And it's not on the tip of my tongue as to exactly what took place after that report was filed. Do you know, Alan (Woods, ASD PA)?

Mr. Woods: Construction continued.

Rumsfeld: It proceeded as was previously projected prior to the time that the requirement for the report was imposed.

Q: Mr. Secretary, looking ahead to next year, you are now in the middle of a budget process, and I appreciate no firm decision has been made, but you have made some overall program decisions. Does it now look as though you are going to have to go above the \$120.6 billion that you projected as the appropriations request for next year?

A: Well, let me make a couple of general comments on this. I noticed an article in the paper about it, and it is that time of year in Washington. I guess it has always been that way and it always will be. We all know that the President announces his budget in January. And we all know that the American people, and the readers and listeners of all the people in media will have an opportunity to know exactly what it is in January. And yet, for some reason, we always seem to get engaged in leaks and memos and authorized this, and unauthorized that, and speculation about what will it be, and it proceeds for about three months prior to the time it is actually released. I personally am comfortable in waiting until it is announced in January, but I suppose we will just have to live through it like we have in previous years.

Point number one, we obviously don't know what he will announce in January. Point number two, normally he will get involved personally in that process in the November-December period. He has been involved to some extent thus far, but not extensively in the defense budget, and probably will not focus on that until the November-December period.

What we are now going through is, as you pointed out, the normal part of the process where after the announcement of one budget the process of preparing the next budget begins, and it continues kind of at a low temperature for a while. And then OMB goes out to the departments and agencies with various preliminary figures. They then come back to them normally with higher preliminary figures. A taffy-pull takes place over a period of months, and at some point the President and the Cabinet official involved sits down and sorts it out with the Director of OMB, and we have a budget.

Now, anything I said would be pure guesswork with all those caveats. The answer to your question is, I would guess, yes. I would think it would be somewhat over \$120.6. How much over it I really don't know. I really, very

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sincerely do not know. I don't even know what I'll recommend at this point. But what you do is you look at what your projection was last time, which presumably was based on something substantive, as indeed it was; you look at what is taking place in the interim from the standpoint of such things as inflation, from the standpoint of what Congress did or did not do by way of authorizing those things that you felt were necessary from the standpoint of your programs, in this case national security programs. You look at, again in the case of this Department, those things that the Congress failed to do with respect to imposing restraints which required you then to put funds away from higher priority areas into lesser priority areas and again degrade national security capabilities from those which you had projected in your fiscal 1977 budget.

And those things tend to come out as additional increments of some sort. Now, what portion of them I'll end up recommending to the President sometime later this year I am not in a position to say at the present time. We are working with the various Services on it, and if the procedure works anything like it did last year, I at some point then in November, presumably, or early December will make my final judgments. We will then send them to the President. This is after the Comptroller's Office has its budget scrub. Then we will send them to the President. OMB will agree or disagree, most likely disagree as they always do; we will then meet with the President, and he will make his judgments. But that very likely would be in December, John.

Q: Could I just follow up quickly? The 120.6, as you recall, took into account anticipated inflation, and I think that inflation has been held at what was anticipated. So that should not be a factor driving up your request. The other concerns, such as Congressional action or inaction, is that going to add on the order of \$8 billion to the defense budget for next year?

A: Oh, I wouldn't even begin to speculate what it will. Congress isn't out of session, and I have not made my judgments. I just don't have any idea. The other thing you have to be careful on about this, and I suppose we are -- as I say, I don't find this particular discussion very useful because we know that we are going to know in January what it is and why we have to massage it weekly between now and then is not completely clear to me. But one of the things that ought to be kept in mind when we think about what we have written or what I have said today and look back on it two, three, four, five weeks from now, or two months from now, is that question of what it's in the defense budget. You will recall there was some question also about what portion of retirement funds should be in the defense budget. And the Senate and House put some language in on that. So final figures might or might not bear any relationship necessarily to figures that are being kicked around now. Because you might have some things in that that weren't in before, and some things not in that were in before.

Q: Aren't you talking about fine tuning though? Haven't you sent out a memo to the Service Chiefs telling them that they can plan on a budget over the next year and three or four subsequent years, five percent greater than the figure that had been previously projected?

A: Well, the way I would describe what has been sent out to the Services is that which is sent out to the Services every year about this time, and what it

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is, is an indication, were the figures to be about like this, how would you arrange your program. They came in originally saying, "here's what we want." Now, you go back and say, "Well, what if you did it somewhat differently?" Then they come back in and say, "Well, we don't think we ought to do it quite that differently, although maybe this way." And then you go back out about last week, or whenever it was, and say, "Were it to be about this amount, how would you arrange your programs?"

Then of course you end up adding those things together at some point. The Comptroller's Office and the OSD and the Services end up scrubbing those budgets, and they normally scrub them by a number of billions of dollars, as you know. And then there is a series of final meetings and sessions where you do what you're talking about is fine tuning, which is where you make judgments, how much you really -- you know what Congress has done by then, and you begin to make judgments as to what you think should be recommended to the President.

Q: But every year about this time you come up with a gross target figure area. And this year is it --

A: But it is very preliminary.

Q: It is preliminary, but you usually fine-tune that. And now, isn't the target figure about \$9 or \$10 billion above what had been previously planned?

A: I just absolutely refuse to get into the subject. First of all, it is all a matter of -- it is the President's budget. What he announced in January is up to him. He has not focused on the subject at the present time. We are at a very early stage of it. I am a big boy. I know people are going to end about running around whispering to somebody, "This is what is going to be," or "they are going to try to get their program in or out," or hurt somebody else's or help somebody else's by leaking something to the press. Some of it will be true, some of it won't be true. My strong recommendation is that people look at the broader pieces and the broader policy which you understand, which you can get from the responsible people in this building, and not chase all that stuff.

Q: But you said you guessed it would be above the \$120.6.

A: Yes. He asked me a straight, flat question. I said, "Sure, I would guess it would be above that, depending on what Congress did and so forth." But I have no idea how much.

Q: Do you guess it would be substantial?

A: I am not going to guess beyond that.

Q: A question on broad policy. The budget has to have the caveat that if the SALT talks do not get anywhere, that you will have to take certain actions. Have you reached that point where you have more or less decided what certain actions you will have to take if we don't have a SALT agreement, a SALT II agreement? A question of the M-X program --

A: Let me get right back to that. I had a thought floating around in my head. I will give you another example of one of the things that interacts. Besides the fact that the Congress put in language last year concerning retirement and how you optically -- where you optically put it in the budget,

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there is a second thing that is floating around, and that is the question as to whether or not the Defense Department should apply inflation to the O&M account.

And if you will recall, last year's estimate doesn't apply inflation to the O&M account, this year's legislation requires that you apply inflation to the O&M account. It amounts to a substantial sum of money, John, as you know. So there is another reason that I think it is going to be very easy during this period for people to trip all over themselves.

Going back to your question, there were, you are right, three caveats in last year's budget. One involved the shipbuilding area, one involved the fact that the President imposed the restraints, and he said he would come back at them if, in fact, they failed to pass the restraints enabling us to save the money because he was convinced that to reverse those adverse trends we had to have that money. The third area was in SALT. Now, what will evolve in SALT between now and the time the President puts the fiscal '78 budget to bed and the five-year plan that follows thereafter, I don't have any idea. There has been nothing thus far in SALT that would affect it beyond that which we have already announced concerning the desirability of maintaining the Minuteman line open. As you know, the SALT interim agreement expires in October of '77. That is about a year from next month. And certainly the President has said repeatedly that he intends to work for a SALT II agreement following on the Vladivostok understanding, and would anticipate that it would be something that, if it is achievable, would be achievable prior to the October '77 period. Now, what kind of events could intervene between now and then that could affect the budget, I can't speculate about. But you are quite right, there could be events that could affect the budget.

Q: There is one thing that Jimmy Carter and Defense executives seem to agree on, and that is that the military reserves are in considerable trouble, and your own people's concern is focused on the fact that they are not filling the ranks as young men fulfill their obligations incurred, some of them to get out of the draft, they are not staying in the units, and you are way down in numbers.

My question is, given the fact that you have this total force concept as a keystone of national defense nowadays, and the center of gravity in some respects has moved to the reserves, have you done anything from your level to try and remedy the situation, or do you not consider it a top priority problem? How do you come down on that?

A: Well, number one, it clearly is important, given the way we have arranged ourself from a security standpoint in the United States with over a period of years reductions in total men and women in the armed forces from whatever it was, 3.5 million I believe in 1968, 2.7 million in '64, down to 2.1 million today, with a higher emphasis and focus, as you suggest, on the reserves and the importance of the reserves in a crisis situation. Given the continuing need to see that we have our reserves at the proper numbers, operating, efficient, ready, using equipment that reasonably approximates that which they would use in a mobilization, it obviously is an important area and something that merits my attention and, in fact, gets my attention.

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I have met with the heads of our reserves for the various Services. I met, I believe it was this week or late last week, with the Reserve Policy Board headed by Mr. Slezak. It is something that we have been discussing in the meetings that have been held in connection with the fiscal '78 budget, and certainly requires, just as does the active force -- you know, we recently went in with various reprogrammings concerning, and in fact a budget amendment as well as reprogramming, concerning recruiting to make the All Volunteer Force work. And that is the kind of thing also that requires that one look at it month to month to see what the numbers are, and how you are doing, and that you in fact are providing the kinds of incentives and management policies that you are getting the people you need. As the thing dips, you have to go back in and see that you move it up and get it back where you want it.

Q: Well, are you doing anything beyond just addressing the dimensions of the problem? Have you got any kind of specific legislation, or task force study, or is there anything that would indicate the degree of your concern? Or maybe you are not concerned; I don't know.

A: I indicated I was concerned, and we have been working on the problem. I don't have anything I am in a position to announce at the present time.

Q: What is your current assessment of the Soviet ICBMs in terms of MIRV deployment and the accuracy of MIRVs?

A: I noticed in reading one of Alan's press briefings that the question came up concerning an update kind of in the Soviet MIRV and missile programs.

I would rather not give you a cursory kind of a thing. And maybe what we ought to do is come back next week and go into it in some detail. I would be happy to do that.

I could do it today, but rather than give you a couple of short answers, I would prefer to do it when we have 15, 20 minutes and have a chance to explore it some with you.

Q: Could you add the SS-20 to that list in addition to ICBMs?

A: I have. I've noted some confusion in the press as to whether the SSX-20 is deployed. We don't have any evidence that it has been deployed.

Q: You don't have any evidence that it has been deployed?

A: That it has been deployed as of this moment, no. There is no question but that it is ready for deployment. That has been our view for some period of time, that it was approaching deployment. We don't have evidence at the present time that it actually has been deployed. We anticipate it very shortly.

Q: Is there a conflict there between your assessment and the Arms Control Agency?

A: No. Basically what they said was what I said in my Defense Report last January. I didn't detect anything different in the ACDA statement that varied in any way at all from what I sent up to the Congress.

Q: The ACDA reported indicated the missile was deployed.

A: Was it? Is that where the difference came? What was the interpretation?

I have forgotten the issue.

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Q: That it was being deployed.

A: No, I thought the issue came on the ACDA statement, that it left some people with the impression that some of the older Soviet missiles were being MIRV'd as opposed to being replaced by MIRV systems.

The latter is the case, not the former. But I don't believe that ACDA was incorrect because my recollection was that it was just a misunderstanding from it. It is MIRV systems replacing older systems, not MIRVing of older systems.

Q: Mr. Secretary, getting down to some human terms here today, is the Defense Department conducting any studies about how much they save by keeping people on active duty or letting them have leave time and then come back to active duty to finish out their military careers? I am referring particularly, are you checking anything to see how much you gain by keeping career women on after pregnancies?

A: I do not know the answer.

Q: Do you think it might be worthwhile in making some sort of a study of that?

A: I do not know. Let me check it.

Q: I think the Stars and Stripes, or somebody has printed some stuff in the past month about how many man-hours they lose. I just wonder how much they gain.

A: I just do not know the answer. I will be glad to get into it.

Q: Mr. Secretary, what have we learned from the MIG-25 so far?

A: The MIG-25 is in the custody of the Government of Japan and under the control of the Government of Japan and is being handled by the Government of Japan. They obviously recognize, as everyone in the world does, that it is an interesting aircraft, and that examination of it conceivably will provide a good deal of information. It seems to me that from the standpoint of the -- in fact, I noted that the Japanese Defense Administrator made a statement -- this is a UPI clip that I just got -- indicating that they do consider it their responsibility to learn fully the capabilities and functions of any weapons that they consider posing a potential threat to Japan's security.

I go into that preliminary way of saying that my interest obviously is apparent, and it is to avoid doing or saying anything that would be unhelpful. And for that reason, it strikes me it is probably preferable to leave the responses on this subject concerning the pilot, who is now in the United States, leave the responses to the Department of State, who is in charge of him, and leave questions concerning the aircraft itself to the Government of Japan, who is in control of it.

Q: Do we plan to fly that aircraft?

A: My interest is seeing that the information that is obviously potentially available as a result of the availability of that aircraft to the Government of Japan, that that information is maximized. And it seems to me that the most constructive thing I can do to assure that is to not complicate the diplomatic situation that exists between the Government of Japan and the Soviet Union on the subject.

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Q: Did you mean to say that you are going to hold a special press conference on the Soviet ICBM, or simply answer the questions of the reporter who asked the question? Is there going to be an open hearing?

A: If there is broader interest, I would be glad to do it in a press conference. We can do it sometime next week or the week after, in a period immediately ahead, sure.

Q: Have we looked at the MIG? I mean, have American experts looked at that MIG? Have they been invited by Japan to go and look at it at least?

A: I have responded on that question. It is an intelligence question. I think there ought to be a reasonable degree of understanding in view of the fact that it is an intelligence question. It is obviously an issue that is between the Government of Japan in this instance and the Soviet Union. The Government of Japan is holding press conferences on the subject and discussing it.

Q: Not if the Japanese invite us, then we are into it. You know, if they invite us to come and look at it, then our government is involved. And I think the question is legitimate.

Q: I thought, in fact, that they had invited us to look at it.

Q: Can't we at least say we accepted the invitation?

A: At the moment I don't have anything to add to what I've said.

Q: Didn't they invite us and didn't we send somebody?

A: At the moment, I don't have anything to add to what I have said.

Q: Mr. Secretary, if that MIG had been landed at an American airport rather than in Japan, could it have gotten in under radar and been undetected for as long as it was going into the airport in Japan?

A: I am speaking from second or third hand here and basically off press reports. But my understanding is that the MIG-25 was in fact detected by the Government of Japan, that some planes were either, I believe they were launched to see what the radar was showing up with, and that then there was a period when the MIG apparently through various tactics, its altitude and location, was able to get lost, and weather and terrain. In any event, my understanding is there was not a connection between the planes that went up and the MIG prior to the time it actually arrived near the airport.

Now, as all of us know who are familiar with radar and tracking and these air defense types of things, that that is the kind of thing that can happen. A single plane can, in fact, from time to time do that.

You are asking what would be the case with respect to the United States. As you know, the United States does not have extensive air defense capabilities, and has not had for some years.

Q: Are you saying that the evasion was due to tactics of the pilot, or other evasive maneuvers, and perhaps the use of electronic gear?

A: I know nothing about the latter. I have just been advised that the assumption is, and as I say, and my recollection is this came from press reports,

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that the pilot when it became clear he was in radar contact went down to a low level. I know nothing about any equipment being used.

Q: The answer to his question then is yes, because of our lack of air defense?

Q: Let's make this clear, however, as to whether a MIG-25 is a threat to the United States or not. Does it have the range, the payload, the capability or anything else to be a threat? We are talking nonsense when we are talking about MIG-25s attacking the United States.

A: Were you referring to a MIG-25 doing it in the United States, or were you referring to an airplane?

Q: I was referring to an airplane.

A: I thought he was referring to an airplane. You are quite, were it a MIG-25.

Q: Mr. Secretary, could you bring us up to date on where you stand on the investigation of the alleged destruction of records in Iran when supposedly, according to the press report anyhow, the inquiry was underway as to how we had been spending money at the U.S. mission over there. You have been reported as being upset about the destruction of the records and had order a report.

A: You're damn right I was.

Q: Can you just give us the chronology of that and where you stand?

A: Well, I don't have the dates. This is something where there is an investigation underway obviously, so it requires a degree of judicial restraint on my part. But there was a month, and let's estimate that it was probably in July, I would guess, some weeks ago, that I became aware of some questions involving this...

Q: Involving what?

A: That relate to this issue of the possible destruction of records involving some questions concerning military sales in Iran. And my attitude with respect to it was similar to my attitude with respect to anything of that nature is, that (a) there darn well ought to be an investigation; and (b) to the extent that there is anything wrong that involves civilians, the Department of Justice should be asked to get involved promptly, and to the extent it involves military personnel, the Uniform Code of Military Justice has plenty of provisions to take care of it.

Q: Do these involve the sale of arms to Iran, these records?

A: No, they involve financial arrangements between the United States and Iran.

Q: With regard to the sale of arms?

A: Possibly not with regard to the sale of arms.

Q: You don't know yet?

A: No, we do know. And it involves an investigation, and I am not going to get into it. He wanted me to say it. I didn't want to say it. Let me figure if I can find a way to say it that it doesn't have any hooks on it or holes in it.

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Q: Well, see there is a little difference between what you just said and the press reports; namely, whether we are talking about records about money spent by individuals overseas on your mission, or as you said, money as transacted between Iran and the Pentagon or whatever. So if you could just help us be precise on it.

A: I probably should not have used the phrase "arm sales." The reason I said it is because obviously we do have various transactions with Iran concerning weapons. The fact that there is an investigation suggests the truth; namely, that I don't know all the facts. Were we presently apprised of every aspect of the situation, the investigation would not need to be underway or would have been concluded. It is not concluded. It is still continuing. I don't know quite how to describe it, to tell you the truth. It involves the question of some Americans handling of some records and some money in connection with Iran. And I think that is a perfectly adequate way to put it.

Q: You can't rule out that it can be connected with arms sales?

A: How would you answer that, Alan?

Mr. Woods: I don't believe there has been any indication thus far that it is connected to arms sales.

A: I have not seen any indication that it is connected with arms sales except someone could say anything to do with Iran is connected with arms sales because the people involved might have been. But the money is not to my knowledge.

Q: Is it money that disappeared and unaccounted for? Has somebody run off with money?

A: No, I am not going to make any allegations. I am just simply saying flat out there is an investigation involving some Americans in connection with some money, in connection with some relationships between the United States and Iran, and the investigation is underway.

Q: You made a reference a minute ago to the Department of Justice. Are they involved now aside from the --

A: I did not say they were involved, nor did I link them to this case. I said my reaction in this case, as it is in all cases involving allegations or the possibility of any wrongdoing whatsoever. It is number one that there should be an investigation, this is my General Rumsfeld's rule.

Number two, that if it involves civilians, obviously the Department of Justice is the Agency of the Government that has the responsibility for handling wrongdoing or violations of law. And in the event it involves military personnel, we have a Uniform Code of Military Justice for that purpose.

Q: But has the Department been brought into it, Department of Justice been brought into this case?

A: The investigation is still proceeding. And as I indicated, the first thing you do is have an investigation. That is proceeding.

Q: Is it an investigation only by Defense Department people?

A: At the present time -- well, and Service.

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Q: People representing the Defense Department on the whole?

A: Technically, yes.

Q: Not people representing the Department of Justice investigating?

A: Well, I don't think anyone outside the Defense Establishment is connected with it at the present time.

Q: Back to square one to make sure we are on the right wave length here. You said initially, just in case it is not right, that the investigation was prompted by "possible destruction of records concerning military sales." Now we want to say the possible destruction of records --

A: Involving some Americans, and involving money, and in connection with the individuals relationships with Iranians, or in Iran, because it may not be with the Government of Iran.

Q: One other unclear situation. Are you investigating -- if I understood what you said, this may be a little different than what was said last night. Are you investigating only the records situation, or transactions as well?

A: In trying to get the timing involved clear in my recollection here, my recollection is that there was some investigation taking place of an audit nature, and it was during the course of that that the issue of destruction of records came up. So I wouldn't want to exclude anything other than the destruction of records.

Q: How much money are we talking about?

A: I don't want to get into it. There is an investigation going on, and we are going to find out.

Q: Mr. Secretary, we have skirted the issue of the Soviet Union's present threat. What is that threat now? Has it diminished since the spring of the year when we were talking about budget?

A: Who skirted it?

Q: Well, I mean today, we have talked about ICBMs and so forth.

A: You mean there haven't been any questions on it.

Q: That's right.

A: Okay. Let's lay it right out on the table and get it straight. --

Q: Considering that budget for next year, has the Soviet threat been included in that? Do we still need additional funds as we did in the spring of this year for the Soviet threat? Is it still going on at the same pace as it was in the spring?

A: Oh, absolutely. And that is why the President put the budget up he did in January; that is why we have been pressing the Congress to get that budget passed; that is why the budget that will go up in January of next year for fiscal year 1978 will do, as the President has indicated repeatedly, and I have indicated repeatedly, will try to set this country on a path over a sustained period of time so that those trends will not continue because they are fundamentally unacceptable to the security of this country.

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The point that I have made to the Congress, I believe each time I have testified up there is, do not look at this budget increase, and it is a big increase, and it does, in fact, provide real increases in Defense resources when corrected for inflation, do not look at this as a one-year fix on the problem. It is not.

The Soviet Union's behavior has not been something of an erratic nature where they have popped up and down and had large increases one year, that then you have to get your act together and respond to. The Soviet Union has been continuously expending each year a considerably higher level of effort on their economy that we have on our larger economy, they have consistently and steadily been providing increases in real terms to their defense establishment. The United States has been consistently providing decreases in real terms to our Defense Establishment. And that can't go on.

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Q: Mr. Secretary, that gets back to the question on the budget.

A: It does.

Q: What I am trying to get at is, do you now project that you are going to have to have a steeper slope in this path? You in the past said about a two percent real growth with foreign program growth. Are you now saying it is going to be necessary to have a steeper slope?

A: I'm not sure, John, that I have ever said anything like that. I think Jim talked about that. I think I've tried to avoid a percentage increase, but that is beside the point.

The answer to your question is that the Soviet Union's pattern of behavior during the past period of years, as we have described in our testimony and in the Defense report, has been continuing apace. And I would anticipate that our budget in fiscal year '78 will step off from our fiscal year '77 budget and do exactly what I described in the testimony; namely, attempt to see that the United States is put on and then stays on a path that will correct those trends. Where that will come out in terms of a dollar figure, I am not in a position to say at this time.

Q: But will we have to increase that slope, Mr. Secretary? I think that is what John was talking about.

A: That is a judgment that we will have to make after we complete the work. And I wouldn't want anything I have said here to imply we will or won't, because that is a judgment that the President will have to make after the facts are in. And it is also the kind of judgment that you logically would make when you have a maximum amount of information, which is when you have to make the decision; namely, in December rather than now.

Q: I mean, based upon what the Soviet Union has done in the past year, we have gone more than a year now with the SALT II completely stopped, nothing being accomplished. Is there any reason now to continue that first slope that you were talking about? Should we have to increase it still more?

A: It is not clear to me what the implications of the SALT situation will mean when the budget finally goes to bed. We know what the basic facts are. The basic facts are that the Soviet Union has been proceeding with an exceedingly extensive modernization of their strategic capabilities; that this has been proceeding over a period of years. It involves their submarine capability as well as their land-based ICBMs, as well as their interest in civil defense. We know also that the interim agreement expires in October of '77, and that it is this President's intention and goal to achieve a SALT agreement that is in our country's national security interest. Whether that will be possible to achieve or not, we don't know. But I am not in a position to say that I could draw any conclusions at the present time as to how the budget would be affected other than what we have already indicated in our budget supplemental when we said we just plain had to keep the Minuteman line open. You can't allow that Minuteman line to close down.

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Q. Does that mean there might be a SALT agreement by the end of the year, or by January?

A. It doesn't have any bearing on that question. I said that it has been the President's intention, as he has announced hundreds of times, to make an effort, as he has been, to see if it is possible to find an agreement with the Soviet Union with respect to SALT II prior to the time that the interim agreement expires. Whether he will achieve that, I don't know.

Q. Secretary Luns yesterday said he did not think the Soviet Union wanted a SALT agreement prior to the November election. Do you agree with that?

A. I wouldn't have any information I could add to what has been said on that subject.

Q. Will you put this into a transition plan that you have? If they have a change in presidents, will you make a recommendation along this line? And what are you doing about possible transition?

A. I don't anticipate one.

Q. If you did have to make recommendations to a different President, would you include these before you go? You will certainly have an opportunity.

A. My recommendations would be available to any and all, and they wouldn't vary regardless of who I was giving them to.

Q. Mr. Secretary, are you back to speed, full time, healthwise? How do you feel?

A. You know, like 98 percent.

Q. Do you intend to take any part in campaigning other than what you--these kinds of things?

A. I worked about 10 or 12 hours yesterday, I guess, which is about three-quarter time. With respect to the campaign, I am going to do my best to stay out of it. By that, I know I am going to stay out of it because the President has ordered me to, with respect to things like political meetings, or fund raisers, or that type of thing, and I have not been involved in that at all. On the other hand, there is that fuzzier line where someone like Ike Pappas comes to me and says, "Well, someone in the political arena said this. What do you think about that?" And then all of a sudden, I find myself answering. And someone could say, well, that is getting involved in the campaign. I don't really think of it that way. I think we do have an obligation in the Defense Establishment to the extent that press or congressional questions come up concerning defense issues, whether or not they are part of the campaign dialogue, to state what the facts are. And I am perfectly willing to state what the facts are. I have already started.

Q. Do you personally think it was an error for Deputy Secretary Clements to appoint the treasurer of the Ford Campaign to head a special advisory committee to judge a new Pentagon plan to reweigh profits from major arms systems?

A. What is the status of that at the present time? He is no longer connected with the Ford campaign, is he?

Mr. Woods: I don't know whether he is or not. It has been announced that he is leaving.

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A. He is not connected with the Ford campaign.

Q. He was when he sat on the panel though?

A. That's correct. Is the panel finished?

Q. Yes, on July 19th and 20th.

A. Well, what is my feeling about it. I guess that, you know, you kind of have to constantly try to avoid doing things which enable people to raise questions about your honesty or about the propriety of what you are doing. No one has even suggested that Mr. Moot who is a long time nonpartisan, career civil servant, a fine, talented, dedicated individual who has worked in this building, no one has ever even hinted that he either has done anything wrong, or that he might do something wrong, or that he might have thought about doing something wrong, or that he had a conflict of interest in any way, shape, manner and form. Nothing.

He obviously is a person of talent and ability and who could contribute to the panel. Do I think it is reasonable that he be on it notwithstanding the fact that he happened to be doing something that I believe is a citizen's duty and responsibility, and that is to participate in the political process by serving in a nonpolitical function as treasurer of the campaign. Do I think that that was a terrible thing or a wrong? No, I don't think that it is a terrible thing or wrong. I don't think that Mr. Moot is a bad person. I think he is a decent man.

You know, in the best of worlds, do you want to not do anything that anyone can even ask a question about? And you have asked the question. So it is clear that it is a question, or you wouldn't have asked it. Yes, — I mean, that is always may choice, but I don't think that you can tie yourself in knots and stop living just to avoid having people ask questions.

Q. Do you think the treasurer of the campaign committee is a nonpolitical post?

A. He wasn't a fund raiser. His function was more like a comptroller. Mosbacher was the guy who raised the money, the fellow who brought it in. But he wasn't, to my knowledge, he is not a politician. You know him, don't you? He's not a politician, he was more of a comptroller.

Q. Mr. Secretary, the new PanmunJom agreement was put into effect early this morning. What do you think is the lesson of the PanmunJon incident in Korea, killing of two American officers?

A. Well obviously it was a terrible tragedy, and they were brutal deaths. I guess the lesson is that the North Koreans continue to put pressure on South Korea, not only verbally, but in this instance, resulting in the death of some individuals and a great tragedy. The lesson I suppose is that, what we thought, was correct, that in fact, our goal in that part of the world should be peace, it should be stability, and that we should work with our allies to contribute to that stability and not allow pressures from various quarters or exhaustion to force us into creating an unstable situation in that part of the world.

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Q: How long are you going to continue the alert?

A: There are some elements of our forces in that part of the world that remain on a somewhat different alert status than the vast majority of our forces do generally. We will be returning to that basis, and have been returning to that basis incrementally, and are now returning to that basis with respect to the forces. Some of it has been done; other portions of the return are now in process, and I would guess that within a matter of days we would be back to something approximating a pattern which would be similar to that which existed prior to the incident.

Q: Under what conditions would you perhaps favor the sale of fighter aircraft to China?

A: There has been no request like that. We have not contemplated it. It is not a subject that has been addressed, and I don't have any real view on it.

Q: Is it true that the Swedes have been channeling funds secretly to the Air Force intelligence people in order to have an electronics eavesdropping system set up, and that the Pentagon is sharing in some of the information that they might be getting from the Soviets?

A: What is true is that the Swedish government has briefed extensively on the subject. They have said that there was some transfer of electronic equipment and some payments for it. The payments were bank to bank, and I know of no problem with the transactions whatsoever.

Q: Are we getting the information -- sharing in the information that is coming from whatever they are listening to?

A: I don't have anything I can add beyond what he said. He gave a rather fullsome briefing which is available in wire service stories, and it was correctly stated that there was some equipment that was sold, and it was paid for, and I think there have been some implications that there was something irregular about the transaction, that some money might have gone to the wrong places or something.

My understanding is that there is no suggestion of that whatsoever.

Q: The suggestion was that General Triantafellu was given \$250,000 in payments. That was the original story. Is that correct?

A: That is correct that that was the original story. And what I am saying is that I know of no one who is suggesting that that is accurate. That is to say, that I know of no one who is alleging or suggesting that there was any improper action by individuals with respect to those funds.

Q: You said the transactions were back to bank?

A: That is my understanding.

Q: Are you going to recommend to the President that he veto the military construction bill as presently proposed?

A: I haven't had a chance to study the specific language and actually try to calculate how big a burden it is. It is clear that it is an annoyance.

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is clear that it doubles the number of days. It is clear that it continues a pattern of Congress diddling around in these areas in a way that makes difficult for us to spend the taxpayers' dollars efficiently and sensibly.

Now, whether at this late date in the year it calls for a second veto, I don't know. I personally don't believe it will get to the President in that form. It is only in the Senate version at the present time. We have seen through the thing once. All the arguments have been made. There are Constitutional questions, there are waste of taxpayers' money questions. My hope is that the House of Representatives' position will prevail.

E N D

Rough Draft

NEWS CONFERENCE

BY

SECRETARY OF DEFENSE DONALD RUMSFELD
AT THE PENTAGON
MONDAY, SEPTEMBER 27, 1976

For a number of weeks there have been questions by members of the press asking us to provide an update on Soviet ballistic missile programs and particularly MIRV programs with respect to events that have taken place and I guess since the Defense Report for all practical purposes. I indicated that I'd try to do that. I am available to do that today if that is your desire. Before I do, I might make a couple of other comments.

First with respect to the shipbuilding program, as you know the Bennett Seapower Subcommittee unanimously reported out a major portion of what the President requested, a \$1.1 billion program involving four additional frigates, strike cruiser and the aegis destroyer. Needless to say, President Ford and I and the United States Navy are hopeful that when that issue comes up tomorrow -- and it's scheduled for consideration of the full House Armed Services Committee tomorrow, I am told -- that the Committee will support that because we are convinced that the United States Navy does need modernization and that this is certainly a sensible approach towards modernizing our Navy this year. And it's needed.

The second is the subject of the main battle tank. As you know, there's been testimony over the last month on the subject. I was down in Norfolk the day I was asked to testify, volunteered to testify later in the week, but the hearings were closed and there is a possibility at least there will be some consideration of that during this final week of the Congress. I'd like to just make several points about it. We've been working with the committee; there have been a great many witnesses up there. Our goal obviously is to have a main battle tank promptly, and certainly as the bids come in, anything that will affect in a significant way cost, schedule, capability of the tank certainly would become a very important part of the decision-making process.

There has been a lot of talk about a possible six-month delay. A year's delay, possibly up to two years' delay. And lest there be any doubt, that clearly is not our intention in the Defense Department. Our goal is to get moving with the program and to have a good tank.

The report of the two-man panel of course raised a number of questions. The report indicates, I believe, some misunderstandings as to some of the actions taken, the objective of the actions, the potential effect of the actions. In short, what we've done is this. We've deferred making source selection by up to 120 days. We intend to make the source selection between Chrysler and General Motors and to decide upon the configuration of the XM-1 tank not later than 17 November.

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Design decisions could affect costs, schedule and capability. That could happen anyway, but in any event, we won't know to what extent, if at all, until the information is in and we've had a chance to evaluate it between now and November 17. The approach was designed to obtain proposals from the contractors while in a competitive environment, focusing on the same basic tank and developing configuration options which would not otherwise have been available. Or, if they were to be available, they would have had to have been made available in a non-competitive environment. So the whole purpose of our decision of withholding the source selection was to get the additional configuration options in a competitive environment. As you know, the background was that on July 20, the Secretary of the Army presented to Secretary Clements and the members of the DSARC the Army's recommendations that the contractor be selected then, and as desired, request bids for quotations on a sole source, non-competitive basis for various possible configurations of the tank. In contrast, the recommendation made by Secretary Clements and the members of the DSARC must have the Army continue both contractors for a short period of time, solicit quotations in a competitive environment for the configuration alternatives of interest, quotations which I understand Mr. Clements had anticipated would be available on July 20 but which were not.

In considering the differing views, I concurred with the unanimous recommendations of Mr. Clements and the members of the DSARC. The two-man panel heard testimony on the potential for increases in the costs of the tank program. Unfortunately the line of questioning tended to drive towards a single large cost figure rather than towards an analysis of how costs might change with the various options; and the fact of the matter is, I've indicated earlier is, that we really can't know, if at all, cost of the XM program might change until that information is available.

The only thing I'd say is that we believe that we've taken the step of withholding source selection in the XM program for sound reasons to get competitive rather than sole source bids. Our actions we feel are prudent and consistent and I certainly for one are proud of the progress that we're making on the new tank and feel that any attempt to redirect this effort could be detrimental to our goal of having a main battle tank program soon. That is all I have to say on the tank.

I guess, Jim (James P. Wade, Director of Department of Defense SALT Task Force), do you want to put up that first one there and we can talk about the strategic systems.

Jim (James Wade) and I have prepared a statement here which talks about the ballistic missile program and MIRV programs. We tried to put down some of the things that are taking place and include those which have occurred since the Defense Report.

The first point I make there is that the Soviet Union today is clearly militarily stronger and busier than in any other period of its history. They devote more resources to defense than any other nation in the world.

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The Soviets continue to press ahead with aggressive development programs, for both land-based ballistic missiles (ICBMs and IRBMs) and SLBM systems. The scope of these programs is unprecedented, either in the Soviet Union or in the U.S. While recent developments were not unexpected, they nevertheless reinforce one's concern about the purposes behind their energetic activities.

We continue to expect that the Soviets will eventually deploy close to the 1320 MIRVed missiles permitted under the Vladivostok understanding, assuming a SALT II agreement is reached.

We remain uncertain, however, as to the eventual mix the Soviets will select between MIRVed ICBMs and MIRVed SLBMs.

To the best of our knowledge no MIRVed SLBMs have been deployed to date, but they are expected to begin deployment over the next few years. Soviet efforts continue to be concentrated on the MIRVing of their ICBM force.

The first chart here it simply shows on the left the U.S. land-based ICBMs and on the right the Soviet Union's land-based ICBMs, indicating in the second row, I believe, maximum number of warheads (Let me see what that says, I can't see it from here.) The bottom line shows the number of potential MIRVed warheads. The next to the bottom line shows the model number of that particular missile.

Since I last commented here on this subject, the Soviets have continued to deploy three new ICBMs -- the SS-17, SS-18, and SS-19 -- all of which have been tested with MIRVs.

Testing is thought to be near completion on a fourth ICBM, the smaller SS-X-16, and a companion missile to the 16, the SS-X-20, which is not an ICBM, which I'll get to in a moment.

The SS-X-20 is a two-stage derivative the SS-X-16 which is believed to have been designed to replace aging Intermediate Range Ballistic Missile (IRBM) systems (SS-4 and -5). We have no firm evidence, as I indicated the other day that the SS-X-20 has actually been deployed, nor do we have any firm evidence that the 16 has.

All five of these systems, 16, 17, 18, 19, 20, have a post-boost vehicle which usually implies a MIRV capability, and all except the SS-X-16 have been tested with a MIRV payload.

The SS-17 is one of two new missiles designed to replace the older SS-11. It utilizes an advanced, two-stage, liquid-propellant booster and carries a four-reentry vehicle (RV) MIRV payload. The missile first entered the Soviet inventory in mid-1975 and, to date, approximately thirty missiles are operationally deployed in silos.

The SS-19 was also designed to replace the SS-11 and, like the SS-17: It is a two-stage liquid-propellant missile, and carries a six-RV MIRV payload. The SS-19 first entered the Soviet inventory in late 1974, and, at the present time, at least 100 of these missiles are believed to have been operationally deployed.

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During the last year both the SS-17 and SS-19 have also been tested with single RVs.

The SS-18 is a two-stage, liquid propellant missile which is designed to replace the SS-9 heavy ICBM. It has been tested with both single RV and MIRVed payloads since the beginning of the program. Approximately forty SS-18s have been deployed since it first became operational in late 1974. It is believed that these missiles are of the single RV version, which completed flight testing first, and that deployment of the MIRVed version, with eight RVs, will begin in the near future. Over three hundred SS-18s are expected to be deployed when this program is completed,

The SS-X-16 is a three-stage, solid propellant missile which is believed to have been designed as a replacement for the older SS-13 and possibly for use in a new land-mobile ICBM system. To date, it has been tested only with single RV payloads, but the missile does incorporate a post-boost vehicle, suggesting a possible MIRV role in the future. Although no evidence exists at this date that any SS-X-16 missiles have been operationally deployed, they could be deployed at any time, either in silos or on mobile launchers.

The SS-X-20 uses the first two stages of the SS-X-16, has a post-boost vehicle, and has been tested with three MIRVs. This missile is believed to have been designed as a replacement for the SS-4 and SS-5 IRBM systems. To date, it has been observed to have been tested only to IRBM ranges. Although no evidence exists at this date that any SS-X-20 missiles have been operationally deployed, initial deployment on mobile launchers is expected at any time.

As far as the SLBM programs, again the bottom line shows the number of warheads, the next to bottom line the MOD number.

In addition to the land-based ballistic missile programs, two new SLBMs are currently under development as probable follow-on's to the SS-N-6 and SS-N-8 missiles presently deployed. Both are in the flight test stage of a development program which is expected to last at least another year.

The missile we have designated the SS-NX-17 is the first Soviet solid propellant SLBM. Although it utilizes a post-boost vehicle, it has so far been observed with only a single reentry vehicle. The presence of the post-boost vehicle, however, could allow it to carry a MIRV package. This missile is believed to be a follow-on replacement for the SS-N-6 in a modified YANKEE-class nuclear-powered submarine.

The SS-NX-18 is being developed as a follow-on to the 4200 nm range SS-N-8 SLBM and will probably be deployed on a variant of the DELTA-class ballistic missile submarine. The SS-NX-18 is a liquid propellant missile and is the first Soviet SLBM to be MIRVed. We believe that this missile may be capable of carrying as many as three reentry vehicles.

Since the SS-NX-17 and SS-NX-18 are both in the early phases of the flight test program, we do not expect either system to be deployed operationally for several years.

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In short, over the past fifteen years, the Soviets have concentrated primarily on quantitative improvements to their strategic missile forces. They now have more than 1500 ICBMs and more than 800 SLBMs operationally deployed.

Having surpassed the U.S. in both of those two categories -- obviously not with respect to our strategic bomber capability -- the Soviets turned their efforts to qualitative improvements.

The new ICBMs, currently being deployed, have substantially greater throw-weight and are significantly more accurate than their predecessors.

Current trends indicate that, by the early 1980's, all of most of the Soviet's existing ICBMs could be replaced with the new generation of missiles.

The SLBMs, which are still in the test phase, are believed to have substantially improved accuracy, better range capability, and better payload flexibility than existing Soviet SLCMs. It is estimated that all or most of the current generation SLBMs could be replaced by the late 1980's.

In short, the Soviets appear to be on a steady building program which could carry them toward a capability in excess of that needed merely to deter nuclear war.

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Is there one more chart, oh, you've got it up. That's kind of a summary description. (I don't know that those were passed out, were they?

A: Yes.) I guess the only thing that was not passed out is this little gouge that I made myself which is that the 18 is intended to replace the 9; the 17 and 18 to replace 11 in large part; the 16 to replace the 13, and the 20 to replace or augment the 4s and the 5s.

Q: Do you know why they're using so many SS-18s with a single warhead?

A: Well, I think that what the Soviet Union will have to do is what others would have to do as to make judgments when they look at their total capability as it evolves over a period of time, to make judgments as to whether its to their advantage with respect to their targeting and their total capabilities to have a system MIRVed or with a single RV. It seems to me that that's kind of out in the future as to how that will evolve.

Q: Surely the Soviet Union was aware what they were doing when they put a single RV on SS-18s, about 25 to 30 megatons. What would be the purpose of 40 of those missiles?

A: Let me see if this is a response to it. It seems to me that a decision to do that is a decision to develop a capability that will thereby evolve from that and that clearly is a substantial capability to deal with certain types of targets.

Q: What kind of targets would those be?

A: If you use a single RV?

Q: Yes.

A: They'd be targets that you want them to destroy and you needed a good capability to do it.

Q: (Inaudible)

A: To a lesser extent.

Q: How do we know, do we have a technique of knowing without getting inside a missile that it's single as opposed to a MIRV?

A: I guess the correct answer is through national technical means. The United States can make judgments as to whether a system has been tested in a MIRVed as well as a single RV mode.

Q: We're talking about deployment, though, not just testing. Is this a foolproof technique that would hold up under SALT? Have we confirmed whether its our MIRV or a single RV?

A: I don't want to get into the specifics of our national technical means, but the answer is yes, we do have the ability to make those kinds of judgments as to -- pardon me?

VOICE: May I answer that? One point is that the flight test program with the SS 18 with the single RV commenced much earlier than the program with multiple RV's, and therefore we have seen that flight test development program basically be completed, so we expect initial deployment to be with single RV's.

Now, if we say multiple RV's deployment is commencing now, we still in the out years have a difficulty in being able to distinguish one versus the other as far as international means are concerned. And this gives us a concern as far as SALT is concerned.

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Q: We're talking about 40 missiles, how do we know with any certainty that they're just single RV's?

VOICE: Well, as I said before, the developmental program with the single RV's is basically completed, so we expect, as we said, that this initial deployment of the single RV's. Follow on MIRV deployment is now commencing now.

Q: I'm still talking about these 40 missiles. They've also tested them with MIRVed warheads.

VOICE: That's right.

Q: Well is that completed, not completed?

MR. RUMSFELD: I think what Jim is saying is if you take the time sequence, that the single RV testing preceded by a substantial period of time the MIRV testing, and that that is the reason why the conclusion on our part is that the forty that are deployed, are single.

Q: Mr. Secretary, what does this mean in the way of a threat to the United States?

A: Well, from a factual standpoint it means what it says, that these various systems, in the numbers set forth, and the throw weights that are involved, and the numbers of RV's that are involved, and the accuracies that are involved, constitute the Soviet Union's strategic nuclear capability. And that what that means is not a function only of what they have, but it is a function also of what we do and what our behavior is in the United States. The goal, obviously, is to see that the strategic nuclear deterrent is healthy, that the deterrent is in effect, functioning, and so as you see this kind of development program sequentially from really quantitative focus and attention over a period of years, to qualitative attention and focus more recently, it means that the United States has to see that our behavior pattern is such that that strategic nuclear deterrent stays in balance.

And the programs that we have put forward to the Congress -- as I recall the date was in 1974 -- with respect to prospective modernization of our SLBM force, more recently with prospective modernization of our manned bomber force, the proposals for a follow on to the B-52 and prospectively with respect to some modernization of our land-based ICBM force, that it is important for the United States to continuously assess and evaluate that balance, see that the deterrent that we have is healthy and effective.

Q: Mr. Secretary, does it matter that the SS-16 has not been tested with more than a single RV since the SSX20 has? Isn't testing for the SSX20 essentially testing for the SS-16?

A: It is a fact. It does not necessarily have a great deal of meaning. You're right. In other words the fact that the 16 has a post boost vehicle, the fact that the 20 has been tested in the MIRV manner, does suggest that the 16 could be, but it hasn't been.

Q: What I'm trying to lead up to is the possibility that the SSX20 becomes a convertible item that could give you an ICBM capability. I don't know how long it takes to turn one of these things around, but that it's a potential vehicle for cheating or for giving you an instant capability, if you ever get in trouble.

A: Well, obviously one has to look at systems apart from those systems that are specifically described as intercontinental in capability. One has

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to look at other systems and ask that question, is it possible for there to be a utilization in a variety of different ways that would in fact place them in a category of ICBM capability.

At the present time the SSX20 has not been tested to intercontinental ranges. We do categorize it, as I said, as an IRBM. But that's true with a number of things, what you're asking, and I don't know that I could answer it conclusively except to say obviously we're attentive to that.

Q: The 20 is not a potential instant 16 in any kind of crisis situation, or overnight 16?

A: I guess I'm comfortable with my answer. That's something that we have to be attentive to and assure ourselves on. As we proceed with the SALT negotiations that deals with the subjects of intercontinental systems, one does have to look at those systems that are off the edge of that definition, as we're doing with respect to several systems that have been widely debated in the press. Obviously the 20 is another that needs to be addressed.

Q: Mr. Secretary, is there anything different in what you went through today than what you went through in your posture statement in January, and if so where is the difference and what should we do about it?

A: Well, I apologize. I did not go back to my posture statement and analyze the specific events that have occurred since, and I was afraid you'd ask the question. Let me put it this way. What I've presented today is not in any way inconsistent with the posture statement.

It is rather a projection of events that the posture statement either said had occurred or would occur, but in no case is anything I've presented today contrary to any of the prognostications that were in the posture statement. The major differences in terms of events that have occurred, as I recall, are in the SLBM area, since the January day. Do you want to cite any specifics that were not anticipated or were not speculated about in the posture statement?

Q: The point is, sir, is that you have voiced concern about the latent projection in the future of these programs, and what we're saying is consistent with what you said in the posture statement.

Q: What are the surprises?

Q: Are there any surprises since January?

VOICE: Not any major surprises. We see a slightly higher deployment rate of these new missile systems than perhaps we expected since January. That pertains to concern -- I believe the Secretary said, we questioned the programmatic direction of what the Soviets are up to.

Q: Our original query, and it's been repeated here several times was, to get the June 30th rundown of the ICBM's and other missiles, the SLBMs, compared with your forecast in January of where we will be in June, or where the Russians would be in June. We don't have that. Essentially we can compare it either in warheads or in individual missiles.

MR. RUMSFELD: Oh, sure you do. You've got the posture statement and we have this written document plus the copies of these --

Q: As of the 30th of

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A: I don't think anything's changed in the last month, but it's basically as of a month ago or right about now.

Q: Mr. Secretary, are the rates higher than you expected? At this rate it would take them 20 years to reach the level we now have. You're deploying MIRV missiles at the rate of 60 a year.

Q: That's the point I want to get to.

Q: They're two years now, into their deployment and they've only deployed 130 MIRVed missiles. It'd take them 20 years to reach more than 1000. We're talking about the early eighties before they get even.

VOICE: Well, the statement said here (inaudible) the total missile force in the Soviet Union will be turned over.

Q: But you've got 100 SS-19's deployed, it would take you 10 to 11 years to replace all the SS-11's. You've only got 40 SS-18's, apparently they are to replace, you said, about three or 400 of those. It would take you about 10 years. Fifteen months ago the former Defense Secretary Schlesinger said that the Soviets were expected to deploy about 200 to 220 ICBM's a year. And 15 months ago he had almost 100 missiles deployed. I don't see that we've deployed over 100 for instance in the last year.

VOICE: I think the major point here is their MIRV development programs have now been completed and we see the start up of the MIRV deployments. As the statement indicated, we expect by late 1979-1980 time period, that this total new generation missile force can be turned over, as far as the ICBMs are concerned. We see now the SLBM force as far as the follow on to the Yankee Six and the Delta Eight. We expect that that program can be turned around by the mid-1980s. We are now seeing the turn on the Soviet and MIRV deployments.

A: Well, as you go through a development program and complete your testing and start your deployments, you're not going to deploy all of them instantaneously but you obviously are going to be deploying once that work's done at a more rapid rate, obviously than you did previously.

Q: 130 missiles in two years is not a crash program by any means. When had you expected it, was it higher than you had expected?

A: As I say I didn't say it was higher than I'd expected. Jim did.

VOICE: I thought it was slightly higher than that expected six months ago, but just slightly higher. Again, I think the key point is we're saying 1979, 1980 that we see the Soviet full deployment in these new missiles be in the field. Again, that's three years from now, that's not 10 years.

A: The point I was making in my statement is that the Defense Posture Statement indicated that there had been effort quantitatively over a period of time, and that the focus the Soviets was on qualitative improvement; that they did have a variety, as you saw from the first chart, of new missiles coming along, the 16, 17, 18 and 19, and that as those testing programs were completed they would be modernizing their forces. The fact is they now are modernizing their forces, and it strikes me it would not be a prudent estimate

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to do as one questioner did and multiply the number deployed in the initial time frame by years and speculate that the modernization would not be completed for a decade. As Jim suggests, we anticipate that the modernization. . .

Q: When do you expect that they will equal us in MIRV missiles?

A: Well, if Jim is correct, as I suspect he is, when he indicates that in the early eighties the bulk of this modernization program would be completed, that they would be very likely moving up towards the 1320 in that time frame. I wouldn't want to pick a specific year, but that's assuming the 1320 that was discussed at Vladivostok gets pounded down into an agreement.

Q: Mr. Secretary, you indicate the first 40 SS-18s are single warheads. Does that mean you're ready to change the counting rules under SALT II. count some 18s or 19s as single warheads and some as MIRV's?

A: No, definitely we have no intention of changing that carrying rule has been discussed.

Q: So you would keep the. . . .

A: Count it as a MIRV.

Q: You would count 40 that you believe to be single warheads as MIRVS, if SALT II. . . .

A: At the point where you've fit within that rule and your testing program, yes.

Q: Mr. Secretary, I'd like to ask you to complete a thought that has left us dangling at the end of your formal statement. You say it appears the Soviets are building toward a capability in excess of that needed merely to deter nuclear war. What sort of capability do you think the Soviets are building toward?

A: Well, it seems to me that a reasonable person can look at the effort that the Soviet Union has applied and the product of that effort and conclude that they're clearly striving to not be on the losing side in the event those weapons are used. That, I think, is clear from the numbers and the types and the improvements, as well as their civil defense activities. That is to say, put a slightly different way that they appear, I think, to people who observe this, to be interesting themselves in seeing that -- obviously that they have the deterrent that they need, but also that in the event there is an exchange that they're not on the losing side.

Q: Are you saying they're working for a war-winning capability?

A: Well, you know, you start getting into those code words and all of that. I guess people have to make their own judgments on that. I think I can state, assert what I've asserted here very comfortably, that the pattern of, as I've described, suggests that they're undertaking programs that reflect a concern on their part as to which side would prevail at the end of a conflict, using these weapons.

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Q: Is that different from the U.S. policy in missile forces?

A: I think that our emphasis, if one looks at our numbers and our capabilities and our relative inattention to things like civil defense, it could be more precisely characterized as being determined to see that we have a strong, healthy, strategic nuclear deterrent.

Q: Anything that you see --

A: Just a minute. Jim, do you want to amplify on that at all? It's obviously a question that's an important question and people can have somewhat different ways of saying it. As a person I've always tended to walk away from hot bottom phrases and words and try to describe things in, oh, words that can be heard and read to mean what I want them to mean, rather than adding a whole lot of meanings that people have in their heads from previous debates and discussions on the subject.

Voice: I'd make one comment here. The capacity of the U.S. programs have been aimed at preventing a war from occurring; namely, the maintenance of peace, and thus our purpose has been on preventing a war from occurring, and as far as that part of the deterrent equation, talks about war fighting or war fighting capabilities, we have tended to try to minimize them. We focus our attention on preventing a war from going on. The Soviets in the past, particularly with the capabilities of these new systems, they're emphasizing to a great extent the capability of their missile forces to attack more military targets than perhaps we believe necessary as far as mutual deterrence is concerned.

Our attention on civil defense is certainly consistent to that, and therefore it just brings to our mind the question that generally the Soviets consistent with out objective as far as preventing war is concerned, or do they have something else in mind with these resources. That question is still in mind.

Q: How do you feel about that, Mr. Rumsfeld? Do you have any fears? One of the concerns that you're mentioning, that in the first sentence you say they nevertheless reinforce one's concern about the purposes behind their energetic activities. Could there be an offense purpose behind this?

A: Well, as you know, ever since I've been in this post I've tried to avoid pretending that I could climb in each of the Soviet individuals who could conceivably contribute to decisions in this area and pretend that I could determine intent, let alone intent over a sustained period of time.

What I have to do is look at capabilities. I've tried to describe them, here in an unclassified version, to the extent that's possible, and my concern, and my interest, obviously, is seeing that the United States of America, in the face of these quantitative and qualitative improvements, makes no mistake about what we have to do as a country to see that that deterrent is healthy and strong. It's the interaction of what they're doing and what we're doing that will determine what that strategic nuclear deterrent will in fact be one, two, three, four, five years from now in the period that Dr. Wade is discussing in the early 1980s.

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And it strikes me that our program that is before the Congress is a sensible program and a sound program, and to the extent that there is a proper response to the proposals that the President of the United States has put forward, obviously, any concern I might have as a future problem is lessened.

Q: Mr. Secretary, once this entire Soviet deployment pattern is complete, will these missiles be as good as the existing missiles not employed by the United States, and if not, what do you intend to do to balance the trends?

A: I could answer that, but it wouldn't give a sufficiently balanced response to your question because I think when one talks about the strategic nuclear balance or deterrent they have to look at more than just the missiles. Because our capability includes a very healthy strategic bomber force. Therefore, in evaluating the balance, or the deterrent, we can't simply look at SLBMs, theirs against ours, or ICBM ours against theirs, we have to add in our strategic bomber capability and some other factors, as you of course well know, so that we know what that balance will be.

My concern is to see that the strategic nuclear triad progresses and is modernized at a rate that in fact at the time they have completed modernization of their strategic nuclear capability, that that deterrent is healthy and strong.

So the answer to your question is obviously at that point where they've completed their modernization, assuming we did nothing, and if you exclude our bomber capability, they would, as I indicated, be ahead in ICBMs and SLBMs. But that is not enough of an answer.

Q: Can I follow that? Is a single, say MIRV SX-17 as good as a single Minuteman III in terms of --

A: I see what you're asking.

Q: -- in terms of accuracy and capabilities, that kind of thing?

A: In the first place, I don't believe it's an accurate way to achieve a net assessment to take one missile against one missile, because that isn't the way the potential exchanges is evaluated. But you can look at different missiles and in the earlier chart and you can see how many RV's they have, and we know what their progress is with respect to accuracy relative to ours, and you can come up with answers, missile for missile, but I don't know once you have that answer on a specific missile against another specific missile that you have very much.

Q: Well, are you confident, for example, that the accuracy figures that you are able to determine can give the Soviets confidence that they can in fact attempt to attack military targets?

A: If I were to try to set forth how I would describe their accuracies, I would say, (a) they're behind where we are in accuracy; (b) they obviously are attentive to the importance of accuracy, and the intelligence community, needless to say, interests itself in their progress with respect to accuracy improvement, and that the estimate is that in the late seventies, early eighties, they will be achieving improvements in their accuracies something like the improvements we've been achieving in our accuracies some years past.

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When the intelligence community does this, they obviously come up with high estimates, low estimates and bust estimates. So it's a range.

The kinds of improvements that we've experienced which have worked to our advantage we anticipate from the information we have, they will be experiencing something approximating those in the early 1980s.

Q: They'll be catching up with us in the early 1980s, is that --

A: I wouldn't want to --

Q: -- while we move further ahead.

A: Well, Jim, expand on this if you want to, but the kinds of improvements that we've had are likely to be -- something approximating that we're likely to see the Soviets have. We're not likely to achieve the kind of major improvements we had previously during the coming period, if that's what you're asking. Nor are they likely to achieve them.

Q: They're going to (inaudible)

A: Oh, now wait a minute. Oh my. Oh, my.

Q: Mr. Secretary, as Secretary of Defense -- all right.

A: I'm sorry, but let me really underline and emphasize this because what we're dealing with here is an important subject and communications is not always perfect between human beings. When one looks at this I caution everybody about taking a single statistic or a single trend or a single system. We have to look at accuracy, we have to look at throw-weight, we have to look at the numbers of weapons, we have to look at various other things that together comprise a total strategic nuclear capability. And to extract one, like accuracy, or RVs or throw weight or something else, and suggest that the balance turns on that, isn't accurate. We have to be concerned about significant asymmetries with respect to any of them, obviously. But it's the total capability that one assesses.

Q: Mr. Secretary, as Secretary of Defense, does this tenor or general profile of the Soviet effort, namely as you put it, not to be on the losing side, make sense, or is it just a waste of money? If it makes sense, should we do likewise, like embark on a big, new civil defense program? Or, if it's just a waste of money are we comfortable where we stand and therefore there's nothing to worry about?

A: You mean does it make sense from our standpoint?

Q: Yes, in other words, does it make sense to you for the Soviets to pursue getting on the winning side of the nuclear exchange and therefore if to you it does make sense we have to do even more than we are doing, namely perhaps beef up our nuclear force or our ICBM protection, or is it just a losing game we're on and as far as you're concerned, we're doing fine and they're wasting their money?

A: Well, it's clearly not the latter and let me see if I can refine a little bit of what you suggested with respect to the former. What the Soviets are doing is a fact, it's a reality. That is to say, they've gone from where they were to where they are now and prospectively we anticipate where they're going as we've suggested. We have to deal with that, that is to say, they're going to have "X" numbers of SLBMs, ICBMs, and other strategic nuclear systems.

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We have to look at that, we have to then go through the process of making an assessment as to what that interaction with our capabilities would be. To the extent that asymmetries look like they're occurring in a significant way we have to see that we're developing our force so that that strategic nuclear balance is healthy.

And that means that what we do between now and then is important. Now, you're asking could we just ignore what they're doing, and the answer is clearly no, we can't ignore what they're doing.

Q: What I'm asking, I think, by telescope of this, should we try and build a force to win a nuclear war?

A: It seems to me what we should try to do is to see that the strategic nuclear deterrent stays healthy, and that we achieve the kinds of force modernizations which will be necessary in the period between now and mid-eighties, so that in fact there is an acceptable strategic nuclear balance. That is why the proposals are before the Congress with respect to the SLBM force, and the bomber force; it's why we have been doing various research and development with respect to the ICBM force.

Q: Secretary Reed said we should begin full scale engineering development of a new land base missile in 1978. In light of your remarks today, do you support that, will you recommend that to the President?

A: As I've testified repeatedly, we have to see that each of the elements of our strategic nuclear triad is modernized as we proceed through time, and it's clear that as the Soviet accuracies improve it does affect the survivability of our land based ICBM forces. And that means that we have to, obviously in the period ahead, without getting into what month or what year recommendations will be made, or who will make them to whom, we have to see that that force is modernized. And that's why we've been doing research and development in that connection.

Q: Have you seen anything since your Posture Statement in January in the pace of Soviet development, of the nature of Soviet development, which would impel you to accelerate your various programs which have been before the Congress for some time, as well as the situation in SALT?

A: If I had to characterize it I would say that the Soviet Union's progress with respect to their strategic nuclear capability has been reasonably consistent with what we forecast in January.

Number two, that obviously as we go through the fiscal '78 budget process which we're now doing, we have additional information that was not available when we went through the fiscal '77 budget process. And therefore our proposals for fiscal '78 will reflect what is. There has not been anything that has been sufficiently different from that which was anticipated in the strategic nuclear area that it called for us to go into the Congress with a supplemental mid-year, with the single exception in the strategic nuclear area of the decision with respect to keeping open the Minuteman III line. And that was not so much related to the rate of progress of the Soviet strategic nuclear modernization program, but rather it was connected with

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the fact that the SALT II agreement had not been completed and the Minuteman III line was our only land based ICBM line, and we did not want to allow that capability to erode during a period when SALT was still being negotiated.

In answer to the second part of your question, no, there's been nothing that has taken place with respect to SALT that has been of a overriding nature that has led us to go in with a supplemental either, other than the Minuteman III line which I've described. Yes.

Q: You referred earlier to the gray areas in SALT talks, you alluded to backfire and cruise missiles, you then said that the SS 20 is a problem which needs to be addressed. Does that mean that you figure that the SS 20 now needs to be added as consideration of the SALT II talks?

A: No, no, our intelligence community figures on that, as I just indicated, still indicated that that's not been tested in ICBM mode. It has been tested in IRBM mode.

So it's not something that, given what we know of it at the present time, would fit formally in a SALT negotiation.

If in SALT you're dealing with systems that are agreed to be of an ICBM capability, intercontinental capability, we know that just outside that there are systems that are not of an intercontinental capability. In negotiating those things you negotiate in SALT, one does it without blinders on, that is to say one negotiates those things that have an intercontinental capability with an awareness of those things that do not have an intercontinental capability but are just short of that.

That doesn't mean they become part of the negotiation, but they are obviously are part of your peripheral vision as you proceed. And in some cases those systems can be sufficiently close in capability that you have to be fairly sensitive to them in your peripheral vision.

Because looking at a mix of capabilities, they in fact, such as the SS 20, it in fact exists, and as it's deployed provides certain capabilities.

Q: Well, what's the Pentagon's official position on the backfire bomber, is it strategic or is it - in a grey area?

A: We've not changed our intelligence understanding on that, and our judgment is what it has been. At the present time --

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Q: (Inaudible) 3,000 miles and just this past week one of your leaders here in the building said 5,000 miles.

A: We have not changed our agreed intelligence position that the backfire bomber operated in certain modes does in fact have an intercontinental capability. That's exactly what it's been. That's what I've testified to, that's what everyone's testified to. The Soviets don't agree with that, you understand, okay.

Q: Do you share Dr. Ikle's point of view that in future SALT considerations one should allow for what you call the peripheral vision of these systems, in other words, the total strategic capability of both countries, equal security as a standard be brought into play, or are you satisfied with the present, limited areas that are being pursued? Ikle in his report and in a recent speech indicated that from an accurate point of view, it would be desirable to broaden the scope of SALT to include regional missiles.

A: I guess I haven't read everything Fred said on it, so let me describe what I think, rather than answering whether I agree with some sentence in a speech he made. My view is that those who suggest that you can't do anything until you can do everything are counseling, of course, which means that nothing will get done. Conversely, to suggest that you can proceed doing some things and ignore those things that are just off to the side is obviously foolhardy. And I don't know that there's any disagreement between Fred or me or anyone else in the administration. The fact of the matter is that one has to recognize that there are certain systems that both of us can agree are intercontinental. There may be some that we don't agree, one thinks is and the other doesn't, or vice versa. And there may be some systems that both of us agree are not of an intercontinental range, but that cannot be ignored, at least in the minds of the respective parties as they're negotiating their intercontinental systems. Now, I guess rephrasing your question, do I think the Grey area are important and ought not to be ignored certainly, but I think everyone does. I don't know if any disagreement with respect to that.

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Q: Mr. Secretary, is the Pentagon going to help in any way in preparing the President for the debate that's coming up? Are you going to be doing anything special, what's the plan, are you going to help him bone up for this?

A: I really don't know; we've not been asked to participate in any way. I meet with him several times a week and we talk about defense issues, but that's been going on for years, apart from the fact that there was a debate. So I don't anticipate anything.

We supply the State and NSC and other interested parties with our consultation and contribution with respect to questions and answers for Presidential press conferences, just like State gives us how they're dealing with State issues and we tell them how we're dealing with Defense issues. I've not been asked to do anything particular.

As a member of the Defense Appropriations Committee for so many years, he's so knowledgeable about these issues, and as I've indicated previously with respect to the budget last year, he's so deeply involved in what we're doing that I would question that his preparation would have to be very extensive from the Defense part.

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Q: From the Defense Department's point of view, from the Administration's point of view, what would you want the message to be that night on Defense?

A: Obviously, exactly what I've been saying. Would you like a few comments on the trends? No, you wouldn't.

Q: What do you think the American people should learn from that?

A: I think the important thing, regardless of where the subject of defense is discussed or debated, whether by Presidents, Senators, Congressmen, Governors, Citizens, that the truth is what's important, and the truth is that the United States of America is living in a world that is not perfectly friendly; that we are a nation that for good or ill can't look for someone else to take care of us and do the job for us, we have to do it ourselves.

That weakness historically tends to prove to be provocative and create instabilities and wars and conflicts, and that strength on our part will contribute to peace and stability in the world, and that we can't have it on the cheap and that people who run around saying we can, through some magic wand, have strong national defense and not have it cost very much, just plain aren't giving it to people straight.

Q: Mr. Secretary, for your planning -- can I ask you if you're planning purposes realistically. I know the President has said that if you can get a good SALT deal he will go through whether there's been an election or not. But as you. . .

A: He's felt that way all along.

Q: But looking at the Soviets, given that it's so late in the year, do you think the Soviets have simply decided to wait until after the election?

A: Goodness, the President's answered this question, the Secretary of State's answered it, I don't know that there's anything I can contribute on the subject. I just don't know. The President's position has been that he favors a SALT II Agreement, one that is consistent with our national security interests. He has been working for it, he intends to keep working for it. To what extent the events of the next six weeks affect that, I suppose you're as good a judge as I am.

Q: Do you think there's a good chance of getting a new SALT Agreement before the interim pact expires in October of '77?

A: Well, you know, obviously that's our goal. Our goal is to face the reality that the interim agreement expires October '77 and that we would like to achieve an agreement, a SALT II Agreement, that would be consistent with our national security interests.

When you're dealing with a country such as the Soviet Union that has interests that differ from ours, I think the important thing is to decide what you want to negotiate, try to negotiate it, and don't prejudge whether or not it's possible, because it's really up to them whether or not it's possible. I don't know whether or not it's possible.

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Q: Mr. Secretary, you said you're concerned about Soviets building toward a capability in excess of that needed to deter nuclear war. If you get SALT II Agreement with the limits agreed to at Vladivostok, will that concern disappear, will it be gone?

A: If you've got a SALT II Agreement with the limits agreed to at Vladivostok, you would have just that, you would have a SALT II Agreement at 2400 1320 with freedom of mix and certain other rules. To the extent that within those agreed SALT II arrangements one side proceeded to improve and strengthen and modernize and develop and the other didn't, obviously that would not in and of itself provide a balance. The purpose of SALT is not to solve very problem in the strategic nuclear arms race. There are some elements of the problem that lend themselves to arms control solutions, there are other elements of the equation that require a behavior pattern on our part within that SALT II Agreement, hypothetically, that assures that that balance is there. And obviously, to take one example, our proposals for modernization of the strategic bomber force would continue quite apart from any agreement with respect to SALT II. Were we to do anything else we would be sitting with a situation where the B-52 ages and pretty soon goes out of business. So even though you've got a SALT II Agreement you're going to have to keep the capabilities within these levels that assure an adequate deterrent. One last question.

Q: On land warfare, you said in your letter to the XM panel that the first two years production of the XM-1 would be with the 105 cannon rather than the 120. Would it be with the modified terret that would allow the retrofitting with the 120?

A: The precise configuration, those kinds of decisions would be made after the companies come in and provide the cost data and schedule data and capability data with respect to the various options that are contained within the parameters of those proposals, or requests for proposals. The intention would be to obviously avoid things that would adversely affect either cost, schedule, or capability. With respect to specifically the gun, for example, there is no one I know who has any intention of putting a 120 millimeter gun on any tank until it's been tested and certified. And knowing when that would be is something that would require a ball to speculate through, because we won't know that until it's actually been achieved.

Thank you, very much.

Q: Thank you.

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