

Rebuttal.—Discrimination by sensing devices is costly. However, the fundamental policy followed is that the judgment of the commander, integrating all intelligence data, is essential prior to using fire power or strike forces. Without reaction, sensors are harmless.

5 Charge.—Was the system worth it?

SENSOR PROGRAM SERVICE SUMMARY

[In millions of dollars]

	Fiscal year					5-year total
	1967	1968	1969	1970	1971	
Army:						
R.D.T. & E.	20.7	30.0	21.8	9.2	12.0	93.7
Procurement	144.9	192.4	131.4	37.0	78.0	583.7
O. & M.			7.5	7.9	9.3	24.7
Total	165.6	222.4	160.7	54.1	99.3	702.1
Navy:						
R.D.T. & E.	16.0	14.7	9.7	6.5	5.0	51.9
Procurement	43.8	14.3	13.0	13.3	18.7	103.1
O. & M.	5.6	11.6	1.7	2.2	2.2	23.3
Total	65.4	40.6	24.4	22.0	25.9	178.3
Air Force:						
R.D.T. & E.	9.0	23.5	20.0	12.5	14.0	79.0
Procurement	61.5	93.5	157.2	71.1	107.0	490.3
O. & M.	3.5	21.6	32.9	43.2	40.0	140.2
Milcon	17.7					17.7
Total	91.7	138.6	210.1	126.8	161.0	728.2
DCPG:						
R.D.T. & E.	5.9	20.6	15.0	13.0	14.0	68.5
O. & M.	1.4	1.8	1.5	1.5	1.7	7.9
Total	7.3	22.4	16.5	14.5	15.7	76.4
Grand total	330.0	424.0	411.7	217.4	301.9	1,685.0

Mr. HATFIELD. Mr. President, first, I should like to commend the Senator from Wisconsin (Mr. PROXMIER) for an outstanding piece of research, and for his contribution toward a better understanding of the military weapons system we are being asked to support through the budget operations of the Government.

I should also like to commend the Senator from Mississippi (Mr. STENNIS), chairman of the Armed Services Committee, for the fine cooperation he has extended to those of us involved in making research and other evaluations on weapons systems.

I can assure him that, as one who has associated himself with a number of amendments that will be appearing on the floor during the next few weeks, I am certain we can work out time agreements, and such other things, in order to expedite the discussions as quickly as possible, yet cover the subject thoroughly.

Mr. President, there are basic underlying questions which are presented to us by this defense bill: yet these are rarely considered when the Congress authorizes the expenditure of billions of dollars in the name of security. Our debate has usually focused upon whether a particular tank or plane or missile is the cheapest one that could be built or perhaps whether it is actually required for the mission it is to fulfill. We have been greatly concerned—and rightfully so—about the enormous cost overruns that have afflicted various weapons systems. I know that the distinguished chairman of the Armed Services Committee shares this particular concern as well, and has advocated steps to prevent such overruns in the future acquisition of major weapons systems.

Rebuttal.—The ability to economize on use and exposure of U.S. Forces, the protection of bases and the denial of darkness and jungle to the enemy have been major contributions. The value of this capability is attested to by the constant demands of our combat commanders for sensors in "their area of operations."

Excessive costs and inefficient management should rightfully disturb the Congress. Yet I do not believe this to be the most urgent and troubling factor in our rate of defense spending. We must begin consideration of defense expenditures by asking what the meaning of national security is in today's world. Since our ultimate aim is international peace and security, we must determine exactly what forces tend to undermine that peace, and how they best can be met. There is no doubt that our world is afflicted with tension and turbulence. In the last 10 years 82 governments have been overthrown by some type of coup d'etat, rebellions, or revolts. And there are about 22 active insurrections in various countries today, such as Angola, Burma, Columbia, and several other countries. But what are the roots of these conflicts, how do they affect our own security, and how might they be resolved? Revolutions are born, in my judgment, out of an impatience with suffering rather than from a passion for bloodletting. When two-thirds of the world is hungry and impoverished, and when they are often the victims of political systems which serve exclusive interests and do little to meet the overall needs of their population, it should come as no surprise that international stability remains illusive. But the sources of the instability must be clearly understood: economic deprivation, human suffering, and political oppression.

Now we all know that the Communist powers in our world have an ideology that is hostile to our own—as well as to each other, however—and that these countries possess significant military might. We must be prepared to defend ourselves

if they ever intend to use their power against us aggressively. Yet, we should examine the probability of such an action, and recognize that the greatest actual sources of conflict today are rooted in economic, social, and political grievances rather than the result of aggressive, hostile military actions by the Communist superpowers.

One of the characteristics of the nuclear age is the increasing inability to effectively achieve political aims through the use of military force. We once lived in a world where military supremacy insured political supremacy. But today, with the capacity for destruction several times over resting in the hands of the major powers, military supremacy has far less of a political advantage. What advantage is it if we can kill the Russian population 10 times over, but they can only kill us six times over?

Furthermore, the use of even conventional military might by a major power is no certain means of achieving political objectives. If anything, it seems that the use of conventional military power in an interventionist manner is often counter-productive. Our own experience in Vietnam perhaps best demonstrates the inability of conventional military power to achieve a political objective—or to impose a particular type of political stability. The doctrine of "flexible response," designed to give our conventional military power the capability of responding to situations with a measured amount of military force, led us into the enduring Vietnam conflict rather than maintaining international stability. Furthermore, the presence of our troops in other lands at times can contribute to the internal instability of these governments than to the overall stability of a particular region.

The truth we are discovering is that political stability and international security are the function of political and economic rather than military factors. Political stability—or peace—can seldom be imposed for long by one country over another through the mere use or threat of its military power.

Now I realize that these might appear to be highly speculative considerations. But they are not irrelevant.

Each year we are asked to appropriate billions of dollars to buy new weapons and sustain the world's largest number of men in an active army. But no one seems to seriously ever ask the question—"Just what is this all going to be good for? What is the role of conventional military power in today's world? What is the relation between the military might we possess and our political and strategic aims? What is the basis for building international security?"

The answers to such issues may be uncertain; yet we must address ourselves to these concerns before we blindly proceed with the unquestioned approval of billions for our military capability.

We all tend to assume that the military forces we support are determined by our foreign goals and the logical result of our desire to achieve certain international objectives. We know, for instance, that the Soviets have a strategic nuclear force which must be deterred through our own strategic nuclear force.

And we know that if countries hostile to us choose for some reason to aggressively invade neighbors who were our allies, then we should be prepared to insure some kind of an effective defense. The Armed Forces we possess, then, should be what is required to accomplish these ends.

The disturbing fact, however, is that as one studies our defense posture, he discovers that it has little relation to our foreign policy goals. The forces that comprise our defense are more the result of the momentum of the military bureaucracy than of any other factor. Our defense posture simply does not reflect an analysis of what is necessary to accomplish the ends of our foreign policy. Rather, it is the product of what competing services have successfully justified as being useful and have been approved by an unquestioning Congress under the rubric of national security.

The forces we presently possess and sustain enable us to act as a world policeman anywhere in the world, whenever we please. The wisdom of such unilateral intervention has been thoroughly discussed and has been frequently doubted, both within Congress and the executive branch. Yet, we have not seriously questioned whether we should maintain the capability to unilaterally intervene militarily any place we choose to in the world. Even though we know that in any situation of internal political instability, outside intervention by a great power is likely to be counterproductive, we still prepare ourselves for this capability. The mere possession of this capability, with all the preplanned strategies and contingency plans, increases the likelihood that we might take such action. I am not suggesting that our defense somehow be totally devoid of anything that might be used for some kind of foreign intervention. But I am suggesting that if we believe that unilateral intervention in the internal political conflicts is generally not a wise or necessary step, then we should examine carefully the priority we are giving to such a capability in the development of our military forces.

Our defense posture is also designed to fight a conventional war at sea—presumably—with the Soviet Navy. I do not believe I have ever heard any discussion about just how likely it would be for us to get involved in a conventional conflict of this type with the Soviet Union that would also stop short of nuclear war. Moreover, even if we do accept the need to prepare for such a conflict, we should ask whether our surface Navy—or any country's surface ships—can be adequately defended against the modern armaments that military technology has created. Yet, billions of dollars are invested each year in the proposition that we should be prepared to fight a conventional war at sea against our potential enemies.

The Department of Defense has also claimed, in the past, that our forces have the capability to fight, all at once, in a major war in Europe, a major land war in Asia, and a minor intervention elsewhere in the world. This of course is the so-called 2½-war contingency. I have actually never heard a rationale as to

why it was felt we should have to prepare for such an eventuality. I myself find it incredible to picture a situation where we are fighting in a conventional war against the Soviet Union on the continent of Europe, fighting against the Chinese or their allies with our ground troops somewhere on the mainland of Asia in another conventional war at the same time, and finally also carrying out some military intervention in South America. Yet, we assume all of this would go on, but that it would not result in any nuclear conflict. Our defense posture has been justified by its ability to accomplish all this.

So it appears to me that our defense posture has not been related in any realistic way to an assessment of what we really want to do in the world to achieve our foreign policy objective. Rather, it has been an amalgamation of everything that the military can do in the world.

Now I want to point out that this administration, according to its own statements and reports, has begun the process of trying to relate our military capabilities to our strategic goals. They are sensitive to this need and trying to set new policies. Yet, the results and implications of what they are doing for the defense budget remains to be seen. In the meantime, it is Congress which has the constitutional responsibility for trying to define what kind of military force we should have, and for what purposes it should be prepared and utilized.

In past years, Congress has refused to question seriously what has been presented to them as essential to the security of the country. Despite the fact that forces and pressures which result in the eventual requests for defense expenditures are largely the result of bureaucratic momentum, these programs are presented as the logical result of what has been determined to be absolutely necessary for national security. With thousands of dedicated public servants working for the Department of Defense, Congress has naturally assumed that they and only they can propose what we need for the defense of our Nation. The requests that come from the Defense Department are seen as a carefully thought-out approach to what is required to preserve national security. To spend a penny less than what is requested, it is suggested, will put that security into jeopardy.

I think we should realize that the posture and weapons system requested by the Defense Department as essential to security do not carry with them any mandate from heaven. It is the approximate guess of dedicated people working in an enormously complex bureaucracy and influenced heavily by the interests and biases of that bureaucracy. Their presentation of what is generally required for overall national security is no better or no worse than what the Congress may decide is necessary, on a completely independent basis.

Further, it must be remembered that the Defense Department defines and regards "national security" in the most narrow vein. Only the military factor is considered.

But when Congress evaluates the requirements of "national security," it must recognize that our true security is a combination of economic health, political stability, domestic tranquillity, national unity and dedication, as well as our military resources.

Congress has the unique task of judging the relationship between all these factors as it attempts to insure our Nation's security.

The events of this week should bring these issues into a sharp focus. New York City has barely been able to function and its citizens' safety has been jeopardized by a pollution and power-shortage crisis. There is no doubt that this poses a direct danger to the security of that city.

During the same week a Presidential panel appointed to study the Defense Department concluded:

We are all amazed that it (the Defense Department) works at all.

Why should any Member of Congress honestly believe that our security is best protected by spending every dollar that is proposed by the Pentagon, and thus depriving resources for solving the crisis being felt this week by New York and threatening every major urban area in our land?

The task for Congress, in my judgment, is to relate the foreign policy objectives and strategic aims we wish to pursue as a nation—to the defense posture that we authorize. This must be done with attention given to our available resources and the necessity of meeting a variety of needs in order to truly provide for our Nation's security.

Previous defense expenditures have resulted from almost automatic approval of the Pentagon's wishes and proposals because of the vacuum created by the Congress lack of responsibility in examining defense requests. Thus, it is Congress which must redress this imbalance—and Congress which must assume any responsibility for inordinate defense expenditures.

We can—and, in fact, should—speculate about what our broad-range goals in the world should be, what our commitments and treaties should ideally be, and what methods we should rely on in the future for building international order. It is important that this kind of reflection go on in a serious manner within Congress.

Yet, we know that our present situation in the world presents us with immediate realities which cannot be ignored. In considering what our defense posture should be this year, and what resources we should allocate for the defense budget, we must realize that we have assumed a particular role in the world and do have various involvements which cannot be ignored.

So I want to make this proposal. Let us look at our present responsibilities in the world. We know that we have commitments, both in formal treaties and secret agreements. Conceivably, these might require us to have mobile forces which could be moved quickly to various parts of the globe. We know that we have a commitment to NATO and that at least for now we must maintain a capability

to meet an aggressive action in that part of the world. Further, the Nixon administration has outlined its own new doctrine with respect to Asia. They have stated that we would not use our ground troops for a land war in the Asian mainland, and that the defense of Asian countries should be their own responsibility, with our supporting assistance. The Guam doctrine, as it is called, has been set forth on several occasions as the official policy to be guiding our future actions in Asia. The implementation of this doctrine, then, must also be considered in determining our defense posture.

Finally, we know that the Soviets have an arsenal of strategic nuclear weapons, and that our present policy rests upon our ability to deter any possible Soviet attack by possessing the certain capability of destroying the enemy, should they initiate an attack upon us. Thus, we must provide for a continued credible deterrent force.

Now let me emphasize that I may have serious reservations about some of these working assumptions. I certainly do not agree with all our foreign commitments, and worry about how they can lead us into dangerous military involvements. The senior Senator from Missouri (Mr. SYMINGTON) has spoken eloquently and worked hard at this very point, and I respect greatly his efforts to actually discover the commitments our Nation has, and what implications they have. Furthermore, I may not agree with particular assessments of where our interests in the world actually lie. The President has said, and rightfully so, that our interests must shape our commitments. It could well be that the administration's notion of our interests in the world—in Europe and Asia—could differ from my own assessment. Likewise, there might be legitimate questions which could be raised about the whole concept of deterrence.

Finally, many of these matters, such as foreign commitments as well as our strategic posture, might be changed through various negotiations. Taking all these factors into account, let us grant the foreign and strategic objectives that are presently operative—regardless of whether we agree with them all or not—and then let us see what kind of defense posture is required to fulfill them.

Taking this framework, several Members of Congress came together again this year to analyze our military budget. We did so recognize that there were commitments and policies which had to be followed. Yet, we sought to analyze whether our expenditures for defense were adequate or excessive for those purposes. The military spending report, which I was privileged to chair, with the cooperation of colleagues in the House and the Senate, was prepared in order to provide further knowledge and examination of defense requests. It has been made available to all Members of Congress in order to enhance our ability to make these difficult judgments.

Let me briefly summarize the main findings of this report: First, we discussed various general topics, such as the relationship between defense spending and the economy. We noted how excessive defense spending has a larger

inflationary effect on the economy than any other kind of Government spending. Further, we found that it is difficult to discover any substantial reductions in the defense budget that have not been the result of a lower level of spending in Vietnam. Reductions in the budget, as best as can be determined, have come primarily from that source, though some other savings might have been realized. This is hard to determine with complete precision, however, because the administration has not provided us with concrete estimates of the war's costs for this year.

The report then examined various components in the Defense budget, looking first to our expenditures for strategic arms. Our conclusion was that a completely credible deterrent force, fully capable of providing an assured destruction capability, could be maintained for considerably less expenditure and without the deployment of various components presently planned for our future strategic arsenal. In general, we recommended maintaining our triple deterrent of bombers, land-based missiles, and the Polaris fleet, but not continually upgrading each of these at costs which are excessive. For instance, we believe that the life of the B-52 bomber force should be preserved, but that we should not move forward with the procurement of the AMSA—advanced manned strategic bomber—which could entail an eventual expenditure of \$10 billion. In a similar fashion, we recommend against major increased costs for our land-based missiles, such as the MIRV program. It is our general contention that the efforts to improve and upgrade our deterrent force should be placed with the most reliable and invulnerable component part—our Polaris system.

For this reason also, we approved of the continued research and development request for the underseas long-range missile system which could conceivably serve as a further enhancement to our deterrent force, if needed in future years and in the absence of successful SALT negotiations.

Let me add a few other comments about our strategic forces. Our projections about what is necessary to preserve an assured destruction capability are based on a number of assumptions that need careful examination. For instance, in such projections, we always assume that all of the Soviets' systems will work perfectly, and our systems will function poorly. We make this assumption in order to be safe; but of course, if the Soviets were actually planning an attack, they would never make such an assumption.

Further, we always protect against what is called the greater than expected threat. This means that we listen to all that the intelligence agencies say is the Soviet threat, and then try to imagine an even greater threat—which often requires a good deal of creative thinking—and then design our forces to protect against even this greater than expected threat.

"Assured destruction" is defined as destroying 25 percent of the Soviet population and 50 percent of its industry. By

conservative estimates, 400 warheads can do far better than that. At present, we can deliver 4,200 nuclear warheads to the Soviet Union. Part of the reason for this enormous overkill is that we require each component part of the strategic arsenal—our missiles, bombers, and submarines—to be able to inflict, completely on its own, such a destructive force.

Finally, in making our projections, we do not include any damage which can be inflicted on the Soviets through our conventional forces—such as our tactical nuclear weapons placed in Europe and elsewhere, our tactical airpower, and the rest of our conventional military forces deployed at points close to the Soviet Union.

It seems obvious, then, that a reasonable readjustment in these assumptions alone would result in a more realistic strategic posture.

The report also considers various parts of the Defense budget that are devoted to our general purposes forces.

Mr. President, I do not wish to take the extensive time required to go into each one of the report's findings and recommendations in the area of general purpose forces—including our tactical airpower, our naval forces, and our manpower levels. But I do know that these will be of vital interest to the Members of the Congress. Therefore, I ask unanimous consent that the summaries and recommendations of each section of the report be inserted in the RECORD at the conclusion of my remarks. Since the entire report is nearly 150 pages long, I will not ask that it appear in the RECORD in its entirety—but that 25 pages giving these summaries and recommendations be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATFIELD. In summary, the "Military Spending Report of Members of Congress for Peace Through Law," prepared by over 25 Senators and Congressmen, concludes that reductions of as much as \$4 to \$5 billion in requests for weapons systems, with another \$4 to \$8 billion in potential savings from manpower reductions, all during this fiscal year.

The long effect of those savings, in other words, the potential full costs of these various weapons systems we question, combined with manpower savings over this same period, could be close to \$100 billion.

It is staggering that this amount of resources will ultimately be affected by our decisions on the defense bill this year. I want to emphasize that the findings of the Military Spending Committee report represent savings that are possible in this year's budget without any change in our international commitments, without any reassessment of our interests, or any change in our basic strategic policies and objectives.

I know that Members of the Congress will want to study this report in greater detail, and trust that it will be a useful contribution to our dialog and our judgments on these issues.

Mr. President, I have been greatly encouraged by the reports that the Nixon

administration is attempting to clarify the relation between our strategic objectives in the world and our defense posture. It is well known that the National Security Council and the Department of Defense have been engaged in the massive task of reviewing our commitments and interests, and then attempting to relate them to our force levels. Furthermore, I was most encouraged when the Guam doctrine or the Nixon doctrine was set forth by the administration. It was with wisdom and courage that we declared it would not be our future policy to fight with our own ground troops in a land war in Asia.

Now it is natural to ask what effect this new doctrine should have on our defense posture and the composition of our general purpose forces.

Few realize that the largest bulk of expenditures for defense comes from the support of our conventional military forces—roughly two-thirds of the Defense budget, with less than one-third necessary for preserving our strategic nuclear deterrent force. The size of these conventional general purpose forces has been determined in the past by the 2½-war contingency. We have had the forces required to fight simultaneously a land war in Asia, to defend against an attack on NATO, and a minor conflict somewhere else.

The posture necessary to perform this mission consisted of 2.7 million men in the Armed Forces. This included 19½ active divisions, seven priority reserve divisions, 23 tactical air wings, 15 naval attack carrier task forces, and additional forces for antisubmarine warfare, amphibious warfare, and airlift and sealift. Different portions of these forces are allocated to meet these various possible contingencies.

When our involvement in Vietnam began and escalated, we added on the troops and forces necessary for that conflict all in addition to our basic general purpose forces. Thus, the expenditures and manpower in Vietnam are all in addition to the basic posture of the general purpose forces determined by the 2½-war contingency. As manpower was sent to Vietnam, for instance, the size of our Army increased from the basic 2.7 million-man level to about 3.5 million men.

The cost of maintaining the general purpose forces of the size to fight 2½ simultaneous wars—not counting Vietnam—is about \$44 billion. Broken down, this includes about \$19.1 billion for the NATO contingency, \$16.3 billion for an Asian land war, \$1.3 billion for a minor intervention somewhere else, and \$7.3 billion as a reserve, presumably for forces to be moved wherever they are needed. Specifically, the portion of the forces that are devoted to the Asian contingency are six Active Army divisions, two active Marine divisions, six Navy air wings, seven Air Force air wings, and a sizable portion of our ASW—amphibious, airlift, and sealift forces.

The current defense budget we are considering assumes that we will continue to pay for the 2½-war contingency in our expenditures for general purpose forces. The request for about \$72 billion can be analyzed as follows: About \$43 to

\$44 billion for general-purpose forces, \$17 to \$18 billion for our strategic nuclear forces, and \$11 to \$12 billion for the Vietnam war in the next year. I would point out that is the conservative way of figuring the war, and it is set forth by Charles Schultze, former Director of the Bureau of the Budget. However, the Cambodian invasion will probably cause the costs of the war to rise above that estimate.

The Department of Defense has stated that by the end of fiscal year 1971, or by June 30, 1971, the projected manpower level will be about 2.9 million. If we assume that the Vietnam withdrawal rates proceed as announced and continue at that rate until that time, we will have about 240,000 to 250,000 men in Vietnam at that time. One could add to this about an additional 100,000 to 150,000 men in the Armed Forces as the direct result of the war—men who were in the pipeline somewhere, for instance. But that leaves between 2.5 to 2.6 million men comprising our basic general purpose force posture. Perhaps this represents a small reduction of our basic manpower requirements during the coming fiscal year below the previous 2.7 million baseline manpower force. If so, such reductions would be the result of efficiency steps announced or taken to reduce excess manpower. However, it would not be reflective of any basic change in the composition of our general purpose forces.

But since the administration has announced that we are now to be guided by the Guam doctrine, then I would propose its implementation for the current defense budget. Specifically, this would mean that we would remove from our general purpose forces those portions assigned to fight a ground war in Asia—not including, as I have stated, our forces in Vietnam. This would result in the elimination of six Army divisions, three wings of tactical aircraft, a good portion of our antisubmarine and amphibious force in the Pacific, and six carrier task forces. However, this would still leave significant portions of general purpose forces for use in Asia in a supporting capacity to carry out the Nixon doctrine. Specifically, this would include two Marine divisions, six tactical air wings, and three potential carrier task forces, plus, of course, our program of military assistance to various Asian nations.

The budgetary result of these steps would be a savings of about \$10 billion in this year's defense budget.

Thus, if we but implement the Nixon doctrine in our defense posture, creating a rational relationship between our foreign policy objectives and the composition of military forces, the budget which has been requested can be reduced by up to \$10 billion.

Let me point out that Charles Schultze, former Director of the Bureau of the Budget, and William W. Kaufman, former assistant to Secretary of Defense Robert McNamara, have both testified to this point before various committees of the Senate this year. I ask unanimous consent that their testimony be introduced into the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibits 2 and 3.)

Mr. HATFIELD. There is one other important factor to point out in this regard. The Nixon administration has made a pledge to institute an all-volunteer military, and a Presidential Commission has further endorsed the merits and feasibility of this proposal. The chief concern expressed by the administration to date has been that the possible cost of an all-volunteer force may not make it possible to end the draft by mid-1971. Now I believe strongly that the true costs of a volunteer army would make this utterly feasible not only in a year's time, but even today. But let me point out the implications of putting the Nixon doctrine into effect in our defense posture for the prospects of an all-volunteer army. Removing the Asian contingency from our general purpose force planning, as I have described, would reduce our manpower by at least 400,000 men, and probably by more. That would create a manpower level by the end of fiscal year 1971 of no more than 2.5 million, and easily 2.3 or 2.4 million—assuming the announced rate of withdrawals from Vietnam. The budgetary cost of creating volunteer military at level, using the very conservative estimates given by the Gates Commission, would be \$2 billion or less for this fiscal year. That would be offset by the savings of \$10 billion.

The budgetary crisis in our Government is well known. During these very days the President is trying to make decisions about the fiscal year 1972 budget. And the largest compelling factor in all this is defense expenditures. It is our level of defense spending, more than anything else, which will decide whether or not we will have a deficit or a surplus budget, whether or not we will have a fiscal dividend in coming years; whether or not inflation will be halted; whether or not our housing goals will be met; whether or not the pollution crisis will be solved; whether or not our major urban centers will be livable; and whether or not we will build our Nation's resources and preserve our political system.

Seventy-two billion dollars is too much to spend for defense. It will create an insecure America rather than protecting our security. Without rewriting a single treaty, canceling a single commitment, or reversing a strategic objective, we could actually eliminate as much as \$15 billion from this year's defense budget and enhance our overall national security. Up to \$2.5 billion could be reduced from our strategic nuclear budget, another \$2.5 billion could be reduced from the cost of certain unnecessary new weapons systems, and \$10 billion could be reduced by following the Nixon doctrine.

Protecting and enhancing our national security—that is our task. Let us do so. But let us develop a defense posture that is related to what we say we want to do in the world. If we only do that much, then we will also be able to do what we must here at home if we

are to survive our domestic threats as well and live in peace.

EXHIBIT 1

MILITARY SPENDING REPORT

INTRODUCTION

As members of the Military Spending Committee of Members of Congress for Peace Through Law and other involved offices, we submit this year's Military Spending Report as a bipartisan review of selected military programs. Obviously, this list is not exhaustive. We feel, however, that these issues demand greater public and Congressional attention.

Our examination of the utility and necessity of requested defense funding is made with particular concern for fiscal responsibility and will have a deep interest in a proper allocation of national resources. We have concluded that significant reductions can be made without in any way weakening our national security. Indeed, the improved management and procurement practices we recommend would undoubtedly strengthen the national military posture. A reordering of national priorities, moreover, would help stabilize the economy on which all our federal programs are based and would release funds for the education and basic research on which our future security will depend. While we may not be in complete agreement on specific recommendations, we are unanimous in our recommendations for adjustments in the FY 1971 DOD budget, including general reductions.

Recommended retrenchments for FY 1971 range from \$4.4-5.4 billion, excluding manpower. The FY 1971 recommended cut including manpower considerations would roughly double this figure. But since the projects affected involved long term funding commitments, the immediate cutback figures understate the long term savings. Projecting the full cost implications, our recommendations would produce eventual savings from \$95-100 billion (including manpower).

While the 1969 Military Spending Report was concerned almost exclusively with weapon systems, we thought it necessary this year to also address the question of overseas troop deployments, threat projections, and the impact of defense spending on the economy. In each case, we offer recommendations pinpointing problem areas.

We emphasize that this is only a small part of what should be a continuing review of military programs by Congress and the public.

We invite the comments and support of other Members of Congress.

Mark O. Hatfield, Chairman, MOPL Military Spending Committee, Thomas F. Eagleton, Charles E. Goodell, Mike Gravel, Vance Hartke, Harold E. Hughes, Charles McC. Mathias, Jr., George S. McGovern, Walter F. Mondale, Gaylord Nelson, William Proxmire, Senators; Brock Adams, Edward P. Boland, George E. Brown, Jr., Jeffery Cohelan, Donald M. Fraser, Gilbert Gude, Lee H. Hamilton, Robert L. Leggett, Abner J. Mikva, William S. Moorhead, Charles A. Mosher, F. Bradford Morse, Lucien N. Nedzi, Ogden R. Reid, Henry S. Reuss, Morris K. Udall, Congressmen.

ECONOMICS AND DEFENSE SPENDING

Summary

Both the real and monetary costs of defense are unknown because of Pentagon secrecy, underreporting, and underestimating. The "true cost" is still greater even than the unknown monetary costs because of the sacrifice of private and social spending, which would ultimately create greater economic growth and more jobs. Further incalculable costs include the disruption of the social fabric and the imbalances in our foreign policy between military and civilian goals.

But we can calculate that 70 per cent of the world's arms expenditures are made by the U.S. and the U.S.S.R., with the U.S. leading both in the total real cost in purchasing power equivalent and in real cost per capita.

Excessive defense spending causes severe economic distortions, most notably a persistent and intractable inflation. This phenomenon (1) impairs efficiency in the economy by changing the measuring rod of costs, (2) impairs work incentives and alters the savings/consumption patterns, (3) creates a demand for harsh counter-measures (e.g., direct controls), (4) lessens confidence of the citizenry in government and the economic system, and (5) distorts crucial sectors and creates imbalances.

Of major significance too is the fact that military spending is not only the major cause of inflation but is itself a major victim in terms of increasing the cost of its own operations. The Indochina war and our continued role in it is a major contributor to the inflationary problem in particular sectors of our economy.

There has been a good bit written about how the Federal government might spend any "peace dividend" resulting from either a winding down of the Vietnam War or a major breakthrough the arms limitation. Other possibilities for the dividend, of course, are tax or debt reduction. Some mix of all of these elements—federal expenditures, tax cuts, and debt management—might well be best as the tools of fiscal policy are brought to bear in the aftermath of a cutback in defense spending.

The size of the cutbacks—and of any peace dividend—is fraught with uncertainties. The Defense Department categorizes Vietnam costs under the broader budget item of "cost of Southeast Asia conflict." The two methods of cost-accounting are: (1) "incremental cost" method and (2) "full" or "prorated cost" method. Depending on the method used, costs for Vietnam war spending in FY 1969 range from \$17 billion to \$32 billion.

A \$3 billion "peace dividend" is reflected in the new FY 1971 Defense budget. The \$3 billion is what is left from a \$5.2 billion saving in this year's budget over last year's after subtracting for the Administration's planned military spending increases.

Congress has a significant role to play in forging a larger "peace dividend". But Congress has been hampered in carrying out this responsibility by deceptive practices in presenting the Defense budget.

The cost of war spending in Vietnam has been underestimated by successive Administrations. This practice has postponed the existence of a "peace dividend" and rendered virtually impossible attempts by Congress at realistic decision-making for a healthy economy. The problem has been further complicated by conflicting Congressional testimony from various witnesses within successive Administrations.

In any case, increases in military spending have undermined budgetary savings. A look at the new FY 1971 Defense budget shows a whittling down of the "peace dividend" to \$3 billion and even this sum is threatened by such trends as:

1. Continued U.S. fighting in Southeast Asia;
2. Increases in military aid to Southeast Asian countries;
3. Delays in troop withdrawals (the Administration has already announced that no withdrawals are planned before July, indicating that the average monthly withdrawal rate will be disrupted);
4. Cost overruns in on-going and newly acquired weapons systems.

The conclusion is clear that increased expenditures on "arms and security" have long since reached the point of diminishing re-

turns by even the most conservative measure of costs incurred against benefits received.

Recommendations

Congress can be better equipped to discipline defense spending when the following steps are taken:

1. A Presidential Report on Military Expenditures and the Economy—to be delivered annually on July 1, the beginning of the new Fiscal Year, to a Joint Session of Congress and the American people. Such a message would include past and up-dated war costs, based on one method of cost-accounting. It should provide a uniform basis for cost citation; clarification of differing war cost figures over the years; description of the impact of military spending on the economy with relevant indicators; and prescriptions.

Such a Report would lead to a common understanding of war costs and eliminate the confusion that has resulted from the past war-cost options approach. The latter has created an expectation-achievement gap regarding the "peace dividend." For example, when Secretary Laird announced that Vietnam war spending would be \$17 billion by the end of FY 1970, many expected a "peace dividend" of \$15 billion based on a reduction from the "full cost" figure of \$32 billion (FY 1969). Laird, in effect, was estimating only a possible \$6 billion "peace dividend" based on a reduction from the "incremental cost" figure of \$23 billion (FY 1969) or \$11 billion (ext. FY 1971).

The Report would also help steer a realistic course between the extremes of pessimism and of optimism over the "peace dividend." Already within the Administration we have heard conflicting outlooks. For Daniel Moynihan, "the peace dividend turned out to be evanescent, like the morning clouds around San Clemente." (Press Conference, August 25, 1969). For Arthur Burns, formerly the President's economic advisor, if the war ended immediately, as much as \$8 billion would be available for "civilian" programs. (Speech, National Governors' Conference, September 1, 1969).

Congress as a whole simply must be presented with a uniform basis of war cost and with basic data on the impact of military spending on the economy—if it is to have a meaningful decision-making role in economic policy, including economic conversion from a war-time to a peace-time economy; and if it is to change spending priorities.

2. A "Pentagon Dividend" can be gained by cutting out wasteful weapons spending. The Defense Department itself has a responsibility to weed out excess and waste in military spending. When the Pentagon fails to weed out unnecessary programs, Congress must take on this responsibility itself or saving from reduced war spending will be devoured by wasteful weapons spending. Preventing the peace dollar-drain-to-defense is the best way to release funds for new priorities.

INTELLIGENCE AND POLICY

Summary

The President is fed information by the Central Intelligence Agency, the National Security Council, the State Department, and the Defense Department, as well as by his own personal advisors. This information comes from four sources: the first, the most important, is the open press and technical magazines of the world; second, satellite reconnaissance; third, technical sources such as radio and radar interception; and fourth, human sources such as defectors. The information gained from these various sources is filtered by intelligence officers and fed into the network which eventually supplies it to the President. The President then can release the information as he chooses, whether to Congress, the press, or the general public. In the case of Congress, it is only a very select number of Members who actually get the information.

Recommendations

1. There should be a drastic curtailment of covert action programs and personnel.

2. The intelligence community should end the use of legitimate U.S. business and government agencies for operational cover overseas and domestically.

3. Information obtained by satellites in earth resources fisheries, forestry, and crop management fields should be declassified and shared with competent scientists worldwide.

4. A joint Congressional Committee on Intelligence should be drawn up with representation from the Armed Services and Foreign Relations Committees of both Houses.

5. There should be an official Congressional inquiry regarding the use of intelligence data to justify US weapons development programs.

STRATEGIC FORCES: OVERVIEW

Summary

The essential requirement that United States strategic forces must meet is an assured destruction capability—the capability of absorbing a Soviet first strike and inflicting a level of assured destruction on the Soviet Union defined as 20-25 per cent of the population and at least 50 per cent of Soviet industry. This is the essence of nuclear deterrence.

The United States can now deliver over 4,200 strategic nuclear warheads against the Soviet Union. Based on extremely conservative estimates, 400 warheads would destroy over 30 per cent of the Soviet population and 70 per cent of its industrial capacity—thus more than adequately meeting the requirements of assured destruction. The Soviet Union has a similar overkill capability with respect to the United States. In other words, we have a deliverable force of 10 times as many warheads as we need for sufficient deterrence of potential attack.

By MIRVing both our Minuteman and Polaris missile forces, we would more than double the number of nuclear warheads, from 4,200 to 9,600, to achieve the same objective of delivering 400 warheads.

It is also inconceivable that, now or at any time in the foreseeable future, any enemy will be able to destroy all our ICBMs, all our bombers, and all our Polaris (soon to be Poseidon) submarines simultaneously. Nevertheless, we are continuing to increase both the number and accuracy of our strategic weapons beyond any reasonable response to the Soviet Union.

Recommendations

1. Initiate a serious Congressional dialogue about:

- a. The concept of deterrence and what is sufficient deterrence;
- b. The rationale for maintaining three separate deterrent forces—land-based missiles, sea-based, and bombers—each capable by itself of inflicting the requisite level of assured destruction.

2. We are currently spending on the order of \$18 billion annually on strategic forces. The adoption of a restrained, yet awesomely powerful posture would produce budgetary savings of about \$4 billion per year, reducing the annual cost of these forces from \$18 to \$14 billion. Such a posture would accept assured destruction capability as the essential requirement of our forces. But the more restrained posture, unlike current policy, would not need to go beyond assured destruction capability and would estimate the forces needed for such capability in somewhat more reasonable terms. In particular, this alternative posture would:

- a. Modify the Safeguard ABM program with cuts ranging from \$404 to \$1,085 million;
- b. Continue but not speed up Poseidon MIRV program;
- c. Cancel deployment of Minuteman III MIRVs, cutting \$575.7 million;
- d. Postpone indefinitely the procurement

of the new manned strategic bomber, B-1, cutting \$100 million;

e. Continue spending on ULMS (Underwater Long-range Missile System) research and development.

The United States would still be left with awesome nuclear deterrence: More than 7,000 deliverable warheads, carried on three distinct delivery systems—1,054 possibly vulnerable land-based missiles, 656 partially MIRVed and invulnerable submarine systems; and 450 B-52 bombers which could deliver 1,800 warheads on target.

SAFEGUARD ABM

Summary

The Administration currently plans for Safeguard to perform three missions:

1. Protection of the Minuteman ICBM deterrent.

2. Protection of the entire country against a Chinese attack.

3. Protection of the entire country against an accidental or unauthorized launch from any country.

Safeguard can only partly perform its Minuteman and anti-China roles, and its technical inadequacy would be accentuated rather than decreased by an offense-defense arms race. The system might offer some protection against accidental attack and its effectiveness in this role might be increased by expanding the system at great expense. But the probability of accidental launch is not high enough to justify even the present projected cost for Safeguard. The danger of accident, moreover, can be more effectively addressed than by dependence on an enormously complex new system, itself accident-prone, and by expansion of the arms race that created the danger.

On June 17, the Senate Armed Services Committee restricted the Safeguard mission to Minuteman protection. But Safeguard is not technically suited to this role and cannot dependably perform it against any enemy with offensive technology sufficiently advanced and resourceful to pose a threat to our deterrent forces. Furthermore, adoption of Safeguard now would hamper the development of an effective defense in the future by creating a heavy vested interest in an inflexible technology incapable of responding to new offensive developments.

Recommendations

The following range of alternatives regarding Safeguard are offered in lieu of any one recommendation. All involve modifications to the Administration's request, as amended by the Senate Armed Services Committee.

1. The Safeguard system should be held at the R&D level. No funds should be authorized for Safeguard deployment.

2. Deployment of the Safeguard system should be limited to the two sites approved last year. Research and development should continue.

3. Divert R&D funds for Safeguard to R&D on an advanced ABM.

4. Escrow arrangements conditioned on the SALT negotiations. Funds held in escrow could be released at the discretion of the Congress if talks fail. Creation of an escrow arrangement, however, should not be interpreted as indicating a belief that failure of the negotiations would increase the desirability or utility of an ABM system. The weaknesses of Safeguard would be accentuated by a new arms race. New ABM deployments should not be considered as inevitable if the SALT negotiations fail. The escrow proposals follow:

- a. Hold in escrow the Safeguard deployment at the original two sites.
- b. Hold the entire Safeguard program (excluding R&D) in escrow.

There are a number of permutations to each of these options. In all cases, R&D could continue on a non-Safeguard ABM defense. The potential savings in these options

range from \$1,085 million in 1 and 3c to \$404 million in 2.

Recommendation	Cost (millions)	Reduction or escrow
1-----	\$365	\$1,085
2-----	1,046	404
3-----	365	(1)
4-A-----		781
4-B-----	365	1,085

1 Range.

MIRV

Summary

The Multiple Independently-targeted Re-entry Vehicles are a natural outgrowth of simple multiple warheads. During the early 1960s, it was determined that it would be more cost effective to deliver several warheads per missile than to add an additional number of missiles to the rocket forces. The land-based Minuteman missiles configured with MIRV will carry three warheads, whereas the old Minuteman carried only one warhead each. The sea launched ballistic missile—that is, the Poseidon replacing Polaris—will carry ten warheads as opposed to three. Half the Minuteman force and three-quarters of the Polaris boats will be converted. This will increase the number of deliverable warheads from 4,200 to 9,600, not counting the bomber capability which would raise the total by at least 3,000. The United States began deployment of MIRV on the Minuteman this June and the first Poseidon will be operational the first part of 1971. The Soviets are not expected to deploy any MIRVs for at least two years.

Recommendations

1. Every effort should be made during the current SALT talks to put a freeze on MIRV deployment.

2. The recommendations for retrenchment of MIRV apply only to the Minuteman III program.

The estimated total system cost for MIRVing the Minuteman III is about \$5.4 billion. The request this year is for \$686 million, including \$211 million for R & D and \$475.7 million for procurement. We recommend allocating no further funds for MIRVing the Minuteman because of fixed-base vulnerability and the potential destabilizing effect of MIRV.

ABRES (ADVANCED BALLISTIC RE-ENTRY SYSTEMS)

Summary

The Advanced Ballistic Re-Entry Systems Program has been active since 1963. It has led from the development of single warhead delivery systems for missiles, to multiple warheads, to the multiple independent delivery system.

Recommendations

1. The cost in research and development since 1963 has been about \$1.3 billion. About \$600 million has been earmarked for the next five years.

We recommend that the ABRES research program continue. However, there should be a yearly accounting to Congress about which strategic systems are being developed and what improvements are likely in deployed systems.

2. We recommend that no funding be approved for improving the accuracy of the Minuteman III MIRV.

MOBILE MINUTEMAN

Summary

Making the ICBM system mobile is a concept which has been considered as one means of protecting the retaliatory capability of the Minuteman missiles in case of a first strike. Slightly less than \$109 million has been expended so far on this concept since 1959. Two particular methods which have

been given the most credence are a rail-mobile system and the basing of missiles on barges.

There is no doubt that our land-based ICBM system is vulnerable. In evaluating this approach to protecting retaliatory capability, comparisons must be made with other approaches, namely superhardening and sea-based mobility. Given improved accuracy and yield of Soviet missiles, and given the fact that we rely on our retaliatory system to deter a first strike attack, land-based missiles are becoming increasingly less cost-effective when compared to a retaliatory system of submarine-based missiles. Also, it should be noted that the mobile Minuteman approach was temporarily shelved in 1962 because hardened and dispersed versions of the system were shown to be more cost-effective.

Recommendations

Research and development funds should continue to be appropriated at a low level. However, no procurement should be authorized.

B-1 BOMBER (AMSA)

Summary

With all the destructive deterrent power represented by American ICBMs and SLBMs, it is worth considering whether the manned bomber should have any role at all in future U.S. strategic posture. This question deserves much more scrutiny than it has received thus far, especially since discussions to date have generally assumed the need for a bomber and have thus centered around the kind of bomber to be acquired.

Pending the careful resolution of that question, there are sound arguments for not investing more money on B-1 engineering development. First is the lack of any need for operational capability before the end of the decade. Second is the probability that a less costly bomber could be developed without loss of the most important capability contemplated for the B-1—service as a low-flying platform for the launch of stand-off missiles. Retention of the basic B-52 design with some modification would be one option. Third is the fact that current budgetary pressures demand that major expenditures be delayed if possible.

Recommendations

The current estimate for total procurement is about \$9.4 billion. \$100 million has been requested by the Administration for R&D. We recommend that the \$100 million request be denied, leaving the \$80 million carry-over from last year to continue R&D.

C-5A

Summary

The C-5A, with a basic mission weight of 712,000 pounds, is the world's largest airplane. It payload is 75 fully equipped combat troops and an additional 112,000 pounds worth of supplies. If the range of the plane is reduced from 5,000 to 3,000 miles, the load can be increased by 100,000 pounds. The plane is designed to operate from rough airfields on the forward edge of battle areas. The Air Force currently plans to buy 120 planes but may reduce this number to 81.

One of the principal reasons for buying the C-5A was its prospective cost-effectiveness as a mode of transportation. However, cost overruns by Lockheed have raised the expense of the plane from \$3.4 to \$5.3 billion, making it more costly to buy and operate than any current system used to transport military manpower. Moreover, the plane's capability to land and take off in forward battle areas is open to question. In short, the C-5A has become an enormously expensive and problematical system.

Recommendations

1. Delete the \$200 million Lockheed contingency fund.
2. Delay all funds for C-5A pending an-

swers to the specific questions raised in the body of the paper.

3. Congress should take action to ensure that the acquisition of military equipment does not become a form of relief funding for private enterprises.

4. No C-5As should be accepted by the Air Force until original design specifications are met and the plane can carry out its originally designated missions. Under no condition should the Air Force accept defective planes.

UNDERSEA LONG RANGE MISSILE SYSTEM (ULMS)

Summary

The ULMS program is planned as a successor to the Polaris/Poseidon ballistic missile fleet. The program envisages the development of a more efficient, highly survivable, sea-based nuclear deterrent capable of launching missiles with a range equivalent to an ICBM from quieter submarines of improved hull design. The program has not reached the contract definition stage. Recent budget requests have been \$20 million for FY 1970, with \$10 million approved, and \$44 million in the budget for FY 1971.

The increased range of the missile—from about 2,000 miles to 6,000 miles to 7,000 miles, plus possibly deeper diving capabilities—nearly cubes the anti-submarine warfare problem for the Soviet Union. The ULMS submarine free to cruise the seven seas and remain within range of its targets, would—with multiple warheads—preclude a successful Soviet anti-ballistic missile effort. ULMS would be more invulnerable than what the Secretary of Defense refers to as the virtually invulnerable Polaris/Poseidon force.

Recommendations

1. We should proceed with ULMS as part of a decision to make a sea-based nuclear missile system the first line of deterrence. This might require a redefinition of the concept of "strategic mix", which has produced an expensive and excessive redundancy of strategic systems. ULMS is the epitome of the "blue water" option at a time when the probable obsolescence of fixed-bases has become clear in the ABM debate. When viewed as a successor to land-based missiles and their requisite defense systems, the ULMS seems cost-effective.

2. The current request is for \$44 million in R. & D. We recommend a low-profile no cut position and advocate authorizing the full \$44 million.

ADVANCED ICBM (WS 120-A, ICBM-X)

Summary

The Advanced ICBM program is an Air Force concept for a silo-launched missile with a greater payload capacity and range than the Minuteman III. Approximately \$106 million has been spent so far, although only the most preliminary studies have been done. The program consists of several components: high performance solid rocket motor, self aligning boost and re-entry (SABRE), Advanced ICBM and basing, and hard rock silo development.

This program is a bad investment for a number of reasons:

1. Further development of a land-based deterrent system (which is becoming increasingly less cost-effective) is wasteful and unnecessary.

The building of new silos will exacerbate the arms race because the Soviet Union will have to assume that the old silos are still occupied.

Recommendations

No further funds should be appropriated until it is determined whether or not land-based missiles will continue to play a role in our deterrent posture.

SUPERHARDENING

Summary

Like making the ICBM system mobile, superhardening is a concept that is being

considered as a means of reducing the vulnerability of our land-based deterrent system. It involves building underground missile silos embedded in bed rock, in order to make them strong enough to withstand all but a direct or very close hit without damage to the missile inside. The silos are viewed as a back-up defense against missiles which succeed in penetrating the ABM shield. It is felt that while larger numbers of direct hits by the Soviets are unlikely, there will be more near misses, which would destroy the present silos. The cost of one prototype silo is estimated at \$278.4 million (up from a \$152 million estimate in 1969). Currently, the cost of additional silos is estimated at \$6 million per silo.

This program represents further development of our land-based deterrent system, which is being seriously questioned in terms of its cost-effectiveness. There is also a serious question as to whether any silo can be hardened sufficiently to withstand the improved accuracy of Soviet missiles, especially if they deploy MIRV.

Recommendations

We recommend that the \$77 million R & D request be denied, until the role of fixed-based missiles is clearly defined.

TACTICAL AIR

Summary

For a given strategy, the number and mix of tactical aircraft depends on, for each theater: (1) the threat, (2) the types of missions we plan to fly, and (3) our estimates concerning U.S. and allied capabilities during combat.

For the NATO and Asian theaters, the air-to-air combat mission seems to dominate tactical air requirements. The allies seem to have a clear advantage in other mission categories.

The major kinds of missions flown by tactical aircraft include close air support of ground combat operations, interdiction of enemy supply and communications lines, air superiority, and air base defense, including carrier defense.

During the past decade, the Defense Department proposed that several major new procurements take place. The cost of the Navy F-14 and the Air Force F-15 may be several times that of the aircraft they replace, making it questionable whether present force levels can be maintained. Designs for the new aircraft appear less than the best possible to solve the air-to-air combat problem which should be our primary concern. Because of the large anticipated role of the F-14 in carrier defense, moreover, final decision on this aircraft should await determination of the future role of carriers.

Recommendations

1. Cut F-15 funds, pending submission of a design which costs between F-4 and current F-15 costs. Request detailed force structure implications for future years with force costs.

The current estimate for the total F15 program is \$7.4 billion. The House has authorized the \$370 million for R&D that the Administration has requested. We recommend allocation of \$185 million for R&D.

2. A decision on a close support aircraft (AX) must carefully consider cost-effectiveness. Data on an alternative existing fixed-wing aircraft should be requested.

The Administration requested \$27.9 million for R&D for the AX. The House authorized the full amount. We recommend authorizing the full \$27.9 million.

3. The projected high unit cost of the F-14 and weapons has critical implications for the size of the force. Congress should:

Defer all or part of F-14 funds pending recommendations on the role of the carrier fleet and pending receipt of an alternative simpler fighter design suitable for the Euro-

pean and Korean theaters, and costing between F-4 and current F-14 costs.

The current estimate for the total F-14 program is \$8.3 billion; the Administration has requested \$274 million for R&D and \$658 million for procurement. The House authorized \$658 million for procurement and \$324.2 million for R&D. We recommend approving \$274 million for R&D, but allocating no funds for procurement.

4. Defer funds for Navy A-7s in FY 1971 pending NSC review of attack carrier force levels, but allow Air Force A-7 procurement to maintain the FY 1971 production base.

The Administration requested \$118.3 million for the Harrier; the House authorized this full amount. We recommend deleting all Harrier funds pending a OSMC-GAO review of the flight tests.

5. Continue full R&D on the F-111A, but delete the procurement requested \$515 million.

ENVIRONMENTAL WARFARE: ANTIPLANT

CHEMICAL WEAPONS

Summary

The Department of Defense has recently restricted the forest defoliation program in Vietnam by banning the use of the primary defoliant "Orange" and its potential substitute "White".

Crop destruction, then, appears the remaining focus of the defoliant program in Vietnam. Since 1962, crop destruction has been a small part of the total defoliation program in Vietnam representing in 1968 and 1969 about 5 per cent of the total antiplant chemical operations.

Our investigations of the military application of antiplant chemicals in Vietnam, supported by Pentagon studies, led us to conclude that the extreme negative side effects of these chemicals exceeds the value of defoliation and crop destruction as tactics of war.

Recommendations

1. The present anti-crop and defoliation program should be terminated and stockpiles gradually eliminated.

2. The transfer of antiplant chemical weapons for use by second countries should be prohibited.

GENERAL PURPOSE NAVAL FORCES

Summary

The U.S. procures and operates general-purpose naval forces (excluding attack aircraft carriers and Polaris submarines) principally to protect merchant and military shipping, to support amphibious landings, and to sink enemy merchant shipping and other surface ships.

If, as announced, the U.S. is planning for an overall capability for 1½ wars, general purpose naval forces are slated to handle either a conventional war against the Soviet Union (in the Atlantic, with some holding operations in the Pacific) or a Pacific amphibious and aerial war against China, as well as other minor contingencies. Short of general conventional war with a major power, naval forces must plan for war with a minor air and naval power, like Egypt, or North Korea, as well as include provisions for counterinsurgency or interventions against opponents with no air or naval capabilities.

At the present time, a number of problems confront the U.S. Navy. Force levels have become institutionalized, even though effectiveness and costs have risen dramatically. The U.S. shipbuilding industry has allowed itself to fall years behind our allies. Inherited force levels are too large to be properly manned given present retention rates.

Compounding these problems is the fact that the U.S. has no clearly-defined rationale to justify the plans for an extended non-nuclear war at sea.

Recommendations

1. The Executive Branch should prepare and release a comprehensive White Paper drawing upon the Joint Strategic objective plan and the five-year defense program discussing U.S. postures related to naval forces. The various contingencies requiring naval forces should be detailed to allow Congress to determine what forces should be funded.

2. The "War at Sea" contingency outlining a U.S.-U.S.S.R. non-nuclear naval war should be publicly reexamined.

3. When comparing U.S. and Soviet Naval strengths to Congress, allied naval forces also should be examined.

4. The U.S. should enter into Naval Forces Limitation Talks with the Soviet Union. It may be possible to negotiate agreements on shipbuilding or operational force strength that would provide more security than at present and save billions of dollars on both sides.

AIRCRAFT CARRIERS

Summary

The rationale for having 15 aircraft carriers in the active fleet dates back at least to the Washington Naval Conference of 1921 which allowed 15 capital ships to each of the major powers. However, the new carriers do not do what the old battleships were designed to do, and modern carriers are immensely more powerful than their predecessors. Moreover, modern carriers are extremely costly—the new nuclear carriers came out of the shipyards costing about \$540 million. And this figure does not include the aircraft, the destroyer escorts, or the annual operating costs. A figure of \$1.8 billion was given recently as the cost of building and operating a carrier task force for one year. These costs, of course, come down somewhat as the carrier remains in service.

A carrier task force is valuable as a supplement to land-based attack aircraft, but it cannot take their place. A carrier can launch only a maximum of 150 sorties a day, far fewer than our land bases, dispersed around the world, can handle. Land bases are vulnerable to political pressure as well as military attack; however, the cruise missile boats and attack submarines of the Soviet Union pose a formidable threat to our carriers. Since the carriers are much more expensive and less capacious than land bases, their increasing vulnerability makes them increasingly difficult to justify in terms of cost-effectiveness.

Recommendations

1. Since the cost for constructing new nuclear carriers is prohibitively high, no new nuclear carrier should be constructed. Moreover, the number of carriers on active duty should be reduced to 10 or 12 as soon as practical. Some of the money saved in operating costs should be invested in updating our present carrier fleet.

2. The current estimate for completing the CVAN-70 is \$640 million. We recommend halting construction on the carrier and deleting the \$152 million which has been requested for procurement.

DD-963 DESTROYER

Summary

The primary mission of the DD-963 destroyer (formerly the DX) is to upgrade our anti-submarine warfare capability for both fleet protection and hunter-killer operations. The destroyer's secondary mission is to provide support for amphibious assault forces against air and surface threats.

The Soviet submarine fleet now numbers some 380 ships. Both the U.S. and the U.S.S.R. are carrying out a nuclearization program to improve the performance of their respective fleets. The DD-963 is in large part a response to the growing Soviet submarine threat, though other systems probably would meet the threat more efficiently.

The new destroyers will carry over 200 tons

of the most modern electronic equipment and will be able to achieve a speed of 30 knots. The sub-systems of the DD-963 are extremely complex and are in varying degrees of readiness for service use. For instance the DD-963 relies on the SQS-26 long-range sonar, a system which has suffered from concurrent development and production, and has not achieved the high performance expected of it.

The Department of Defense budget request for FY 1971 is \$506.8 million for six ships; the FY 1970 buy will be three ships as a cost of \$308.6 million. Initially, the total program cost was to be \$1.4 billion. GAO has since that time estimated that the overrun may go as high as \$3.35 billion.

Recommendations

The DD-963 should have close Congressional scrutiny and constant review. It is among the most overrun-prone systems on the current Pentagon shopping list and the likelihood of cost growth must be taken into account in evaluating the priority to be given to the program.

1. Performance data on the DD-963, like most ASW systems, is not readily available. The Congress must require adequate justification for the program in the form of validated test data before a commitment is made to full-scale production. The sub-systems of the DD-963 are in various stages of research and development and there will be considerable pressure to deploy some of them before they are ready for service use. Congress should require assurance that the subsystems are:

A. Fully tested

B. Integrated to operate as a unit

2. Programs such as the DD-963 have had a history of expensive retrofitting as the state of the art advances and individual systems become obsolete. The retrofitting requires considerable loss of time on station and much expense. The Congress should have assurance that such retrofitting will be kept to an absolute minimum. In the absence of such assurance, the usefulness of the DD-963 becomes increasingly marginal.

3. The Administration has requested \$459.5 million for procurement of the DD-963; the House has authorized \$406.8 million. We recommend that \$100 million of the House authorization be deleted due to

A. Concern over the extraordinary cost overrun

B. A need to insure that the necessary R&D is completed before procurement

DLGN-38 (NUCLEAR FRIGATE)

Summary

DLGN-38 is a special class of destroyer, a hybrid of the destroyer-leader and of a nuclear escort for the Navy's nuclear aircraft carriers. It will defend surface vessels, naval and maritime, against enemy submarines. It will afford an air defense capability, and it will have a limited anti-surface ship capability.

The first of the class will cost an estimated \$222 million, with additional ships estimated to cost \$208 million each. Four ships are planned to be built. \$221.3 million is requested in FY 1971. This money will be used to complete funding of the second vessel and for long-lead procurement for the other ships.

The requests for money for this class of vessels bring a number of important issues to the Congress for decision. The first is the alleged vulnerability of surface ships to attack by a minor power with patrol craft or submarines, and surface-to-surface missiles such as the Russian STYX and the American Harpoon. Recent exercises in the Mediterranean by the 6th Fleet have indicated that small, speedy motor torpedo boats are able to penetrate carrier task force defenses.

A second issue is one concerning possible U.S. plans, yet to be revealed to reduce the number of carrier task forces. If the President

plans to do this, escort force will have to be redesigned.

A third issue is that of costs. Costs for the DLGN-38 program have been steadily and rapidly rising. A request for funds for this program offers the Congress the opportunity to spend this money contingent on cost discipline by the Navy.

Recommendations

1. Construction of DLGN-38 should be slowed until the weapons it will use, the Mark 48 torpedo, the Aegis anti-missile ship defense system, and the Harpoon antiship missile, are tested. DLGN-38 will be only as good as its weapons. If these programs are failures, there is little point in a billion-dollar ship procurement to buy platforms for them.

2. Authorization of DLGN-38 should be postponed until a comprehensive naval war policy for the U.S. is published. This alternative is akin to the recommendation of the House Armed Services Committee that no funds be obligated for any shipbuilding monies in the FY 1971 request until the National Security Council makes its study of the wisdom of going ahead with CVAN-70, the fourth nuclear carrier.

3. The Armed Services Committees should take immediate action to determine whether the DLGN-38 could be built in government shipyards at less cost to the taxpayer. Industry profits ranging between 6 to 10 per cent might be saved by this device. Alternatively, enhanced cost discipline for this program could be devised by putting strict controls on change orders, compliance with cost and specification items, testing of all subsystems before final design of the larger system, and GAO participation and review of estimates, contracting, and testing.

4. The current estimate for the total program is \$4.9 billion. This includes a request by the Administration for \$221.3 million for procurement during FY 1971. We recommend that the entire \$221.3 million be deleted from the budget.

SSN-688

Summary

The SSN-688 class submarine is currently being planned as a group of high-speed, nuclear powered attack submarines designed to track and kill Russian missile launching subs and Soviet attack subs. A successor class to the present Narwhals and Sturgeons, the 688's, are to be very fast and silent. They are to carry the problematical Mark 48 torpedo (See section on Mark 48) and the SUBROC rocket torpedo combination. The Navy is seeking eight to ten 688's to be deployed by the mid 1970's at an estimated cost of approximately \$220 million each.

In his posture statement, Secretary Laird said, "According to our best current estimates, we believe that our POLARIS and POSEIDON submarines at sea can be considered virtually invulnerable today. With a highly concentrated effort, the Soviet Navy today might be able to localize and destroy at sea one or two POLARIS submarines." A faster, more silent submarine alone is not a significant contribution without vastly improved detection and weapons systems. The sons of the 688 class are refinements of existing systems. The problems of the Mark 48 Torpedo are such as to cause doubt that it can ever be used. SUBROC has tested well to date and is in use in existing attack submarines. Construction of what is in effect a water born ABM for an already invulnerable submarine missile capability would thus seem a costly and superfluous effort.

Recommendations

1. No further funding for procurement of the SSN-688 should be approved until a significant threat to Polaris submarines can be fully identified and the cost-effectiveness of the Mark 48 torpedo system is clarified.

2. The current estimate for the total system cost of SSN-688 is \$4.3 billion. This year, \$475.5 million has been requested for procurement. We recommend that these funds be deleted. However, \$238 million should be allocated for continuing R&D, particularly in sub-detection systems and underseas guidance technology.

MARK 48 TORPEDO

Summary

The Mark 48 is a new submarine torpedo designed to protect our underseas craft from the latest high-speed Soviet submarines. Design and technical complications arose from the beginning. The program was soon expanded to include two additional versions—one, Mod 1, with a larger warhead designed to give greater surface ship destruction capability and another, Mod 2, to provide the original version (Mod 0) with surface ship destruction capability.

Cost overruns and schedule slippages have been phenomenal. By the end of June, 1969, estimated program costs of the Mod 0 had increased from \$682 million to about \$3.9 billion, an approximate 600 per cent increase, and it is already two years behind its development schedule. In its Selected Acquisition Report (SAR) of September 30, 1969, the Navy indicated that it had reduced the cost growth of the Mod 0 to \$2.6 billion; however, the GAO noted a concomitant reduction in total planned quantity to be procured. Mod 1 cost overruns were by October of 1969 estimated at \$62 million, a \$22 million increase over a 3-month period, occurring in spite of a decrease in planned quantity of production prototypes from 65 to 36 torpedoes. The GAO itself reported that "the Navy's SAR does not adequately disclose reasons for cost increases . . ."

The fact that a considerable portion of the cost increase can be attributed to increases in the sophistication of the weapon raises the question of whether or not an adequate basis was ever laid for this system. For example, in 1964, when the plans were given to Westinghouse, the Navy was told they were unworkable because the torpedo itself generated so much noise the enemy submarine could not be detected. This necessitated additional contracts to alleviate the problem. It is felt by some, including A. Ernest Fitzgerald, that the Navy may have tried to camouflage its mistakes as "expanded capability". A torpedo designed to dive in excess of 3000 feet with a range of 25 miles should be able to achieve the relatively simple anti-surface ship capability without much additional development.

There are two conceivable uses for the Mark 48. The first, to destroy Soviet ballistic-missile submarines, is unlikely. A first-strike move on our part is contrary to the alleged defensive purpose of the weapon. For the system to be useful in a nuclear exchange initiated by the Soviets, but not involving their entire sea-based missile force, we would have to shadow every Soviet ballistic-missile submarine on a 24-hour basis.

A second use would be to defend U.S. ballistic-missile submarines against Soviet attack. A successful simultaneous attack on all our submarines would be virtually impossible, to say nothing of the prohibitive problems of coordinating one against bombers and land-based ICBMs.

Another condition under which the Mark 48 could be used is a war of attrition conducted at sea. Such a scenario is beyond reasonable expectation, since the victim would probably retaliate with other weapon systems.

Recommendations

The defense posture statement indicates that the Navy plans to complete RDT&E on all three versions of the Mark 48 and then choose either Mod 1 or Mod 2 for procurement in quantity for the operational inventory, procuring in the interim a limited

number of Mod 0s and Mod 1s to meet ASW requirements. This raises the question of why procure any Mod 0s if the final choice is to be made between Mods 1 and 2? Or why waste any money on procurement and development of the inferior versions? The Navy should choose which version to deploy before any further funds are authorized.

The current estimate for the total system cost is \$3.57 billion for the Mod 0, and \$185.4 million for the Mod 1. We recommend a cut this year of \$46.8 million for the Mod 0; a delay in the funding of \$55.1 for the Mod 1, and a delay in the funding of \$8.7 million for conversion.

S-3A ANTISUBMARINE AIRCRAFT

Summary

The Navy is requesting \$207.8 million of research and development and \$101.7 million of procurement funds in FY 1971 for the S-3A, a carrier-based ASW aircraft to replace the aging S-2 now in the fleet. This request should be challenged, since the evidence available indicates that we have no need for the aircraft.

The case against the S-3A:

1. S-3A and related investment and operating costs are so high that it would be 50 to 100 per cent more expensive to provide equal area search capability using the S-3A than by using additional copies of the P-3C, our land-based ASW aircraft.

2. Land-based ASW aircraft can cover 80 per cent of the oceans' surface, and cargoes and naval forces in need of protection by such aircraft can be routed to areas where such coverage is available.

3. The aircraft carriers on which the S-3A would be based are highly vulnerable to hostile submarine action which could put them and their S-3As seriously out of commission.

4. Our attack submarines (SSNs) provide greater protection against enemy submarines than either the P-3C or the S-3A.

5. The Navy's action of recent years reducing the number of ASW carriers in its inventory from 9 to 4, is a tacit admission that these carriers and their aircraft are not essential to counter the growing Soviet submarine threat.

The development of the S-3A has been strongly resisted by forces within the Department of Defense. While the Navy won out and Secretary McNamara ultimately gave the program its go ahead, he referred to it as very "marginal". Now, at a time of much tighter defense budgets, its marginal benefits are clearly not worth pressing.

Recommendations

The funds requested by the Navy in FY 1971 should be disapproved, the S-3A program cancelled, and our existing ASW carriers phased out during the course of the next fiscal year.

The current estimated total RDT&E and procurement costs for the program are \$2.9 billion. We recommend that the \$309.5 million requested for this year be dropped entirely.

MILITARY MANPOWER

Summary

America now possesses the world's largest standing armed forces. The Constitution—in Article 1, Section 8—gives Congress full responsibility for raising, regulating and supporting an army. But over the past 20 years, a standing army has been maintained, without close Congressional supervision, under the control of the President as Commander-in-Chief.

In 1948, a ceiling on the size of the military was approved by Congress, and then promptly suspended. It has been ten years since Congress made a detailed study of manpower requirements.

Even though the military has moved to reduce its force levels over the past two years, there is no clear indication that such reductions will bring substantial budgetary sav-

ings. Little is known also about the composition of the military by rank and the effects of this composition upon total military pay.

Changing strategic conditions have an impact on key current manpower issues such as the draft and draft reform, military pay equity, force level determination, civilianization, and the pace of transition toward a volunteer force.

Recommendations

1. The Administration should submit to Congress an annual manpower authorization request. This request should specifically relate DOD requirements to the State Department Foreign Policy posture statement. The magnitude and deployment of land forces should be justified in terms of U.S. foreign policy goals and treaty obligations.

2. During termination of the Vietnam War, the armed forces should be reduced by 800,000 men—the manpower increase generated by the conflict. Additional cuts can be gradually made over the next several years, returning manpower levels to the currently suspended statutory ceiling of 2.3 million men or less.

The shift to a "1½" war planning base, and elimination of Vietnam-mobilized forces could well permit a 15 or 20 per cent reduction in land forces. Potential savings from such a move might range from \$4 to \$8 billion.

3. The General Accounting Office should undertake a comprehensive study of military manpower by rank, determining total salaries, fringe benefits, and support costs accruing by grade.

4. An integrated manpower management program should be created by DOD. Management by the separate services is inefficient and redundant. Many jobs and managerial techniques are the same throughout the military.

5. Congressional Armed Services committees should proceed with draft reform hearings focusing on the recommendations of the Gates Commission. At the same time, the committees should act to reform the Selective Service System as part of a phased program leading to ultimate adoption of a volunteer military. Initial reforms should include measures to apply uniform standards, plug lottery loopholes, rationalize the drafting of physicians, and provide right to counsel.

Requirements for drafted doctors can be drastically reduced by requiring non-combatant military personnel, and all dependents and retirees, to use some form of pre-paid medical care rather than inducted doctors for non-military work.

6. DOD should present its pay reform recommendations to Congress. A salary system with room and board should be introduced and present retirement provisions should be replaced. Retirement income available to military retirees should be reduced during the years they could still work if they were civil servants. Improvement and rationalization of pay and retirement scales are important intermediate steps if a transition to a volunteer military is to be efficiently accomplished.

7. DOD should continue its "civilization" program which was abandoned during the Vietnam buildup, this program would create new civilian jobs, produce some budgetary savings, and free some military personnel to return to civilian life.

8. Project Prine, a modernized accounting system for the entire defense establishment, should be implemented. Congress should receive quarterly reports on operating costs and efficiency.

9. All reserve units should be assigned mobilization missions or affiliated with active units. Training and preparation of reserve units could then be integrated with active training. In addition, Congress should

require regular reserve forces readiness indicators and reports on operating costs.

LAND FORCES IN KOREA

Summary

Currently, there are some 55,000 American troops in South Korea. This deployment bolsters South Korean forces, acts as a deterrent against a North Korean and/or a Chinese attack, and provides a visible symbol of American commitment to South Korea.

The number currently deployed, however, is not clearly related to any of these objectives. South Korean forces outnumber those of the North 620,000 to 384,000. The two American Divisions merely add to the imbalance. Secondly, an invasion of South Korea must cross the DMZ where it is impossible to conceal troop movements of requisite size. Consequently, the United States could introduce forces in the event of a North Korean or Chinese buildup. A large-scale Chinese attack would probably invoke a nuclear response. A specific level of manpower is not essential to the demonstration of a commitment to an ally. There are indications that the Administration is cognizant of this and preparing to negotiate a substantial reduction of American forces in South Korea.

The deployment of the American forces along the DMZ also creates the danger of a "trip-wire" involvement of American forces contravening the "constitutional processes" qualifications of the U.S.-South Korean defense treaty. This problem, along with the question of the stationing of tactical nuclear weapons, and resulting requirements for American forces in sufficient numbers to adequately guard those weapons are two other important aspects of South Korean deployment calling for reexamination.

Recommendations

1. The U.S. can withdraw one division (20,000 men) rather quickly. This can result in savings of some \$200 million. Further reductions could also be negotiated in the land forces deployed there. This should not as yet include reduction in American tactical air support.

2. The U.S. should withdraw all nuclear weapons from South Korea.

LAND FORCES IN EUROPE

Summary

Growing domestic pressures for a decrease in American force levels in Europe necessitate extensive reexamination of American interests in Europe and the means for best serving them, if options are not to be foreclosed by a precipitate response to such pressures.

Current NATO force levels, in spite of military assessments to the contrary, are now seen as in rough parity at least with Warsaw Pact forces, while the roles of both military alliances are coming more into question. The relevant comparison is in actual numbers of personnel deployed rather than numbers of divisions and their relative reliability. Observers point out that Pact Forces consist of large contingents of Czech, East German, Rumanian, Hungarian, Polish, and Bulgarian troops, most of which are likely to be substantially less well-equipped and trained—and in the Soviet view, less reliable—than Soviet troops. It can be argued also, that German, British and French forces, would be generally more reliable in defense of Western Europe than most Pact forces would be in aggression against it.

Deterrence of Soviet adventures in Western Europe, moreover, may be only indirectly related to conventional force levels, and may well not suffer in the face of substantial reduction of American forces.

In any case, there is great need for streamlining of forces, and a potential for substantial savings.

Among the more powerful arguments

against substantial American force reductions in Europe is that such moves would force the West Europeans to capitulate to Soviet pressures on important matters and would cause substantial political instabilities. But the Europeans should be quite capable, with minimal American presence but a firm American commitment, of deterring Soviet adventures themselves. It may be the long and pervasive American dominance in NATO which is a principal cause of the European malaise in world politics.

There are growing doubts about Soviet intentions in Western Europe, and given internal and East European problems, about Soviet capability to act aggressively.

Recommendations

1. Limited reductions could be made in U.S. forces in Europe, perhaps to under 100,000 men over three or four years. Both the size and timing of the reduction, however, should be determined through a process of full consultation with Europeans as part of a program of streamlining and reorganization of NATO. Large manpower reductions are possible without change in the U.S. combat contribution if the Europeans could assume a greater role in logistical support. The withdrawals ideally would be coupled with a multi-year commitment of U.S. forces at the lower manpower level. A reduction of 100,000 would, at minimum, save approximately 1 billion in budgetary outlays annually. Coupled with substantial streamlining and consolidation of headquarters, the budgetary savings could be much larger.

2. Transfer of SACEUR to the Europeans and substantial reorganization of NATO to coincide with the increased role of Europeans in their own defense.

LAND FORCES IN SOUTHEAST ASIA

Summary

Even beyond the American forces fighting in various parts of Indochina, the U.S. commitment in all of South Asia is substantial. Aside from over 450,000 troops in Vietnam, Laos, Cambodia, and Thailand, the Pacific fleet carries approximately 390,000 men, and there are support and other forces in large numbers in Japan, Korea, Okinawa, Taiwan, and the Philippines.

The key question focusing on the factors responsible for this massive presence is, relatively simple: What is the vital interest of the United States in the Pacific Basin?

Unless vital interest is at stake—the U.S. should be extremely careful before undertaking further interventions. That condition should be maintained even when interventions involve only military aid, equipment and training.

The final clause of the Nixon Doctrine expounded at Guam deserves close examination. The President states that "we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense." The catch phrase is "primary responsibility". The history of American involvement with Vietnam began largely under identical conditions.

Hopefully, in Southeast Asia and the Pacific Basin, American defense commitments can be safely reduced by a careful application of the Nixon Doctrine—mainly by limiting its utilization strictly to areas where U.S. vital security interests are immediately and primarily at stake.

There is not room in this overall analysis for a detailed study of current American troop allocations—and the potential for future reductions in those levels—in each of the Southeast Asia countries. Instead, as a case in point, the following section looks at just one controversial nation, Korea. It should be recognized that the analysis of the Korean situation is done under the unique conditions of that country, but is not uncharacteristic of general manpower problems applicable world-wide.

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STRATEGIC FORCES

Program	Description	Administration request fiscal year 1971 (millions)		House authorization, fiscal year 1971 (millions)		Current estimate, total program	Proposed program action
		R. & D.	Procurement	R. & D.	Procurement		
Poseidon	Submarine conversion and missile	\$122.7	\$921.6	\$122.7	\$1,371.1	\$5,555,200,000	Continue but not speed up.
Minuteman III	Strategic missile	211.0	475.7	211.0	475.7	\$5,375,800,000	Cut \$686,000,000.
AMS (B-1)	Strategic bomber	100.0	0	100.2	0	\$9,377,000,000	Cut \$100,000,000.
ULMS	Submarine and strategic missile system	44.0	0	44.0	0	Not available	Low profile, no cut.
Safeguard ABM	ABM system	365.0	660.4	365.0	661.0	\$12,000,000,000	Range from \$404,000,000 to \$1,450,000,000.
C5-A	Transport		610.6		\$544.4	At least \$5,300,900,000	Cut \$200,000,000 contingency fund.

TACTICAL AIR

F-14	Tactical fighter	274.0	658.0	324.2	658.0	8,279,100,000	Cut \$658,000,000 until DOD GAO review of complete flight test program. Retain full R. & D.
F-15	Air superiority fighter	370.0	0	370.0	0	\$7,355,200,000	Cut R. & D. \$370,000,000 by half, \$185,000,000.
A-X	Counterinsurgency aircraft	29.7	0	27.9		In concept formulation	Authorize full R. & D. request.
F-111A	Long-range fighter	48.2	515.1	48.2	515.1	\$6,380,800,000	Cut all procurement \$515,100,000; continue full R. & D.
A-7E	Light bomber	0	252.9		113.0	\$1,397,500,000	Defer procurement pending NSC review.
Harrier	British-made fighter	0	118.3		118.3		Delete pending USMC-GAO review of complete flight testing.
CVAN-70	Nuclear carrier	0	152.0	0	152.0	\$640,000,000	Cut \$152,000,000.
DD-963	Antisub destroyer	0	459.5	0	506.8	\$3,350,000,000	Cut \$100,000,000.
DLGN-38	Nuclear missile frigate	0	221.3	0	213.8	\$4,875,400,000	Cut \$221,300,000.
SSN-688	Attack submarine	0	475.5	0	498.0	\$4,279,700,000	Cut \$475,500,000; shift \$238,000,000 to R. & D.
Mark 48	Antisub and ship torpedoes	\$36.3	\$110.6	\$36.3		\$3,570,000,000 (Mod 0)	Cut \$46,800,000 procurement, Mod 0.
						\$185,400,000 (Mod 1)	Delay fund of \$55,100,000 for Mod 1 and \$7,700,000 for conversion of Mod 0 to Mod 2 pending justification of keeping production lines open.
S-3A	Antisub plane	207.8	101.7	207.8	101.7	\$2,931,700,000	\$309,500,000.

¹ Conversion.² Slightly less than \$211,000,000.

SUGGESTED CUTS

	Fiscal year 1971 (millions)	Current estimate of total program (billions)
Strategic:		
ABM	404-1,450	12.7
MM III MIRV	686	5.4
B-1	100	9.4
C5-A	77	5.3
Superhard		6.0
Subtotal	1,467-2,513	38.1
Military manpower:		
General (15-20 percent overall reduction in land forces)		4.0-8.0
Europe (100,000-man cut over 3-4 years) (\$1 billion minimum)		1.0
Korea (20,000 men) (\$200 million)		1.20
MBT-70	77	8.0
Subtotal		13.2-17.2
Tactical air:		
F-14	658.0	8.3
F-15	185.0	7.4
Harrier	118.3	9.2
F-111A	515.1	
Subtotal	1,476.4	24.9
Navy:		
CVAN-70	152.0	.64
DD-963	100.0	3.35
Mark 48	246.8	3.57
DLGN-38	221.3	4.9
SSN-688	237.5	4.3
S-3A	309.5	2.9
Subtotal	1,130.9	19.66
Total	\$4,351-5,397	95.86-99.86

¹ Ongoing.² Delay 55.1, 8.7.³ Excluding manpower.

EXHIBIT 2

THE VIETNAM WAR, MILITARY BUDGETS, AND DOMESTIC PRIORITIES: A PROJECTION OF ALTERNATIVE POLICIES

(Testimony of Charles L. Schultze before the Committee on Foreign Relations, U.S. Senate, April 29, 1970)

Mr. Chairman and members of the Committee, I should like to discuss with you

briefly today the budgetary outlook for the federal government over the next five years as it will be affected by alternative policies dealing with our overseas commitments and military strategy, including but not limited to our involvement in Indo-China.

At first thought, the budget may seem a relatively prosaic and uninteresting framework within which to cast this discussion of major national policies. Yet budgetary dollars are but a symbol of more important things. As we have become aware, even a wealthy nation such as ours does not command unlimited resources. Consequently when we decide to spend, say, \$20 billion per year in pursuing our aims in Vietnam there remain \$20 billion less for assisting education, or manpower training, or pollution control or for reducing taxes and thereby permitting more use of resources for private purposes. In a world of limited resources we must make choices. Every dollar we spend for one public purpose represents one dollar less for some other purpose, public or private. This fact does not of itself either justify or deny the wisdom of any particular set of foreign policy commitments. But it does call to mind that these policies have economic costs not merely in terms of dollars but in terms of schoolrooms, and hospitals, and clean water. As a consequence, like any other set of policy choices we must weigh their potential benefits against the other things we want which their adoption forces us to give up.

There are three basic elements involved in this review of the budgetary costs of alternative foreign policies and military strategies: First, an estimate of the current costs of carrying on the Vietnam war; second, a projection over the next several years of federal revenues under current tax laws and federal expenditures under existing and currently proposed programs, leading to an estimate of the residual sums available to pursue high-priority domestic needs; then third, an examination of how several alternative foreign policy and military strategies will affect the budgetary outlook and will expand or contract the resources at hand for meeting those domestic needs.

The estimates and projections I shall present summarize the results of a study car-

ried out by a number of staff members at The Brookings Institution and recently published under the title of *Setting National Priorities: The 1971 Budget*. There are a few excerpts from that publication which provide some detail on the military budget aspects of my testimony which, with the Committee's approval, I should like to submit for the record. Finally, let me note that the underlying data and estimates dealing with the costs of the Vietnam war and with alternative military strategies were developed by my colleague at Brookings, Dr. William Kaufmann, who should not however be saddled with the blame for the particular judgments I make or biases I reveal in this testimony.

THE BUDGETARY COSTS OF VIETNAM

Until this year, each budget document since fiscal 1967 included an estimate of budgetary outlays incurred because of Vietnam. No such estimate has been officially published this year. In any event the numbers made available in prior years were not a good measure of the incremental, or added, costs of our involvement in Vietnam. This is not to say they were deliberately mis-stated, but simply that they didn't pretend to measure the extra costs, but rather the total costs. For example, the naval task forces steaming off the Gulf of Tonkin would have been steaming somewhere else had there not been a war in Vietnam. What is relevant, therefore, is not the total cost of those forces but the extra costs of the ordnance expended, the additional sorties, the higher attrition of aircraft and the like which are attributable to the Vietnam operation.

Table 1 provides an estimate of the added costs in Vietnam during the peak year of action, 1968. It is built up from estimates of the personnel added to the Armed Forces since 1965, the ordnance expended, the aircraft lost, etc. This estimate of \$23 billion per year as a peak cost compares with a higher figure of \$29 billion used by the Defense Department in Congressional hearings last year (Testimony of Robert C. Moot, Defense Comptroller, in *The Military Budget and National Priorities*, Hearings before the Subcommittee on Economy in Government of the Joint Economic Committee, 91 Cong. 1 sess., 1969, part I, p. 320).

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Table 1.—Peak Incremental Outlay for the War in Vietnam

Type of expenditure:	Billions of current dollars
800,000 military personnel at \$12,000 per man per year	9.6
250,000 civilian personnel at \$10,000 per man per year	2.5
Ground, air, and naval ordnance	5.2
500 aircraft at \$3 million per aircraft (average)	1.5
Replacement of land force equipment and supplies (U.S. and ARVN)	1.3
Other procurement	1.0
Construction	1.0
Transportation and petrol, oil, and lubricants	1.0
Total	23.0

Source: Charles L. Schultze with Edward K. Hamilton and Allen Schick, *Setting National Priorities: The 1971 Budget* (The Brookings Institution, 1970) Table 2-13, p. 49.

It is very important, I believe, not to overestimate the budgetary costs of Vietnam. By subtracting the higher cost figures, referred to above, from the total defense budget, some Pentagon spokesmen have made the argument that the remaining sums allocated to non-Vietnam purposes have been too small in the past five years to keep the armed forces of the United States in proper combat readiness and its equipment fully modern. As a consequence they argue that Vietnam has "robbed" the remainder of the Armed Forces, that there is a backlog of unmet needs which remains to be met once Vietnam operations are reduced, and that Defense budgets cannot therefore but cut significantly.

Table 2 provides an estimate of the budgetary costs required to maintain in a modern and combat-ready state the conventional forces of the United States at a pre-Vietnam level. This is compared with the amounts actually available for that purpose, an estimate arrived at by subtracting the added costs of Vietnam from the total budget for conventional forces. It is clear that there has not been a deficit of funds—Vietnam has not in any overall sense "robbed" the remainder of the forces. A backlog of unmet needs does not appear to have been built up justifying a large diversion of the savings from a cessation of the war into other military channels.

While the cost of Vietnam during the peak year of 1968 was about \$23 billion, it appears that costs will amount to about \$17 billion in the current fiscal year 1970. If President Nixon's scheduled troop withdrawals, announced last week, proceed on a gradual and even pace throughout the next twelve months, and are extended at that pace over the remainder of fiscal 1971, the budgetary cost of Vietnam would drop to perhaps \$12 to \$13 billion in that year. This estimate assumes that there is no significant step up in U.S. combat operations or military assistance in Laos or Cambodia. Should the troop withdrawal be bunched up at the end of the year, rather than proceed steadily throughout the period, then the budgetary costs will be higher than the \$12 to \$13 billion I have estimated.

TABLE 2.—REQUIRED VERSUS ACTUAL SUMS AVAILABLE TO MAINTAIN U.S. CONVENTIONAL FORCES IN MODERN COMBAT READY STATUS

	Fiscal years—				
	1966	1967	1968	1969	1970
Budget for conventional forces	52.2	59.6	60.3	59.6	58.3
Less added costs of Vietnam	6.0	18.0	23.0	22.0	17.0

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TABLE 3.—THE FISCAL DIVIDEND
[Fiscal year, billions of dollars]

	1966	1967	1968	1969	1970
Available for maintenance	46.2	41.4	37.3	37.6	41.3
Required for maintenance	38.7	39.1	39.4	38.9	42.1
Deficit or surplus	+7.5	+2.3	-2.1	-1.3	-0.8

	1971	1975
Revenues:		
Before allowing for 1969 tax reform	202	284
Less cost of tax reform		-8
Total revenues	202	276
Expenditures (built-in):		
Military	72	75
Vietnam	(12)	(1)
Civilian	129	178
Total expenditures	201	253
Difference between revenues and expenditures	1	23
Less budget surplus needed to reach national housing goals		10
Fiscal dividend		13

Source: Adapted from Charles L. Schultze with Edward K. Hamilton and Allen Schick, "Setting National Priorities: The 1971 Budget" (Brookings Institution, 1970), table 2-14, p. 50.

PROJECTION OF FUTURE BUDGETARY CONDITIONS

As a prelude to examining the impact of withdrawal from Vietnam and of alternative foreign and military policies on budgetary costs and on domestic programs it is necessary to lay out an overall budget framework.

We have made budgetary projections to fiscal 1975. Essentially this consists of projecting (1) federal revenues under current tax laws and (2) the expenditures which would be forthcoming under current and Administration-proposed programs, allowing for increases in prices, wages, workloads, rising numbers of people statutorily eligible for benefits under social security and other programs, and similar relatively "built-in" elements making for changes in expenditures. The difference between the revenues and expenditures so projected is the *fiscal dividend*, the amount available for discretionary use in expanding existing federal programs, creating new ones, retiring the debt, or reducing taxes.

In these projections the following assumptions were made:

1. Economic growth would resume at a 4 to 4½ percent annual rate after the present pause, with the unemployment rate returning to slightly below 4 percent sometime in 1972. Inflation would continue but at a moderated pace, tapering off gradually from the current 5 to 6 percent to 2 to 2½ percent in 1972 or 1973.

2. Current tax laws would not be changed.

3. All major Administration-proposed programs (family assistance, revenue sharing, urban mass transit, etc.) would be adopted.

4. The Vietnam war would be terminated, so that by fiscal 1975 the only expenditures would be some \$1 billion for economic aid or a combination of economic and military assistance.

5. The armed forces would return to their basic pre-Vietnam level of 2.7 million men.

The budgetary consequences of these assumptions are shown in Table 3. Revenues under existing tax laws would have risen to about \$284 billion by 1975. However, the tax reform bill of 1969 provided for a host of tax cuts, scheduled to phase in over the next several years. By fiscal 1975 the net revenue loss from that bill will be \$8 billion, leaving \$276 billion in revenues.

A return to the pre-Vietnam military structure and pace of modernization would mean a defense budget of about \$62 billion in today's prices and \$74 billion in the prices likely to prevail in 1975. (Rapidly rising numbers of retired military personnel will also add substantially to the budget over this period, a fact which has been taken into account in the estimates.) The projection also assumes a residual expenditure of \$1 billion in S.E. Asia.

On the civilian side the "built-in" growth of current and Administration proposed federal programs would add some \$50 billion to federal outlays in the four year period between 1971 and 1975—a rise of about \$12½ billion per year.

Source: Adapted from Charles L. Schultze with Edward K. Hamilton and Allen Schick, "Setting National Priorities: The 1971 Budget" (Brookings Institution, 1970), table 6-5, p. 186.

There will be, then, on the basis of these projections, a residual of about \$23 billion—the gap between revenues and already committed expenditures. But not all of this will be freely available to pursue high priority domestic programs of the federal government or for tax reduction purposes. In 1968 the Congress, after examining the data on the rate of new family formation and on the condition of the housing stock, set out as a goal for the nation the construction of some 26 million housing units in the decades of the 1970's. The Nixon Administration has adopted that goal, with some modifications. But it is most unlikely that this goal of building 2.6 million housing units a year can be met unless the federal government, under conditions of high employment prosperity, runs a substantial budget surplus, which I have put conservatively at \$10 billion per year. Under economic circumstances likely to exist during prosperity in the next five years, failure to run a budget surplus would generate such tight money and high interest rates that housing construction would not reach the 2.6 million per year goal. On the basis of the projections in its latest Economic Report, President Nixon's Council of Economic Advisers appears to agree with this conclusion.

Granted the need for a budgetary surplus of this rough magnitude, then, the fiscal dividend available to meet high priority domestic needs by 1975 will total only \$13 billion. This is less than one percent of the gross national product projected for that year. Or to put it another way, although the federal government disposes of 20 percent of the national income, built-in commitments and the cost of the defense program—assuming a return to the pre-Vietnam pattern—will absorb 19 percent of that, leaving only 1 percent freely disposable by the President and the Congress. This is hardly a large sum to look forward to, four years from now, and even after assuming that Vietnam hostilities are ended.

ALTERNATIVE FOREIGN AND MILITARY POLICIES: THEIR EFFECT ON THE FISCAL DIVIDEND

I pointed out earlier that the projections assumed a continuation of current strategic nuclear force policies and a return to the pre-Vietnam force structure for the nation's conventional forces. This would imply a military budget of \$62 billion in fiscal 1971 prices and \$74 billion in prices expected to prevail in fiscal 1975. The \$62 billion (which excludes the cost of Vietnam) may be conveniently split into two parts:

	Billion
Strategic nuclear forces	\$18
Conventional forces	44
Total	62

Let us examine each in turn.

Conventional forces

The pre-Vietnam baseline force which would be brought by \$44 billion would consist of the following major elements: 2.7 million men in the armed forces; 19½ active divisions and 7 high priority reserve divisions; 23 tactical air wings; 15 naval attack carrier task forces; substantial forces for anti-submarine warfare, airlift and sealift, and amphibious warfare; and continued large outlays for communications, intelligence, and R&D. Such a budget would also provide substantial sums to keep the weapons and equipment of this force modernized.

This force structure was basically designed to provide the capability simultaneously to fight the initial pre-mobilization stages of two large and one small war: a Warsaw Pact attack on NATO; a Chinese conventional attack in S.E. Asia or Korea; and a minor conflict in the Western Hemisphere.

One alternative to returning to this type of force structure is to adapt the armed forces and the military budget to a literal interpretation of the "Guam doctrine." If we truly accept the fact that the United States is no longer prepared to intervene on the ground in a large way in Asia, then those forces in the baseline structure earmarked for that contingency could be sharply reduced. Should we adopt a military posture consistent with this change in our overseas policy, some \$10 billion per year could be saved in the military budget. We could eliminate: six Army divisions, three wings of tactical aircraft, six attack carrier task forces, and a significant part of our anti-submarine and amphibious forces in the Pacific. Such a reduction would still leave the U.S. with two Marine divisions, six fighter bomber air wings, and three attack carriers earmarked for service in an Asian emergency. In addition, a reasonable reevaluation of how we deploy our carriers might release one or two of the Atlantic based carriers for Pacific service. In short, a military force structure consistent with the apparent foreign policy thrust of the Guam doctrine could release \$10 billion a year in higher needed resources for meeting domestic purposes.

I am fully aware, of course, that many in the military will argue that even if we do reduce our overseas commitments, we cannot afford to reduce our armed forces since they will be needed to back up more fully than they do now the remaining commitments. The Navy will argue, for example, that if we give up bases in Asia we need carriers even more than ever before. As a matter of fact, however, the existing number of carriers has never been fully justified; the use of carriers in a "surge" role to provide quick initial air cover prior to the establishment of Air Force bases rather than in continual support as is now the case, would itself greatly reduce the need for the current number of carriers; and there is no shortage of potential airfields in relevant parts of the world which can be made useable quickly for Air Force fighters by employing "bare base kits" stored by the Air Force.

More generally, the mere adoption of a change in long range foreign policy commitments, such as that presumably contained in the Guam doctrine, will not be automatically accompanied by a matching change in the military force structure. But changes in the two should go together. And if the Guam doctrine can be made to lead to a consistent reassessment of military requirements some \$10 billion in budgetary savings might be realized.

Strategic nuclear forces

Taking into account their share of budgetary costs for intelligence, communications, R&D, and the like, the maintenance and improvement of the nation's strategic nuclear forces currently take about \$18 billion in budgetary resources annually. Current strategic doctrine is apparently in something of a transition period, and future trends will

obviously be affected by the outcome of the SALT talks. Nevertheless, present strategic force objectives may be described as: the maintenance of a generously estimated assured destruction capability, plus.

Assured destruction capability refers to our ability to absorb a Soviet first strike and retaliate devastatingly. This provides deterrence against a possible first strike. The term "generously estimated" simply means that we are preparing against a very high estimate of Soviet capabilities, and buying "insurance" against all sorts of relatively remote contingencies. We are, for example, building our ABM to protect our land-based missile sites against the contingency that they become vulnerable to Soviet SS-9's, even though our Polaris and Poseidon submarines are invulnerable to a Soviet strike and could do the assured destruction mission alone. The term "plus" was used in the description of current policy to cover the fact that with an ABM area-wide defense against a possible Chinese missile threat we will be going beyond the assured destruction concept to try to provide some means of limiting damage from an enemy strike. The term "plus" also expresses my belief that the full introduction of MIRV's into the forces as currently planned, will push their capabilities beyond what even a most generous estimate of assured destruction capability would require.

The \$18 billion cost of strategic nuclear forces, used in the initial projections for 1975, would provide funds for the procurement and deployment of at least some of the following new weapons systems:

The ABM.

MIRV's installed on both land-based and submarine-based missiles.

A new advanced manned strategic aircraft (AMSA or the B-1).

A new airborne warning and control system, probably with a modified F-106 interceptor (AWA CS-F-106X).

A new underwater long range missile system (ULMS) to carry much heavier and longer range missiles than today's Polaris and Poseidon.

An alternative strategic nuclear posture would accept assured destruction capability as a necessary and vital objective, but would not seek to build insurance on top of insurance and would give up the attempt to go beyond assured destruction. The alternative posture would start from the proposition that damage limiting capabilities are not useful as diplomatic or military instruments, that large scale damage limiting capabilities are impossible to achieve against the Soviet Union and too uncertain and not worth the cost against the Chinese. It would also reject going beyond the assured destruction concept as self-defeating in the sense of provoking Soviet counter-actions which nullify the initial gain.

Under this alternative, deployment of the ABM would be deferred (while continuing research), MIRV deployment would go ahead but on a stretched-out and reduced basis, AMSA and ULMS would be carried on as modest R&D programs, and the current air defense system would gradually be eliminated. The \$18 billion annual cost of the strategic forces would be cut to \$14 billion per year. The U.S. assured destruction capability would consist of 3000 to 4000 deliverable warheads carried on 1054 perhaps vulnerable land-based missiles, 656 submarine-based missiles, some of which were MIRV'd, and a force of 300 B-52 bombers. Against this number, it has been calculated that only 400 warheads would have to be detonated over the Soviet Union to eliminate it as an industrial society.

The force levels and capability provided by this alternative would, of course, have to be continually reviewed in the light of international developments, and particularly Soviet strength. While it would reflect the

belief that a restrained posture is most likely to lead to progress on arms limitations, it would not preclude later review and policy changes.

If both of the alternative postures described above were adopted—a Guam doctrine-oriented structure for our conventional forces and an assured destruction strategic force—some \$14 billion could be eliminated from the defense budget. These savings are measured in dollars of today's purchasing power. By fiscal 1975, in prices projected for that period, the savings would be \$17 billion. In that situation in 1975 defense budget would be not \$75 billion but \$58 billion. The fiscal dividend available for meeting other needs would rise from \$13 to \$30 billion, an increase of 150 percent.

In my own view, while the specific dollar sums and force structure incorporated in the lower cost alternatives are of course open to question and debate, neither represents an extreme suggestion, nor can it be characterized, in the invidious sense of the term, as "unilateral disarmament."

The lower cost alternatives would provide the United States with awesome strength, both strategic and conventional, a strength not inconsistent with its status and commitments.

ALTERNATIVES WHICH MIGHT INCREASE MILITARY COSTS

There are, of course, potential developments which could raise the military budget above the level assumed in the central projections and thereby reduce or even eliminate the \$13 billion fiscal dividend in 1965.

1. *Continued U.S. troop presence in Vietnam.*—Should it occur that a residual number of U.S. troops are left in Vietnam indefinitely, added budgetary costs would be incurred. If, for example, 100,000 U.S. troops were to remain in the Indo Chinese peninsula engaged in some form of combat, the cost might be on the order of \$5 billion per year. This would, of course, cut the 1975 fiscal dividend to a mere \$8 billion.

2. *Strategic arms escalation.*—Should the two major nuclear powers fail to agree in the SALT talks, should each suspect that the other was beginning to achieve or seeking to achieve a first strike capability, the \$18 billion per year cost of the U.S. strategic forces could well rise to somewhere in the neighborhood of \$23–24 billion per year. Additional offensive forces, particularly sea-based missiles, and a much heavier ABM, bomber defense network, and civil defense system might be forthcoming.

3. *Heavier modernization of the conventional forces.*—Should a rapid increase in procurement of modern equipment be undertaken, perhaps on the (mistaken) ground that Vietnam had "robbed" the baseline force, significant budgetary costs would be incurred. Such a "heavy modernization" budget might include large scale and rapid acquisition of F-14 and F-15 fighters, an increase in the attack carrier task force, more "high speed" attack submarines and anti-submarine warfare escorts, several more C-5A airlift squadrons, and the increased outlays for operations and maintenance which would go with such systems.

SUMMARY

Even a cessation of hostilities in Vietnam and a complete U.S. troop withdrawal will not guarantee that large sums of money become available for meeting important public needs over the next five years. The growing expenditures under existing domestic programs and the cost of maintaining the pre-Vietnam military force structure will absorb most of the added budgetary resources arising out of economic growth and withdrawal from Vietnam.

There is no law of necessity, however, which dictates that the nation must return to the pre-Vietnam military posture. A realignment of U.S. conventional armed forces

in keeping with at least one interpretation of the "Guam doctrine" would provide substantial budgetary savings. This realignment would reduce the armed forces and weapons bought against the contingency of major U.S. involvement in a land war in Asia. Additionally, the adoption of a more restrained, but still realistic strategic nuclear posture could produce additional reductions in the defense budget. Together these two actions would provide some \$14 billion in budget resources, measured in today's prices, and \$17 billion in prices expected to prevail in 1975. Such budgetary savings would sharply expand the sums available to meet urgent domestic needs over the next several years. Yet their realization would not, in my view, interfere with the maintenance of the necessary strategic and conventional military power of the United States.

EXHIBIT 3

STATEMENT OF WILLIAM W. KAUFMANN BEFORE THE SUBCOMMITTEE ON ECONOMY IN GOVERNMENT OF THE JOINT ECONOMIC COMMITTEE, JUNE 5, 1970.

I. INTRODUCTION

When we talk about defense policy and national priorities, we usually mean changing the allocation of our resources among a wide range of public and private activities rather than abolishing some of these activities. In present circumstances, we tend to mean giving greater emphasis to domestic programs than we have done in the past. That, in turn, implies that we must increase taxes, take resources away from other programs, simply rely on increased revenues from a growing economy for new initiatives, or take some combination of these steps.

Increased taxation does not look like a plausible option. In fact, we appear to be going in the opposite direction with the tax reform bill of 1969. We are left, therefore, with the growth of federal revenues (as a function of expanding GNP) and a redistribution of those revenues as the principal means by which we can change our emphases. The defense budget, always of interest, becomes the object of particular attention in that context. Few people regard it as an uncontrollable in the same sense as Social Security or Medicare, and many regard it as excessively large for the international objectives that we should have in mind.

What is more, it can be demonstrated that the size of the discretionary resources (or the fiscal dividend, if you prefer) available to the President for domestic programs is highly sensitive to the level of defense spending. During the past year, for example, the Brookings Institution has looked at a number of different defense budgets within the context of expected Federal revenues and outlays, and—assuming an end to the war in Indochina—has found it quite plausible to conceive of defense budgets and discretionary resources in the following range by FY 1975:

DEFENSE BUDGETS IN FISCAL YEAR 1975
(In billions of dollars)

In 1970 dollars	In 1975 dollars	Discretionary resources fiscal year 1975
\$75	\$92	\$6
\$60	75	23
\$48	58	40
\$45	54	44

It is easy enough, of course, to invent defense budgets which differ substantially from the one we have now. But how do we choose among them? And once having chosen, how do we make our preferences politically acceptable?

II. POLITICS AND PLANNING

There is a tendency, in trying to provide answers, to make them extreme and to mix

up the two questions. At one extreme, for example, the defense budget is described as the product of negotiations and bargains among interest groups whose objectives and programs are largely determined by their organizational affiliations. At the other extreme, the budget is seen as resulting from a highly orderly process in which objective analysis by disinterested public servants plays the dominant role. As usual, the truth seems to lie somewhere between these extremes.

A careful description of the existing political process would probably show that organizational interests and bargains are very critical determinants of the budgetary outcome. At the same time, it would be hard to deny that a rather primitive art called force planning exists, or to assert that it plays no part in budgetary choices. What tends to be at issue, usually, is not whether objective analysis exists and should play a major role in determining budgetary outcomes, but whether it does or can do so.

Here, because of limitations in time and space, the discussion will focus on how we can choose from among the many defense options available to us. How our choices can be driven through the jungle that is the political system, or how the system can be made more receptive to systematic analysis and choice, must await another occasion.

III. CURRENT DEFENSE BUDGETS AND VIETNAM

In order to start the discussion somewhere, let us consider defense outlays for FY 1970 and FY 1971 as they relate to the war in Southeast Asia, our strategic nuclear forces, and our general purpose forces. This breakdown gives us the following figures (in billions of dollars):

	For fiscal year—	
	1970	1971
War in Southeast Asia	\$17	\$11
Strategic nuclear forces	17	18
General purpose forces	43	43
	77	71

This particular distribution of defense expenditures serves several purposes. It defines three major areas where we can exercise choice. It tells us what we are spending in these areas. And it provides a basis against which to measure and compare various types of change.

The costs of the war in Southeast Asia are incremental costs: that is, outlays over and above what we would be spending for our peacetime military establishment and its activities. They reflect a decline from the peak incremental cost of about \$23 billion (rather than \$29–30 billion), which occurred during FY 1968.

The outlays for the strategic nuclear forces and general purpose forces (or limited war forces, if you prefer) reflect the costs of our baseline force: that is, what we have regarded in the past as necessary in peacetime for the maintenance of U.S. interests and commitments. These baseline expenditures amount to about \$60 billion in FY 1970 and \$62 billion in FY 1971. They would translate to around \$50 billion in 1965 dollars, or what we were spending on our defense establishment prior to the major expansion of our involvement in Southeast Asia.

In current prices, the baseline force absorbs 78 per cent of our defense outlays. The cost of the war, on the other hand, represents 22 per cent of the total, and, at least until recently, its share has been declining. In principle, we can alter the rate at which we withdraw from Southeast Asia. This would affect the speed with which we recover the remaining costs of the war. But despite the over-arching importance of the conflict to American society, we have to recognize that there is a very definite limit to the amount of resources that its termination will yield, and

that the total "dividend" will be more than absorbed by impending tax cuts and the growth in the costs of the so-called uncontrollable domestic programs. It is estimated that the tax reform bill alone will result in a loss of federal revenues of \$8 billion by FY 1975. Social security costs, on the other hand, are likely to increase by \$12 billion over the next five years. Thus, if we want to consider major new initiatives on the domestic front, it appears that we must look primarily to economic growth and to the baseline defense budget.

IV. ANALYSES OF THE BASELINE BUDGET

Efforts to come to grips with the baseline budget can best be made by means of macrostrategic and microstrategic analysis, although the distinction between the two types is somewhat artificial, particularly when it comes to the strategic nuclear forces. The macrostrategic approach involves the development of objectives, measures of effectiveness, and gross force levels with existing capabilities. The microstrategic approach deals with the fine-tuning of these forces by means of weapon system comparisons. The results of these comparisons tend to express the least-cost method of achieving prescribed levels of effectiveness. In the process, the analysis may also consider the effects of marginal increases and decreases in force levels. Obviously, one type of analysis can very quickly lead into the other type.

V. THE STRATEGIC NUCLEAR FORCES

The macrostrategic approach provides many of the critical assumptions that underlie the current baseline force. In the design of our strategic nuclear capabilities, for example, the baseline budget is strongly affected by the following assumptions:

1. Our strategic offensive forces, in a second strike, should be capable of inflicting a level of assured destruction on the Soviet Union defined as 20–25 per cent of the population and at least 50 per cent of Soviet industry.
2. We should maintain a modest capability to limit damage to the United States, should strategic deterrence somehow fail, in the form of anti-bomber defenses, a thin, area-wide ABM defense, some offensive forces capable of destroying fixed, hard targets, and a cheap civil defense program.
3. We should maintain three separate forces—land-based missiles, sea-based missiles, and bombers—each capable, by itself, of inflicting the requisite level of assured destruction: all of this as insurance against the possibility that one or even two of these forces might fail to respond after a Soviet first strike.

The current baseline, strategic nuclear forces are rather widely considered to be conservatively designed because of these assumptions. An even more conservative posture would involve raising the level of assured destruction and placing a much heavier emphasis on damage-limiting capabilities such as the ABM and large-scale civil defense. A posture of this character, along with extensive modernization programs for bombers, missiles, and anti-bomber defenses, could raise the total budget for the strategic nuclear forces from about \$18 billion in FY 1971 to something on the order of \$24 billion a year. It might also induce Soviet reactions of such magnitude that they would nullify the additional security that we had expected to gain.

With or without SALT, another major variant from the baseline would result in a less conservative posture. For example, we might reduce the level of assured destruction that we require to 10–15 per cent. We might give up our modest efforts to achieve a damage-limiting capability. And we might reduce the attempt to maintain all three of our deterrent forces in a highly survivable condition. This posture would permit us to phase out some of our current

offensive and defensive forces and cancel or reduce expenditures on newer systems that we are now programming or deploying. The resulting budget for the strategic nuclear forces, associated capabilities, R&D, and support might fall from \$18 billion to \$14 billion a year.

VI. THE GENERAL PURPOSE FORCES

The costs of the general purpose forces are comparably sensitive to changes in a series of macrostrategic assumptions. Thus, the current baseline forces are very much a function of the following premises:

1. The Soviet Union and China are basically hostile and ambitious powers who might act separately but more or less simultaneously to satisfy their ambitions at the expense of our interests.

2. We must therefore be able, in conjunction with our allies, simultaneously to meet conventional attacks in Europe and Asia, and deal with a minor contingency elsewhere.

3. We must have the forces and the strategic mobility necessary to deploy rapidly to threatened regions and to establish forward defenses sufficient to meet the early phases of an attack.

4. We must also maintain the forces, equipment, and supplies necessary to reinforce deployed forces and sustain them in combat for as much as 3-6 months.

Simply to give one example of the impact of these assumptions, consider the costs, in 1971 dollars, of preparing to deal simultaneously with two major contingencies and one minor contingency. These costs are approximately as follows:

Annual cost in billions in 1971 dollars	
Contingency:	
NATO Europe.....	\$19.1
Asia (Korea or Southeast Asia).....	16.3
Western Hemisphere (minor).....	1.3
Strategic reserve and unallocable activities.....	7.3
Total.....	44.0

To the extent that these figures have merit, a fairly literal interpretation of the President's Guam doctrine should result in decreasing the costs of the Asian contingency from \$16.3 billion to about \$6.3 billion. In other words, a change in the assumptions about the contingencies alone could cut the costs of the general purpose forces from \$44 billion to \$34 billion a year.

The current baseline forces are frequently characterized as underdesigned for the three standard contingencies. A more conservative design could result in the addition of land forces, tactical air wings, and attack carriers, along with increased numbers of the next generation of more expensive weapon systems. Such changes might raise the budget for the baseline general purpose forces from \$44 billion to \$53 billion a year in 1971 prices.

VII. COST-EFFECTIVENESS

Defense costs in the past have varied similarly, if less dramatically, as a function of microstrategic analysis. Now, however, the impact of these choices is becoming more impressive as weapon systems become increasingly complex technologically, and their procurement and operation and maintenance costs climb. The conventional wisdom has it that weapon systems choices should be governed by technological advance. Not only must we buy the newest and most sophisticated systems: we must also replace the older systems on a one-for-one basis, quite apart from such factors as the capabilities of potential adversaries, increases in costs, and supposed increases in unit effectiveness.

Frequently, however, it turns out that for a budget of, let us say, a billion dollars, it makes more sense from the standpoint of effectiveness to buy 1,000 units of relatively old-fashioned system A, costing a million

dollars apiece, rather than 500 units of system B, costing \$2 million apiece. Of course, there are those who would say, if that is the case, spend \$2 billion and buy 1,000 units of system B. But for \$2 billion, we could buy 2,000 units of system A, which still might leave us better off. Indeed, system B—however glamorous and sophisticated—would have to be at least twice as effective as system A before it would be worth buying as a substitute. More often than not, however, we fail to achieve such advances in effectiveness as we move from one system to the next. As a consequence, we may prefer simple, reliable systems to their technologically advanced successors which promise a great deal but are unable to deliver on the promise because they are low in reliability, only marginally better in other significant parameters of effectiveness, or both.

Many systems under development, or actually in the procurement process, are at issue on precisely these grounds. The following table lists a number of such weapon systems for the general purpose forces, along with the obligatory authority requested for FY 1971, currently estimated total procurement costs, and estimated annual operating costs:

System	Fiscal year 1971 NOA	Estimated procurement costs	Estimated annual operating costs
SAM-D air defense.....	\$0.09	\$3.4	\$0.5
MBT-70 tank.....	.08	2.0	.3
TOW antitank missile.....	.10	1.0	.1
F-15 aircraft.....	.40	7.7	1.1
F-111 aircraft.....	.50	.5	.1
F-14 aircraft.....	.80	8.3	1.2
Phoenix missile.....	.10	1.5	.2
S-3 aircraft.....	.30	3.2	.4
SSN-688 attack submarines.....	.50	4.5	.6
DLGN-38 frigate.....	.20	4.9	.7
CVAN-70 attack carrier.....	.15	.6	.1
DD-963 destroyers.....	.50	4.2	.6
Total.....	3.72	41.8	5.9

Let us assume rather arbitrarily that the procurement costs of these systems will be spread evenly over a 10-year period, and that we will incur their total annual operating costs for only three of the ten years. The resulting average annual systems costs will then come to around \$6 billion for the 12 systems listed. Thus, even if we were to substitute for them new systems about half as expensive to procure and operate, we might still be able to save, on the average, about \$3 billion a year during this ten-year period. Alternatively, for the currently estimated totals, we could have twice as many of the cheaper systems as we are planning to buy of the more exotic new systems.

VIII. SOME DEFENSE OPTIONS

With these kinds of macrostrategic and microstrategic calculations, it becomes possible to construct a variety of defense budgets, each with a particular rationale. Thus, we could continue to maintain the pre-Vietnam baseline force as one option. This would mean a fairly conservative posture for the strategic nuclear and general purpose forces and a good deal of latitude for their modernization in the face of obsolescing systems and evolving threats. Such a posture would cost about \$62 billion in 1971 prices and \$75 billion in 1975 prices, assuming an end to the war in Vietnam. Around \$23 billion in discretionary resources would become available by FY 1975 as a result of defense spending at a level that was thought necessary between 1961 and 1965.

Another option would be to strive for a major damage-limiting capability in our strategic nuclear forces (despite the strong probability of Soviet countermeasures) along with general purpose forces designed to give

us increased confidence of being able to cope simultaneously with major European and Asian conflicts. This would combine the strategic package of \$24 billion with the general purpose package of \$53 billion for a total budget of \$77 billion in 1971 prices and \$92 billion in 1975 prices again assuming a full U.S. withdrawal from South east Asia. Defense outlays at this level would result in discretionary resources of about \$6 billion. That is, with estimated revenues, we would not be able to fund fully existing and currently proposed domestic programs, much less embark on major new initiatives.

Still a third option would involve the adoption of a less flexible and higher risk posture with respect to both the strategic nuclear and the general purpose forces. As indicated earlier, the strategic forces would be designed for the assured destruction mission only, planning would be done less conservatively than is now the case, and the required levels of damage to the Soviet Union would be lowered. The general purpose forces would no longer be programmed for two major contingencies simultaneously and a substantial portion of the capabilities oriented toward Asia would be retired. The resulting strategic and general purpose packages would cost \$14 billion and \$34 billion respectively, for a total of \$48 billion (without Vietnam) in 1971 prices and \$58 billion in 1975 prices. This budget, which would be \$17 billion below the pre-Vietnam baseline budget (in 1975 prices), would enable the President to dispose of discretionary resources on the order of \$40 billion by FY 1975.

If, in addition, we became less mesmerized by the latest defense technology and exercised greater discipline at the microstrategic level than we now do, we might bring this low budget down by another \$3 billion or more without any loss of combat effectiveness. This would mean a post-Vietnam budget of \$45 billion in 1971 prices and about \$54 billion in 1975 prices. The resulting fiscal dividend by 1975 would amount to \$44 billion, a figure which would come rather close to satisfying most domestic demands for resources as they are currently formulated.

IX. RISK, INSURANCE, AND CHOICE

Other more or less conservative and flexible defense postures could obviously be generated. It seems reasonable to argue, however, that post-Vietnam budgets in the range of \$45-\$77 billion (in 1971 prices) would be compatible with a major role for the U.S. in world affairs. Even at the low end of the range, moreover, significant resources would be available to counter qualitative and quantitative changes in potential threats. What would determine our choice between the two poles presumably would not be whether we sought to become isolationists or world policemen, since neither budget would accord with either policy. Rather, we would probably want to be concerned with the degree of risk we are prepared to take in defending and maintaining our interests, how our military posture might interact with that of allies and potential enemies, and what domestic opportunities we forego as we move toward higher and more conservative defense budgets.

The choice of an insurance policy, in defense as in other areas, is always difficult. But reasonably well-tailored policies can be designed to suit the national customer. There are, admittedly, a number of insurance salesmen on the premises who have their own special views about companies and premiums. No doubt their pressures strongly affect the final choice. Still and all, before the decision is reached, it usually proves more desirable to have some understanding of the product and what we want than it is simply to enter the market place as an ill-informed purchaser of the competitors' wares. Consumer reports can be as useful in defense as they are elsewhere.

APPENDIX

I. INCREMENTAL COSTS OF THE WAR IN VIETNAM

TABLE 1.—ESTIMATED PEAK INCREMENTAL COST OF THE WAR IN VIETNAM

Type of expenditure:	Billions of current dollars ¹
800,000 military personnel at \$12,000 per man per year.....	9.6
250,000 civilian personnel at \$10,000 per man per year.....	2.5
Ground, air, and naval ordnance.....	5.2
500 aircraft at \$3,000,000 per aircraft (average).....	1.5
Replacement of land force equipment and supplies (U.S. and ARVN).....	1.3
Other procurement.....	1.0
Construction.....	1.0
Transportation, petroleum, oil, and lubricants.....	1.0

¹ Details do not add to total because of rounding.

TABLE 2.—ESTIMATED MANPOWER REQUIREMENTS AND INCREMENTAL COSTS OF THE WAR IN VIETNAM, FISCAL YEARS 1968-72¹

Item	1968	1969	1970	1971	1972
Military personnel:					
In Vietnam.....	536,100	538,200	380,000	200,000	50,000
In line of communications and training.....	263,900	233,447	180,714	120,714	20,000
Civilian personnel.....	250,000	227,771	167,794	111,894	10,000
Total personnel.....	1,050,000	999,418	728,508	432,608	80,000
Cost of military personnel:					
In Vietnam.....	17,477	17,545	12,388	6,520	1,630
In line of communications and training.....	3,167	2,801	2,169	1,449	240
Cost of civilian personnel.....	2,500	2,278	1,678	1,119	100
Total incremental cost.....	23,144	22,624	16,235	9,008	1,970

¹ The manpower data in this table are end-of-year figures, and the costs developed from them represent annual rates of outlay at yearend.

² \$32,600 per man per year, based on an average annual rate of \$12,000 per man for pay and allowances, and average annual combat costs per man of \$20,600.

³ \$12,000 per man per year.

⁴ \$10,000 per man per year.

TABLE 3.—EXPENDITURE LEVELS FOR ILLUSTRATIVE VIETNAM DISENGAGEMENT PROGRAM, FISCAL YEARS 1969-75

Item	1969	1970	1971	1972	1973	1974	1975
Military personnel (thousands of men).....	538	380	200	50	0	0	0
Incremental outlays (billions of dollars).....	23	17	11	3	1.5	1	1

TABLE 4.—DEPARTMENT OF DEFENSE ESTIMATES OF THE INCREMENTAL COSTS OF THE WAR

[In billions of current dollars]		Fiscal year 1969	Fiscal year 1970
Military personnel.....		5,666	5,375
Operation and maintenance.....		6,488	5,438
Procurement.....		8,757	6,283
R.D.T. & E.....		139	112
Military construction.....		494	220
Total.....		21,544	17,428

TABLE 5.—DEPARTMENT OF DEFENSE ESTIMATES OF THE COSTS OF THE WAR BY MILITARY SERVICE

[In billions of current dollars]		Fiscal year 1965	Fiscal year 1969	Fiscal year 1970	Percent change in non-SEA costs over fiscal year 1965
		SEA	Other	SEA	Other
Army.....		11.6	11.5	13.6	9.8
Navy.....		13.2	4.4	18.1	3.4
Air Force.....		18.1	5.6	20.3	4.2
Defensewide.....		4.2		5.3	5.6
Total.....		47.1	21.5	57.1	17.4
				59.6	+21
					+27

II. COSTS OF THE STRATEGIC NUCLEAR FORCES

TABLE 1.—ESTIMATED COST OF THE STRATEGIC NUCLEAR FORCES BY PROGRAM, FISCAL YEAR 1971.

[In billions of dollars]		Total	Strategic forces
Program			
Strategic forces.....		7.9	7.9
General purpose forces.....		24.7	
Intelligence and communications.....		5.2	2.6
Airlift and sealift.....		1.5	
National Guard and Reserve Forces.....		2.5	
Research and development.....		5.4	2.2
Central supply and maintenance.....		8.4	1.9
Training, medical, and other general personnel activities.....		12.6	3.0
Administration and associated activities.....		1.5	.4
Support of other nations.....		2.5	
Total obligatory authority.....		72.3	18.0

TABLE 2.—ESTIMATED COST OF THE STRATEGIC NUCLEAR FORCES BY MAJOR SYSTEM, FISCAL YEAR 1971

[In billions of current dollars]		System	Cost ¹
Minuteman and Titan.....			3.1
Polaris.....			2.6
Heavy bombers.....			3.5
Air Force air defense system.....			3.0
Army air defense.....			.4
Anti-ballistic missile defense.....			1.8
Intelligence and communications.....			3.5
Civil defense.....			.1
Total.....			18.0

¹ System costs reflect not only direct program costs, but also indirect support costs.

III. COSTS OF THE BASELINE GENERAL PURPOSE FORCES

TABLE 1.—ESTIMATED COST OF THE BASELINE GENERAL PURPOSE FORCES BY PROGRAM, FISCAL YEAR 1971.

[In billions of current dollars]		Program	Total	General purpose forces
Strategic forces.....			7.9	
General purpose forces.....			24.7	20.5
Intelligence and communications.....			5.2	2.6
Airlift and sealift.....			1.5	1.2
National Guard and Reserve Forces.....			2.5	2.0
Research and development.....			5.4	3.2
Central supply and maintenance.....			8.4	5.1
Training, medical, and other general personnel activities.....			1.5	1.0
Support of other nations.....			2.5	0.7
Total obligatory authority.....			72.3	44.0

TABLE 2.—ESTIMATED COST OF THE BASELINE GENERAL PURPOSE FORCES BY MAJOR SYSTEM, FISCAL YEAR 1971.

[In billions of current dollars]		System	Cost ¹
Army divisions.....			13.6
Marine division/wings.....			4.0
Guard and Reserve Forces.....			3.3
Navy air wings.....			7.2
Air Force air wings.....			8.4
Antisubmarine and antiaircraft warfare at sea (ASW and AAW).....			3.8
Amphibious, fire support, and minelaying forces.....			1.1
Airlift and sealift.....			2.0
Military assistance.....			.7
Total.....			44.0

¹ System costs include not only direct program costs, but also R. & D. and indirect support costs.

TABLE 3.—ALLOCATION OF BASELINE GENERAL PURPOSE FORCES BY GEOGRAPHIC CONTINGENCY AS OF 1970

Type of force	Europe	Asia	Western Hemisphere	Strategic reserve	Total
Active Army divisions	7	6	1	2½	16½
Active Marine division/wings	1	2			3
Guard and Reserve Forces	7	6		2	15
Navy air wings ¹			1	4	5
Air Force air wings	16	7			23
ASW and AAW forces ²	50	50			100
Amphibious and other forces (percent)	33	67			100
Airlift and sealift forces (percent)	50	50			100
Military assistance (percent)	30	70			100

¹ All attack carriers on station (2 in the Atlantic, 3 in the Pacific) and their immediate backup carriers are allocated to Europe and Asia.

² Excluding escorts for the attack carriers.

TABLE 4.—ALLOCATION OF COSTS OF BASELINE GENERAL PURPOSE FORCES BY GEOGRAPHIC CONTINGENCY, FISCAL YEAR 1971¹

[In billions of 1971 dollars]

Type of force	Europe	Asia	Western Hemisphere	Strategic reserve	Total
Active Army divisions	5.8	5.1	0.8	1.9	13.6
Active Marine division/wings	1.4	2.6			4.0
Guard and Reserve forces	2.5			7	3.2
Navy air wings	1.9	2.9	.5	1.9	7.2
Air Force air wings	5.8	2.6			8.4
ASW and AAW forces	1.9	1.9			3.8
Amphibious and other forces	.4				1.1
Airlift and sealift forces	1.0	1.0			2.0
Military assistance	.2	.5			.7
Total	20.9	17.3	1.3	4.5	44.0

¹ Excluding the incremental costs of the war in Vietnam.

TABLE 5.—AN ALTERNATIVE ALLOCATION OF COSTS OF BASELINE GENERAL PURPOSE FORCES BY GEOGRAPHIC CONTINGENCY, FISCAL YEAR 1971¹

[In billions of 1971 dollars]

Type of force	Un-allocated	Europe	Asia	Western Hemisphere	Strategic reserve	Total
Active Army divisions		5.5	4.8	0.8	1.8	12.9
Active Marine division/wings		1.0	2.6			3.6

Mr. PROXMIER. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. PROXMIER. I congratulate the Senator from Oregon on a superlative speech. I wish that the Senate had been in full attendance while the speech was delivered, because I think it is the kind of speech that all of us in the Senate should hear and ponder.

The Senator from Oregon has done an extraordinary leadership job in organizing and providing for the Senate this remarkable analysis of our defense budget in his "Members of Congress for Peace Through Law" organization, and I would hope that as much of that document as possible—in fact, all of it if possible—could be printed in the RECORD. I understand the Senator did summarize some of the points in his speech, and that was put into the RECORD.

Mr. HATFIELD. Yes.

Mr. PROXMIER. Would it be possible for the Senator to put all of that into the RECORD? I think it is very important and significant that it should be made part of the permanent RECORD, and it does pertain to the particular measure on which we are about to vote.

Mr. HATFIELD. Mr. President, I thank the Senator for his generous comments. I am proud to be associated with

the Senator from Wisconsin in his many attempts to evaluate our military spending commitments.

In response to the Senator's specific question as to whether or not the full report will be placed in the RECORD, at our next meeting of the "Members of Congress for Peace Through Law," we will make that determination and act accordingly.

Mr. PROXMIER. While I may not be present at that meeting, I would request the Senator to vote my proxy in favor.

Mr. HATFIELD. I am sure the material from the report itself is available to Members of Congress, and we will see to it that each Member is presented with a copy.

Mr. PROXMIER. The position taken by the Senator from Oregon is easily misrepresented and misunderstood. I think many people have the general impression that those of us who favor reducing military expenditures this year are somehow, in some way, expecting to reduce the real force and effectiveness of our military forces in fulfilling our obligations in the world and in defending this country.

The great thing about the Senator's speech is that he was meticulous; he was very careful in explaining precisely where these reductions could come with-

out in any way inhibiting this country from having, first, a believable, effective strategic deterrent, and, second, general purpose forces capable of fighting a major war and a minor war at the same time, and in addition continuing even at the present level, or at the level planned by the administration, the war in Vietnam.

So there is nothing in the Senator's proposal—by which, as I understand, he said we could cut \$10 to \$15 billion from the defense budget—that would in any way cripple or limit, reduce the effectiveness of, or really affect our military operations. I think it is very important to get this idea across.

It is especially useful that the Senator from Oregon tied this in with the Nixon doctrine enunciated at Guam. As he says, if we pursue that policy and the policy enunciated also by the Secretary of Defense of being capable of fighting a one-plus war, instead of having \$43 billion for a general purpose force, we could have \$34 billion for a general purpose force, and economize to the extent of \$9 billion right there.

In addition, of course, the very carefully documented and developed analysis provided by the "Members of Congress for Peace Through Law" which the Senator heads shows how we can reduce cer-

tain of our strategic weapons without reducing our effective deterrent.

Mr. HATFIELD. Mr. President, I respond to the Senator by stating this one point. The Senator has reiterated in a very accurate way the simple fact that those of us who have given time and effort to an analysis of our defense spending program have every degree of desire to have adequate and appropriate defense for this Nation, such as any other Senator, any other Representative, or any other citizen wants for his country.

Somehow, there has developed in this Nation the attitude that to question the dollar requests from the Pentagon is to undermine the Nation's security. By acceding to that kind of determination, we are failing to uphold our constitutional responsibilities as Members of Congress, because, again, as the Senator from Wisconsin knows, article I, section 8 of the Constitution clearly places upon the shoulders of Congress the responsibility to raise the militia, determine the size of the militia, and appropriate money for the militia, the Army, the Navy, and all the military forces. It is very interesting to note that in this Constitution we have come to revere and recognize as one of the greatest documents ever written by man, Congress is specifically prohibited from making appropriations for military expenditures for more than two years.

So, as Alexander Hamilton once observed in one of his writings, if Congress is incautious enough to make appropriations and give that kind of long-range commitment to the Executive, it should be required to at least review those commitments every 2 years.

So I think we must get across the message that we have this constitutional duty to uphold the needs of the military; but, by the same token, we must make evaluations independently of the military requests, without inhibiting or threatening or placing in jeopardy our national defense.

Second, I think it must be clearly understood that in line with the statements of the Secretary of Defense, Mr. Laird, when he has so clearly enunciated the hope, the plan, and the program to move to a reduction from this two-and-one-half war contingency to a one-and-one-half and perhaps only a one-war contingency, we are, in line with the enunciation of the Nixon doctrine, attempting to advocate and furnish the military capacity necessary to fulfill that kind of announced policy, and the direction that the Defense Department wants to move.

So often, again, it is implied that if we question the Defense Department's requests, we are immediately putting ourselves in juxtaposition to the objective of over-all national security; and that is not necessarily so. I feel that we are in concert with the Defense Department and the President's announced policies and directions by proposing these cuts.

Lastly, I think within the whole matter of national security, we must bear in mind the fact that total national security is not found in our military hardware alone; that a nation can have the most superior military hardware and, without the will, without the commitment, without the strength of the people

within that nation's boundaries, the military hardware can be of little protection against would-be aggressors, or can mean very little in the overall effort to carry on certain international policies.

I need not recite history, but I can recall, as can the Senator from Wisconsin, I am sure, the simple facts leading up to World War II, where France had the finest equipped army on the Continent of Europe, the Maginot line was considered to be an impregnable defense, and that somehow, when Paris fell, everyone was standing around wondering how it happened with all this military supremacy and superiority.

Now the French historians—not American nor German historians, but French historians—are beginning to tell us, from their analysis of the documents and the relevant data, that the one most important single element missing in that period of France's history was the internal will and the strength of her people.

That is what I fear in this country today, that we have reached a point where our people, because of lack of adequate education, health services, housing, and environmental protection, all of these factors have led to disenchantment, to alienation, to polarization, and that this is a greater threat to our national security than anything we face outside our own borders.

Mr. PROXMIER. Mr. President, I am glad the Senator from Oregon has stressed this once again, because I think this factor has been too frequently overlooked. There is a feeling even on the part of some Members of Congress, apparently, that the details involved in national defense expenditures are none of Congress' business, that we do not know enough, we are not scientists or military men, so it is really not our business to be concerned with them. I am glad the Senator referred to the wisdom of our Founding Fathers in saying that Congress cannot appropriate for military spending for more than 2 years.

This is our business and our duty. We cannot escape from it. The executive department has no right to spend money without Congress determining how much money. The Constitution is explicit and clear that this is our responsibility and our duty, and we cannot escape from it.

So important is the last point raised by the Senator from Oregon that I believe it cannot be overemphasized that the real strength of our country is not our military strength—though that is important, and we have to have it—but the real strength of this country is in the unity of our people, the attitude of our people, the ability of our people. There is no question that if we expend \$72 billion in the military and starve our education, starve our attempts to rebuild our cities, our housing, and do not give millions of Americans hope and a feeling that they have a future—this weakens, enfeebles our country in many ways.

I also think the Senator's speech was helpful in pointing out how to get an all-volunteer Army. The Nixon administration has very wisely and very constructively said that it favors an all-volun-

teer Army. They deserve a lot of credit for that, because many have opposed it. The administration is moving in that direction, and the Senator from Oregon has pointed out how they can move more efficiently and quickly in that direction. The way, really, is to end the Vietnam war. But, short of that, to the extent that they feel they cannot end the war quickly, they can also approach a volunteer Army by reducing our unnecessary Asiatic area and living up to the notion of a one-plus war. If they do that, they reduce the manpower commitments.

The Senator's proposals would also provide the savings which will make it possible for higher pay, greater incentive, for people to volunteer and to encourage them to stay in the Army, to make it a career and to make it practical; because it is true that it probably would require the higher pay to make this feasible, and the Senator's amendment, which he is going to press later in this debate, acknowledges that.

One or two other points: I was glad the Senator pointed out something I have overlooked and which I think many Members of Congress have overlooked. We continue to maintain the ability to fight against Russia in a conventional war at sea, and this is immensely expensive. The likelihood that we are going to have a conventional war with Russia at sea is not just remote—it is virtually impossible. Such a war would quickly develop into a nuclear war. So far as a war with any other power is concerned, our Navy is so overwhelmingly powerful that it is greater in virtually every respect than all the other navies in the world combined.

China does not have a navy to speak of. Their navy is a tiny fraction of what our Navy is. They do have some submarines. I do not mean to overlook the fact that it is a big country, but they do not have the capability to fight a sea war. We can also save in this way.

I also congratulate the Senator from Oregon in not only stressing the importance of a balanced defense effort, recognizing our domestic responsibilities, but also that the military expenditures are principally responsible for our inflation. This was a finding, one that I support, on the basis of extensive hearings by our Joint Economic Committee. The cut so far in our military spending—and it is a cut—is entirely accountable by the reduction in Vietnam. The notion that many people have that we have cut back on the Military Establishment elsewhere in the world is wrong. As a matter of fact, we have reduced our actual spending in 1970 over 1969 by only approximately 1 percent, on the basis of figures that have been out a day or two. The cutback in Vietnam is accountable for a great deal more than that. Even if we allow for the inflation, the additional cost because of inflation in physical terms to the Military Establishment outside of Vietnam is bigger now and will be bigger on the basis of the budget before us than it was in 1969 or in 1970, given the fact that Vietnam is, we hope and pray and expect, being phased out.

Mr. HATFIELD. I am grateful for the Senator's remarks.

Would the Senator not also agree that, although the claim is made frequently today that this budget is now the first budget in many years in which we are spending more on the domestic level than for defense and military purposes—if that figure can be proved with numbers—it is not to be implied that it is because of a reduction in the military spending as much as it has been a greater growth within some of our domestic programs that are long overdue and were pushed through with a great deal of difficulty even through Congress, in order to achieve some of the objectives of meeting people's needs, and that it is not by deliberateness or by design that a cut has been made in military commitments or spending, except for withdrawal from Vietnam?

Mr. PROXMIRE. Yes. Also, it is on the basis of very arbitrary definition and determination of what military expenditures really are. For example, it leaves out of account the entire interest on the national debt.

Mr. HATFIELD. Eleven percent of the budget.

Mr. PROXMIRE. Some people argue that 80 percent of the interest on the national debt—Arthur Burns, the Chairman of the Federal Reserve Board—is because of war, and that interest constituted a terrific increase this past year. It was an increase from \$16 or \$17 billion to approximately \$20 billion.

Mr. HATFIELD. Eleven percent of the budget.

Mr. PROXMIRE. Also, the fact that many of these programs have increased—social security, for example, and others—because of inflation, which in turn has been caused by our excessive military spending.

Mr. HATFIELD. I do not believe the cost for running the Selective Service is part of the military expenditures.

Mr. PROXMIRE. Even veterans' expenditures are excluded from that figure.

I apologize for taking so long. I should like to make one more point. I do think that what the Senator has said today is going to be enormously helpful to us when an amendment comes up later to reduce and limit overall spending by the Defense Department. We expect to offer that amendment. I think the Senator has made the most effective speech in support of that kind of effort.

Mr. HATFIELD. I am proud to associate myself with the Senator's long and effective efforts in the whole field of military budget analysis. I want to take this occasion to express my appreciation for his work.

Mr. MATHIAS. Mr. President (Mr. Cook), will the Senator yield?

Mr. HATFIELD. I yield.

Mr. MATHIAS. Mr. President, I refrain from congratulating the Senator from Oregon on the statement he has just made. I do not think he wants congratulations. I do not think that my congratulations can add anything to the importance of the statement. But, as one American, I can thank him for his statement.

I thank him for his statement on several grounds. One is that somebody has to look at defense expenditures. As the Senator from Oregon has pointed out, there has been a feeling for too long that to question the cost was to question patriotism.

I am reminded of the injunction to the Senate by a very great American, a former majority leader of the Senate, Robert A. Taft of Ohio, shortly before his death, at a time when he was serving as majority leader, the leader of the Republican Party, at a time when there was a Republican President, enjoined upon the Senate the duty, in his words, of severe scrutiny of defense budgets. That Republican President, President Eisenhower, during whose administration Senator Taft was majority leader, has left to the entire American people the duty of accomplishing Senator Taft's severe scrutiny of military expenditures.

So I think that the Senator from Oregon has been, as I have suggested, fulfilling that duty, which is important for all Americans and which, far from being in any way unpatriotic, is in fact a very necessary duty of every patriot.

The second point the Senator made which I think is also extremely important is that there has to be a balance.

At a later stage in debate, I am going to speak more about this subject. However, I am so glad the Senator has laid the groundwork for it, because there does have to be a balance. We have got to get away from this business of jagged charts where, in moments of excitement and emotion, we spend billions of dollars, and then in other moments we chop off expenditures, disrupt the defense establishment, and disassemble defense industries. That is not real economy. That is where the art of management is important.

The Senator from Oregon has been so right to emphasize the need for balance.

Again, I add my thanks for what I consider to be a patriotic duty.

Mr. HATFIELD. Mr. President, I am grateful to the Senator from Maryland, my friend, Mr. MATHIAS. I am also grateful for his contribution and especially for his focusing upon the words of Senator Taft during the time of a Republican administration when one of the great Americans of all time, Dwight D. Eisenhower, was in the White House.

Talking about the balance in our national expenditure programs, I am reminded by his reference to Senator Taft and President Eisenhower of some vital words presented to the American people for their thinking by President Eisenhower in his farewell address, when he said that the time can be reached in military spending when additions to the military budget, far from strengthening the national security, may actually weaken it.

President Eisenhower continued to express his thoughts by saying that the true national security of a nation is founded upon the moral and economic structure of a people and not on military hardware alone.

Thus, I think this is a time in American history when we have reached the

point where additions to the military budget, far from strengthening the national security, may actually be weakening it, to quote not only a distinguished general but a distinguished President of the United States and a very distinguished patriot, Dwight D. Eisenhower.

I am very grateful again to the Senator from Maryland for his comments, and will look forward to his further discussion of a subject in which we both share concern, as well as great concern for the national defense of this country.

RECESS

Mr. BYRD of West Virginia. Mr. President, I move that the Senate stand in recess, subject to the call of the Chair, with the understanding that the recess not extend beyond 3:15 p.m. today.

The PRESIDING OFFICER (Mr. Cook). Without objection, it is so ordered.

Thereupon, at 3:01 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 3:08 p.m., when called to order by the Presiding Officer (Mr. Cook).

AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PROCUREMENT AND OTHER PURPOSES

The Senate continued with the consideration of the bill (H.R. 17123) to authorize appropriations during the fiscal year 1971 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes.

AMENDMENT

Mr. COOPER. Mr. President, I ask unanimous consent that an amendment to H.R. 17123, which will be submitted by the senior Senator from Michigan (Mr. HART) and myself on Monday next, be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 7, line 1, strike out "\$1,031,600,000" and insert in lieu thereof "\$838,600,000."

On page 16, line 8, strike out "\$322,000,000" and insert in lieu thereof "\$192,800,000."

On page 17, beginning with line 15, strike out all down through line 5 on page 18, and insert in lieu thereof the following:

"Sec. 402. (a) No funds appropriated pursuant to this or any other Act may be obligated or expended in connection with deployment of the Safeguard Anti-Ballistic Missile System, or any part or component thereof, at any site other than the two sites at which deployment was heretofore authorized by law (Malmstrom Air Force Base, Great Falls, Montana, and Grand Forks Air Force Base, Grand Forks, North Dakota)."

"(b) The provisions of subsection (a) shall not apply to the obligation or expenditure of funds for research, development, testing and evaluation activities carried out in support of any advanced anti-ballistic missile program at sites heretofore established for such purposes."

Mr. COOPER. Mr. President, the Hart-Cooper amendment which will be cosponsored by other Senators, provides for an authorization of \$1.027 billion. These funds may be expended for deployment of the ABM system at Malmstrom and Grand Forks, the two sites authorized last year. Of the total, \$627.2 million is available for continuing phase I at Malmstrom and Grand Forks, the prototype deployment which was begun last year.

Also authorized was \$35 million under the amendment, as requested by the Department of Defense, for emplacement of additional sprint missiles at the two sites.

The full amount of \$365 million requested for research and development would be authorized for use for that purpose on the advanced ABM system, such as the so-called dedicated system; specifically designed for Minuteman—a

system advocated by many distinguished scientists and experts.

Last year over \$1 billion was authorized for deployment and, as of May 31, there was a \$224 million carryover.

Mr. President, a table which appears in the committee report indicates the funds requested and the funds for phase I that would be available under the Hart-Cooper amendment as compared to the amounts requested for phase I and phase II and recommended by the Armed Services Committee. The funds carried over from last year's authorization as of May 31 are indicated under table II.

I ask unanimous consent that these tabulations be printed at this point in the RECORD.

There being no objection, the tabulations were ordered to be printed in the RECORD, as follows:

TABLE 1. SAFEGUARD PROGRAM FOR FISCAL YEAR 1971 RELATED ONLY TO PROTECTING THE DETERRENT AND NOT AREA DEFENSE

	Phase 2					Total
	Phase 1	Due to added SPRINTS at GF & MALM	Due to the Whiteman site	Due to advance prep Warren	Due to other	
Authorization:						
R.D.T. & E.	365.0					365.0
Procurement	457.4		178.0	15.0		650.4
Family housing	8.8					8.8
Military construction	161.0	35.0	120.4	0.4	8.4	325.2
Subtotal in bill	992.2	35.0	298.4	15.4	8.4	1,349.4
Other not subject to authorization:						
Procurement	0.6					0.6
Military construction	8.0		6.1	3.0	2.9	20.0
Operations and maintenance	42.0				11.0	53.0
Military personnel	12.0				2.0	14.0
Subtotal	62.6		6.1	3.0	15.9	87.6
Total ABM program	1,054.8	35.0	304.5	18.4	24.3	1,437.0

TABLE 2.—Funds from fiscal year 1970 that remain unobligated¹

[In millions]	
R.D.T. & E.	\$70
Procurement	92.3
Construction	62.3
Total	224.6

¹ Figures are as of May 31, 1970.

Mr. COOPER. The amendment, therefore, would provide ample funds—over \$1 billion—for demonstrating any necessary bargaining strength at the SALT talks.

May I say that the Senator from Michigan and I, as well as other Senators who indicate an interest in this amendment, support and want to support in every way possible the success of those talks.

In this year of difficult economic conditions, reductions in the Federal budget are of considerable importance. Our amendment would save \$322.2 million.

I point out that if the SALT talks succeed in the near future, and if the United States and the U.S.S.R. agree on what is termed zero ABM, no sites would be necessary to be deployed, including those previously authorized at Malmstrom and Grand Forks.

There are reports—and I hope that they are true—in the press that the SALT talks may result quite soon in a

preliminary agreement on the limitation on the ABM, if not a complete ban.

It has also been reported that if zero ABM is not agreed to by the United States and the Soviet Union, ABM protection of Moscow and Washington respectively is likely. In either of these events, the requested deployments at Malmstrom, Grand Forks, Whiteman or Warren Air Force Bases could not be used, and the work would not go forward at those sites.

Deployments at Malmstrom and Grand Forks, which our amendment would permit, would provide ample bargaining power that the administration states is requested.

I point out that the number of ABM missiles to be deployed at Malmstrom and Grand Forks are several times greater than those deployed by the Soviets in the Galosh system around Moscow—which is their only ABM system.

We believe that our amendment is in accord with the proposal of the Secretary of Defense to "fly before you buy" for prototype development. It will also assist the SALT talks without hindering the ability of this country to proceed with the development of an effective ABM system. For, if the Soviets proceed with the development of the SS-9's and other missiles, it may be necessary to deploy an effective missile defense system.

In fact, most of the scientists who have testified on the ABM have said that the development of an effective ABM system is of vital importance if the land based Minuteman deterrent is to be perfected. Such a system would add to the security of this Nation. But deployment of the ineffective Safeguard system would not add to the security of this country.

For this reason we believe our amendment would best meet the needs of this country at this crucial time and in the future if the Soviets proceed with the deployment of the SS-9's.

We will submit for formal printing the amendment on Monday in order to give those Senators who wish to cosponsor the amendment an opportunity to do so.

Mr. HART. Mr. President, the Senator from Kentucky (Mr. COOPER) and I have given the most sober consideration to the development of the amendment we introduce today.

Many of us believe the ABM system needs more research and development—that it is a waste of the taxpayers' money not to "fly before you buy."

But a number of Senators feel that the Senate last year gave the go-ahead to deployment at Grand Forks and Malmstrom, and that we should not replow that ground.

So, believing as we do that the important thing is to stop the momentum—the buildup, with its enormous total expense—we have decided to confine our amendment to eliminating the expansion of Safeguard to Whiteman, Mo., and Warren, Wyo.

This amendment would strike only \$322 million from the Safeguard authorization recommended by the Senate Armed Services Committee. It would leave \$1.03 billion. We would specifically authorize the \$35 million item listed by the Department of Defense and the committee under phase II for "added sprints at Grand Forks and Malmstrom" since the opponents of Safeguard have all along contended that additional Sprints were needed at Grand Forks and Malmstrom. But more important than the money saving, in my book, is that through this amendment we offer an opportunity to halt the seeming all-out momentum to install a 12-site—or even a 14-site—Safeguard system, the benefit of which would be negligible and the cost enormous.

DISTRICT OF COLUMBIA PUPILS SCORE BELOW U.S. NORMS IN READING AND MATH

Mr. MONDALE. Mr. President, this morning in the Washington Post there appeared an article by Lawrence Feinberg reporting on the tragic conditions in the District of Columbia schools.

The article cites recent test results released by the District of Columbia school system which indicate that student achievement in reading and mathematics is declining rather than improving or even remaining constant.

This conclusion is based on an analysis of the California testing bureau scores which compare the performance of children in the District of Columbia