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**THE DEPARTMENT OF DEFENSE
PROGRAM
OF RESEARCH, DEVELOPMENT,
TEST AND EVALUATION,
FY1976**

**Oral Statement by
Dr. Malcolm R. Currie**

**Director of Defense
Research and Engineering
before the Armed Services Committee
of the United States House of Representatives
94th Congress, First Session on 21 February 1975**

OVERVIEW STATEMENT: DEFENSE RDT&E

A. INTRODUCTION

Mr. Chairman and Members of the Committee:

I am privileged to appear before this Committee to offer my assistance as you begin your review of the Fiscal Year 1976 budget request for the Defense Research, Development, Test and Evaluation program. The RDT&E program is an aggregate of thousands of individual items, each designed to meet a specific defense need. The proposed program for FY 1976 will cost \$10.2 billion.

In my full presentation for the record, Mr. Chairman, I will explain each item, but I would like now to present a broad perspective which I believe is essential to your consideration of the complex details of the program.

In short: This program is designed explicitly to maintain for our nation now and for the future one of its priceless assets -- the technological initiative.

I will describe what I mean by the technological initiative. I will assert that we have the initiative today, but that it is increasingly perishable in the world environment which we foresee. I will outline a philosophy of research and development management and describe a broad program that I am convinced can maintain this initiative for the years ahead. And I will ask this Committee -- and the full Congress -- to provide the vision, the wisdom and the investment decisions that will forge a secure future for ourselves and our children.

For decades we have based much of our security and economic vitality on technology. Does this dependence on technical leadership still have

validity today? I think it does. In an increasingly competitive, often hostile and rapidly changing world, Americans have no other real choice. Our national well-being must be based on our ability to multiply and enhance the limited natural and human resources we do have -- attributes which technology alone can provide.

Make no mistake about it: Rapid technological change in future decades will be a global fact of life, not a U.S. choice. We can respond with vision, as we traditionally have, and keep the leadership, or we can leave the initiatives to others.

I am urging today the clear articulation of a national policy. We must maintain the broad technological initiative. To do this, Defense-related research and development must be funded, led and managed so that it can continue to make its vital contribution.

The Decision Environment

We cannot foresee exactly the needs of our children to the end of this century. Neither can we afford to fund enough R&D to cover every plausible future contingency. What we can do effectively is deliberately create options through a selective R&D program, thus permitting those who follow us to shape their own destinies based on conditions which will exist in their own times.

Our RDT&E budget is a constrained request -- very much the product of today's difficult fiscal environment and of the disturbing trends in world affairs, including such forces as:

- A strained national economy. The Defense R&D program was deliberately limited by today's fiscal realities, and it may be substantially diminished by inflation beyond the levels projected in our budget calculations.

- Detente. As short-term tensions between the superpowers may be eased, long-range technological and economic competition will persist and intensify.

- An increasingly complex and uncertain world. Events of the last year portend further shifts in the complex interrelationships of a world of changing leadership, power status and access to raw materials.

- The rising costs of Defense manpower, maintenance and operations. Added R&D emphasis is needed to reduce manpower, maintenance and operations costs. These categories have grown to 60 percent of the total Defense budget while "modernization investment" -- the sum of R&D and procurement -- has been squeezed in recent years to about 30 percent. The comparable Soviet investment is estimated at more than 50 percent of the military budget.

- Vladivostok. Because it limits total numbers of weapons and weapon carriers, the accord on strategic nuclear weapons at Vladivostok re-enforces our need for technological progress.

B. TECHNOLOGICAL INITIATIVE AS A NATIONAL GOAL

Right now, we still do have the technological initiative in most areas critical to our security. This is, however, a dynamic balance capable of rapid change.

The technological initiative requires pioneering and aggressive innovation over the spectrum of research, engineering, production and management. Good science is only the first requisite for the technological initiative. The American edge lies in an ability to apply science to the development of devices and techniques for which there is a real need, which are substantial advances over existing applications, which can be produced in quantity, and which can be afforded by the ultimate user -- military or civil.

Traditionally, the United States has excelled in the practical uses of science for several reasons:

- National Style. Modern America evolved from a frontier society. The frontier today lies in science and technology, and Americans remain anxious to reach out and explore. We have a competitive society, and science and technology are highly competitive. Individual initiative is our hallmark. There has evolved a basic confidence that investment in research and development will provide the edge -- and it has.
- Incentives. The American society offers effective incentives for technological excellence. A successful individual receives pay and prestige. A corporation -- the source of most of the technical applications -- earns a profit. The Department of Defense gets a battlefield edge which pays in deterrence, in lives and in security.
- Institutions. This country has evolved institutions for R&D in Government and the private sector which work well. The Defense R&D establishment is closely linked to the civil R&D establishment. So Defense benefits substantially from national R&D that it does not fund, just as the civil sector reaps its bonus from Defense R&D.

The Soviet R&D Approach

I would characterize the Soviet approach to R&D as "conservative incrementalism," a commitment to step improvements of existing equipment. When incrementalism is the dominant development strategy, risks are fewer.

On the civil side, Soviet R&D has, for the most part, been intractable and ineffective. Civil laboratories lack quality control and modern instruments and facilities. Industry often produces shoddy and unwanted

consumer goods. The managerial and technical skills of mass production are scarce. The civil sector receives little bonus from work done in the defense R&D establishment.

In Soviet military R&D, no such difficulties exist. Defense enjoys high priorities for instruments and facilities; success is rewarded in a most unsocialistic way -- with money and privileges. Funding, judging from the scale and breadth of military R&D, is not a problem. Massive application of resources has made up for any lack of efficiency.

The weapons produced are the real test of the effectiveness of the Soviet approach to defense R&D. I have examined some Soviet deployed systems and they are good by our standards.

In Chapter II of the detailed Statement I have provided a more complete assessment of Soviet military technology as compared to ours.

I do not doubt that the Soviet Union -- if uncontested -- can in time gain the broad technological initiative but only if we decide, whether by conscious national intent or by default, to slacken our efforts.

I believe that the American approach to Defense R&D is superior to Soviet incrementalism. It has provided us -- so far -- with the broad technological initiative.

C. A CONCEPTUAL AND MANAGEMENT FRAMEWORK FOR DEFENSE R&D

I would like to describe briefly the concepts which underlie our planning and management of Defense RDT&E. These concepts can provide a framework in which to understand the overall Defense R&D program.

Defense R&D programs fall essentially into two groups having different objectives:

Group One: Creation and demonstration of options which may be useful for future military capabilities.

Group Two: Full scale system development for potential deployment.

Group One includes the thousands of projects in the "technology base" plus programs for creation and demonstration of subsystem and system options. In this group (generally comprised of Budget Categories 6.1 - 6.3) we fund work in the sciences and the development of new techniques and devices which could form the basis for future weapons. We foster feasibility demonstrations, and competitive approaches to military problems. We also build prototypes for proving out new technology -- whether in electronics, propulsion, materials, aerodynamics, guidance or elsewhere. I strongly endorse hardware rather than paper competition wherever possible.

Group One programs are often risky but they reduce risk. They are highly leveraged because the potential return from success is so large compared to the investment. They make innovative use of technology to reduce costs and make more efficient use of manpower.

Group Two programs embrace generally the R&D budget category 6.4. They are characterized by the terms "full scale system development" or "engineering development." In Group Two we build full-scale engineering models suitable for the combat environment and for test and evaluation by the military men who will use them. Each program usually involves much greater cost than the programs in Group One. This cost accrues because of the extremely detailed engineering documentation and testing that a system must have in preparation for possible production and deployment.

We draw a sharp management line between Group One and Group Two programs. It is at this point of transition that a crucial commitment begins. We need to be particularly demanding and thorough in our review of programs at this decision point. We ask hard questions on cost-effectiveness, alternative solutions, life-cycle costs, adequacy of the test program, schedule and cost. The decision to put a program into Group Two is made by the highest officials in the Department of Defense meeting as the Defense Systems Acquisition Review Council (DSARC). Seventy-nine major programs are under this DSARC management review process, and 66 lesser programs are similarly approved through Program Memoranda.

Of these two broad categories of R&D programs, Group One represents a FY 76 investment of roughly 4 billion dollars, supporting literally thousands of individual projects. Group Two, with only a few hundred programs, represents an investment of about 6 billion dollars.

I invite the Congress to review the Defense RDT&E program from this two-group perspective so that we can better address together the details of the many projects and their contribution to our defense objectives.

Additional Comments on Management

The success of this approach to R&D -- creating many options and then selecting only a few for full development -- depends upon rigorous management discipline. I believe that we have both the management tools and strength to make this approach work.

In last year's testimony I discussed a set of management initiatives which have now become an intrinsic part of the R&D management process.

These management initiatives included: planning by mission area, measurement of potential Return on Investment, nurturing competition at early stages of development, adopting Design-to-Cost goals, doing test and evaluation early and rigorously, and emphasizing improved program management. We are working hard to make these thrusts work and I believe they are proving effective. The Service Assistant Secretaries for R&D and I have published -- and distributed widely -- a Statement of Principles of Defense RDT&E Management which contains these initiatives. The Statement is attached as an Appendix to my detailed Statement and I invite your attention to it. It is a brief of my philosophy, embodying the whole approach I have been discussing.

But we are doing more. During the past year I have initiated -- with the cooperation of the Services -- a number of specific activities aimed at eliminating duplication and proliferation.

Formation of the Intelligence R&D Council has also contributed to the effective coordination of programs across both the Services and the intelligence community.

D. MAJOR R&D PROGRAM EMPHASIS

With this conceptual and management framework as background, I would like now to describe some major thrusts which shaped this RDT&E request in the broad areas of strategic forces, general purpose forces and the technology base.

1. Strategic Programs

Our research and development programs for strategic systems continue to be guided by the fundamental objective of strategic forces, the deterrence of war. We want always to provide visible evidence to any would-be attacker

that losses to him will far outweigh any possible gain, and we must preserve our capability despite adversary improvements, political change, and technological advancement.

There has been speculation that the Department of Defense would accelerate programs and increase spending as a result of the Vladivostok ceilings. Such is not the case. We have actually reduced strategic research and development programs from the previously planned funding levels for FY 1976 and 76T.

Of about \$2.5 billion requested for research and development in this area for FY 1976, about 60 percent is concentrated in two full-scale system development programs -- TRIDENT and B-1. The remaining 40 percent of our efforts is focused in technology options to permit us to project equivalence -- both actual and perceived -- in the face of a Soviet throwweight advantage.

Offensive Systems

Our offensive forces in being constitute the central ingredient of deterrence and assure us that the risk of nuclear war today is at a low level. Deterrence for the future requires a broad spectrum of technology options both to provide new systems, if they are required, and also to signal any adversary that we have the resolve and ability to foreclose possible opportunities to change the military balance in his favor.

Last year, with the concurrence of Congress, we embarked on a program of "strategic R&D initiatives" to provide these options for the future. Today, the need to continue these initiatives remains evident. We will emphasize improved yield and accuracy for our ballistic missile forces, within the letter and spirit of the Vladivostok agreement. As the Secretary of Defense has pointed out, we should continue with our accuracy improvement programs,

and improve the yield-to-weight ratio of our warheads to acquire a more efficient hard-target kill capability or to improve our overall effectiveness against soft, point targets. This effort is pivotal to the maintenance of parity with the growing strategic offensive capabilities of the Soviet Union.

In other efforts aimed at providing strategic options, an advanced ICBM program (Missile-X) will develop technologies applicable to a possible follow-on to Minuteman having greater throwweight and adaptable to a variety of basing modes. We will continue the development of a cruise missile through coordinated Navy and Air Force programs.

FY 1976 represents the peak R&D funding year for TRIDENT and B-1. The TRIDENT system, consisting of a new, much quieter submarine and a long range missile will be the backbone of our future seabased deterrent forces. The TRIDENT I missile, capable of backfitting into Poseidon submarines, will give us a range approaching that of the Soviet SS-N-8. The system can also accommodate a larger and longer-range TRIDENT II missile now in the planning stage.

The B-1, because of its high cost and past technical problems has been a controversial program. We have subjected the B-1 to several rigorous cost-effectiveness studies. Our most recent such effort was the Joint Strategic Bomber Study -- a year-long analysis conducted under my jurisdiction and completed last fall. I believe this study places the B-1 in proper perspective. By comparing B-1 forces against a set of alternative equal-cost forces, including re-engined B-52's, stretched FB-111's, and wide-bodied stand-off cruise missile carriers, the study provides total-engagement cost-effectiveness analyses and insights.

The study shows that the cost-effectiveness of the B-1 is dependent on the level of the Soviet threat. If that threat evolves in the late 1980's as currently projected, the capabilities designed into the B-1 for survival in an SLBM attack on bomber bases and for penetration against sophisticated air defenses make it cost-effective. At current threat levels -- and levels projected at least through the early 1980's -- the B-52's, with improvements, are adequate.

I conclude that the B-1 -- as costly as it appears -- should be continued in development and in an extensive program of test and evaluation, thereby maintaining an option for a future production decision based on demonstrated performance and updated threat assessment.

Defensive Systems

There are no systems development programs underway for defensive systems. All the effort here is in advanced technology development. The preponderance of funding is devoted to Ballistic Missile Defense. BMD is at the same level as FY 1975 (\$245M) and about \$100 million below FY 1974. We have restructured the Site Defense program as requested by the Congress and revitalized our BMD technology program to enhance deterrence, and to preserve the technological initiative in BMD.

Strategic Command, Control and Communications

We must have a command and control capability that can survive massive nuclear attack and still respond to the National Command Authorities. This objective has the highest priority in the Department of Defense. We are stressing, in addition to improvements in the existing communications

network, the continued development and deployment of the Air Force Satellite Communications Systems (AFSATCOM), the Advanced Airborne Command Post (AABNCP) aircraft, and the SANGUINE extremely low frequency radio relay site.

Space Systems

Space systems are playing an increasingly important role by providing us with highly reliable and relatively inexpensive world-wide surveillance, communications, meteorology, geodesy, and navigation. We will continue to emphasize research and development to improve these capabilities. In some areas, space systems are in fact so much cheaper and so much more effective than surface-based systems that we are phasing out our ground-based back-up systems. Of special significance is the NAVSTAR Global Positioning System development which I believe has the potential for revolutionizing strategic and tactical warfare.

2. Programs for General Purpose Forces

Last year I stated that the technology of conventional warfare is undergoing a transformation. We are on the threshold of a new era in which evolving new capabilities will profoundly influence the nature of such wars and the way they are deterred.

The United States holds the initiative in such potentially revolutionary areas as first-shot target destruction with precision guided ordnance, stand-off control of battlefield weapons, powerful new forms of surveillance, command and control, night vision and remotely piloted vehicles.

The research and development program for our general purpose forces is designed to build on these advances and to bring them to full fruition. At

\$3.6 billion, this program is the largest in our overall RDT&E request. I believe that this high level of investment is necessary. No single development is likely to dominate the battlefields of the foreseeable future. We will require an intricate orchestration of many of the emerging new developments.

Each tactical warfare R&D program has been reviewed rigorously. The scrubbed program of R&D for our general purpose forces is described in Chapter VI of the written statement. I will here highlight only major objectives in several areas.

Ground Forces

Ground warfare in the future will be characterized by highly mobile and densely deployed armor and air defenses. Concentration of firepower will reach new levels of intensity. Electronic warfare will be robust and sophisticated. Precision weapons and new techniques for target acquisition and control of firepower will change the way the battle is fought.

The new main battle tank (XM-1) will demonstrate in 1976 whether it can achieve a new magnitude of effectiveness within its stringent cost objectives. Meanwhile, the M60 series will continue to be improved. Similarly, existing attack helicopters will be improved and modified for TOW while the Advanced Attack Helicopter (AAH) demonstrates in competitive prototypes whether it can achieve its goals in cost and performance. Development of the potent A-10 attack aircraft is virtually complete.

Night vision based on infra-red thermal imaging is being developed for a variety of systems. Much work remains to produce this capability at reasonable cost but I foresee the day when it will be ubiquitous on the battlefield and will change warfare.

The feasibility of a variety of precision weapons is being established by prototype efforts. Mini-RPV's and laser-controlled artillery shells will institute radically new capabilities for location of targets and guidance of weapons.

Our present air defense systems lack the mobility, firepower and all-weather capability needed in the European environment. The choice of the ROLAND II short-range air defense system for final development will alleviate this deficiency and will help achieve NATO standardization through a new kind of cooperative effort with our allies. For the future, SAM-D technology still remains for eventual replacement of HAWK and Nike Hercules. But it will be carried forward only as rigorous tests are successful and as costs can be controlled.

Finally, I request support for continuation and enhancement of the efforts we initiated last year on comprehensive improvement of our electronic warfare capability in the field Army.

Tactical Air Forces

Our overall investment in tactical air is very large, both in terms of initial acquisition and in terms of operational costs. In both areas we must use limited dollars more efficiently while maintaining superiority in capability.

One major thrust towards this end is the F-16 Air Combat Fighter which has evolved from the competitive lightweight fighter prototype. A departure from the trend towards heavier and increasingly costly and complex fighters, it is an opportunity to strengthen our overall force structure within

affordable bounds. But the success of this program has yet to be demonstrated -- it will rest on our collective management determination to control cost. Whether the Navy can effectively build on a similar opportunity remains to be seen.

A second major thrust is to be more effective in our use of existing aircraft. More efficient command and control can achieve this. A system such as AWACS, although expensive in itself, can be cost-effective because it enhances the effectiveness of billions of dollars of assets.

Precision delivery of air-to-ground weapons through terminal guidance is a third major area of emphasis. We now have a remarkably effective inventory -- such as WALLEYE, MAVERICK, CONDOR, and laser-guided weapons. These are being expanded to provide all-weather and night-time precision delivery at extended ranges.

Because of the proliferation and sophistication of ground-based air defense, defense suppression is receiving continued emphasis; it will be the key to effective use of tactical air over enemy territory. We are initiating programs for improved anti-radiation missiles, precision location and strike systems, advanced airborne electronic warfare, and remotely piloted vehicles (RPV's).

Naval Forces

Despite a severe challenge by aggressive Soviet naval developments, our tactical naval forces must be able to maintain our sea lines of communication, project power across oceans and provide presence in support of U.S. interests and policy throughout the world.

To counter the increasing Soviet attack submarine threat, we are enhancing our ability to detect, localize and attack submarines. New concepts for towed array and deployable surveillance systems are in development. Complementary ship-based and airborne ASW systems are moving forward. ARPA has initiated Project SEAGUARD to focus scientific exploration of longer-range concepts in undersea surveillance.

Ship defense against Soviet anti-ship missiles has been and is a thorny problem. For overall fleet defense against intense attacks we need a system such as AEGIS. For self-defense of individual ships we require significantly better missile and gun systems. And we must do better at integrating these systems in ship platforms.

For offensive capabilities, the HARPOON anti-ship missile has almost completed development and will give the fleet a powerful new punch. Our nuclear attack submarines provide a formidable offensive capability. Newer ship types, such as the Patrol Hydrofoil Missile Ship, powerfully armed with HARPOON, have higher speeds, tactical flexibility and relatively low cost.

3. Technology Base Program

Our technological initiative rests ultimately on the basic and exploratory research which make up our defense-related technology base. It gives rise to the fundamental new opportunities which have been the hallmark of our past leadership -- achievements such as jet engines, lasers, precision weapons, satellites, billion-bit-per-second computers and communications systems.

I have been seriously concerned over the erosion of our technology base. Real effort has decreased 40 percent over the last decade. Many members of Congress have shared my concern and recognize its debilitating implications for the future.

In last year's testimony I stated that I would defer a request for a substantial increase in technology base funding until I strengthened the framework in which such an increase would be used. I am now satisfied that our technology base efforts are organized properly, are managed well, and have renewed and cohesive direction.

We have completed a year-long DoD Laboratory Utilization Study which has better defined the role of in-house laboratories. This study also confirmed my concern -- shared by many -- that the ratio of in-house to contract research was too high in the Defense Department. We have established a broad action plan, including draw-down of laboratories' manpower, for redressing this balance.

I am convinced that now is the time to act. I am asking for an increase in real funding for the technology base effort. These increases are to be accomplished without increases in the RDT&E performed by in-house organizations.

E. FY 1976 RDT&E REQUEST IN SUMMARY

My detailed statement submitted for the record summarizes the RDT&E request, breaking it down in several different ways, and discusses the programs in detail. Also, Service spokesmen will testify in further detail about their programs.

The FY 1975 funding is \$8,616 million. In the FY 1976 request for \$10,236 million, I would note that \$200 million is comprised of items

formerly appearing in other accounts but moved to RDT&E in accordance with Congressional direction and that something between \$700 million and \$1000 million is accounted for by inflation. The resulting increase in real effort of \$400-800 million is requested specifically to reverse the trend of the last decade and build for the future as I have discussed.

F. CONCLUDING REMARKS

Mr. Chairman, on the eve of our Bicentennial Year, we as a nation face difficult decisions in building for ourselves an enduring future. In a changing and uncertain world we must have the perception and resolve to build on our strengths. One of those strengths is our technological initiative.

But the technological competition is very real. Both friendly and adversary nations -- particularly the Soviet Union -- are competing. The Soviets seek to wrest the initiative from us. The stakes in this competition are high. In the long run they involve national survival.

I have stated my belief that the U.S. has the initiative now -- we lead in most areas of technology. I believe that maintaining that lead should be an essential element of our national policy. We must be prepared to invest accordingly.

The choices to be made are difficult ones. Social demands are pressing and are growing. The outlays for our military manpower dominate the Defense Budget. It is always tempting to fulfill near-term needs at the expense of the future. And research and development is our investment in the future.

Whatever these choices are, they should be made consciously by us as a nation.

I am confident that we will choose well.



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FY 1976 DEPARTMENT OF DEFENSE BUDGET

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The Department of Defense budget for FY 1976 reflects the resolve of the President to maintain the Defense structure in such a posture that the United States can fulfill its objectives of peace, mutual security, and international stability. The role that the United States plays in the world requires that we, along with our Allies, maintain military equilibrium through effective balancing of strategic and conventional forces with potential adversaries.

In terms of real purchasing power, the Defense budget has declined sharply in recent years. Substantial reductions have been made both in terms of manpower and force structure. By most measures of comparison, the Defense establishment has been reduced below pre-Vietnam levels. Administration initiatives to maintain military readiness within lower funding levels have been complicated by large Congressional reductions in budget requests and, even more significantly, by the impact of inflation.

The FY 1976 budget represents a conscious effort on the part of the President to reverse the erosion of DoD purchasing power. Although it is still well below the real-term FY 1976 levels projected in last year's President's budget, it does reflect program growth from the significantly depressed FY 1975 funding level.

FY 1975 supplemental and amended requests are included in the Defense totals for additional assistance to the Governments of South Vietnam and Cambodia. This involves \$300 million for Defense assistance to South Vietnam and \$222 million in military assistance for Cambodia. Since December, North Vietnam has escalated its military attacks against South Vietnam. In Cambodia, too, Communist forces have pressed new assaults. The Administration, in these situations, feels an obligation to provide the material support necessary to South Vietnam and Cambodia to permit them to defend themselves adequately.

(MORE)

D E P A R T M E N T O F T H E A I R F O R C E

PRESENTATION TO THE COMMITTEE ON ARMED SERVICES

UNITED STATES HOUSE OF REPRESENTATIVES

24 FEBRUARY 1975

SUBJECT: FY 1976 POSTURE STATEMENT

**STATEMENT OF: GENERAL DAVID C. JONES
 CHIEF OF STAFF
 United States Air Force**

**NOT FOR PUBLICATION UNTIL
RELEASED BY THE COMMITTEE
ON ARMED SERVICES, UNITED
STATES HOUSE OF REPRESENTATIVES**

BIOGRAPHICAL SKETCH

GENERAL DAVID C. JONES

General David C. Jones was appointed Chief of Staff of the United States Air Force on July 1, 1974.

General Jones began his military career in April 1942 when he enlisted in the U.S. Army Air Corps and, in February 1943, received his commission and pilot wings. His early service included duties as a flying instructor with both active and reserve forces and as a rescue pilot in post-war Japan.

He has served in operations and command positions at squadron, wing, and headquarters level with the Strategic Air Command (SAC) and Tactical Air Command (TAC); held staff positions at Headquarters USAF, and commanded the Second (now Eighth) Air Force (SAC).

In combat General Jones was assigned to a bombardment squadron during the Korean War and accumulated over 300 hours on missions over North Korea. In 1969, he served in the Republic of Vietnam as Deputy Commander for Operations and then Vice Commander of Seventh Air Force.

In Europe, he served with the United States Air Forces in Europe (USAFE) from 1965 to 1969 successively as Inspector General, Chief of Staff, and Deputy Chief of Staff for Plans and Operations. After a two year absence, he returned to Europe as Vice Commander and then Commander in Chief of USAFE. Concurrent with his duty as Commander in Chief, General Jones also commanded the Fourth Allied Tactical Air Force.

General Jones was born in Aberdeen, South Dakota, on July 9, 1921. He graduated from high school in Minot, North Dakota, in 1939 and attended the University of North Dakota, and Minot State College. He is a graduate of the National War College and was awarded an honorary doctor of humane letters degree from the University of Nebraska at Omaha, in 1974.

CONTENTS

<u>PART</u>		<u>PAGE</u>
I	Introduction.	1
II	Management Initiatives	3
III	The Strategic Balance	12
IV	Regional Perspectives and General Purpose Forces.	26
V	The Total Force	37
VI	People	40
VII	Concluding Remarks	41

STATEMENT OF: GENERAL DAVID C. JONES
CHIEF OF STAFF, UNITED STATES AIR FORCE

BEFORE THE COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

I INTRODUCTION

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

It is a great privilege for me to join the Secretary of the Air Force in presenting the FY 1976 Air Force Posture Statement. As you know, I have served as Chief of Staff of the Air Force for less than a year and this is my first opportunity to testify before this distinguished Committee on the full range of key issues which affect the Air Force's contribution to national and international security. I welcome this opportunity because I believe it is vitally important that the members of Congress have the fullest possible access to the professional military judgments pertaining to U.S. security interests and capabilities.

Therefore, my statement today will feature neither "handwringing" nor "saber rattling." Moreover, I will not presume to deliver an abstract presentation on foreign

or defense policy. None of these approaches appears appropriate and there is a much more positive and meaningful message for me to convey on this occasion, namely, the status of Air Force peacetime management and wartime combat capability, each in the context of our perception of the threat. I believe you will find the message encouraging, but not without some solemn concerns in the light of external and internal problems which the country faces.

The members of this Committee are well aware of the rapid expansion of Soviet military strength which proceeds despite an era of detente and negotiations on the control of arms. At the same time, we are witnessing an array of international economic and political crises, increasing interdependence, and growing worldwide demand for resources. Domestically, we are in the midst of a stubborn recession coupled with serious inflation which has greatly eroded the purchasing power of the dollar. Obviously, a statement on the Air Force posture would be meaningless in isolation of these world conditions. Our framework must also include the nation's commitments both at home and abroad, the contribution of other United States military forces and those of our allies, the expressed intent of the Congress, and guidance from the President and the Secretary of Defense. This statement presents my judgment of these factors as they impact upon the level and cost of Air Force programs.

II MANAGEMENT INITIATIVES

Of the problems mentioned above, it would be a difficult and complex judgment to select any one as the most serious. However, from the standpoint of "clear and present danger" to U.S. vitality, it seems obvious that the problems of our domestic economy must be high on the list. In the context of today's discussions, I would judge that the impact of inflation on defense buying power represents a greater and more immediate threat to our military capability than any other single factor. For example, the proposed Air Force budget for FY 1976 is 5.9 billion dollars larger than the one for FY 1967, yet this "larger" budget represents 38 percent less purchasing power than we had ten years ago.

Although current rates of inflation are at record peaks, the basic problems of rising costs and reduced buying power have, of course, been with us for some time. The Air Force has long recognized that, if we were to continue the modernization necessary to support the American position of Free World leadership, a substantial part of the necessary resources would have to come from internal efficiencies and economy measures. For a number of years, we have been undergoing a continuous process of belt-tightening, motivated partly by the need to fund some of our modernization out of our own hide and partly by our obligation to perform our mission as efficiently and economically as possible.

I would like to summarize some of the more significant of these past and present initiatives, Mr. Chairman, for two important reasons. First, we have taken these actions in measured and prudent stages over the years, without a great deal of publicity or fanfare. Consequently, their aggregate impact may not be recognized in full by all the members of this Committee. More important, though, the Air Force is accountable to Congress for the efficient management of resources appropriated for us and I believe this Committee is interested in assessing our "track record" in this regard.

From a resource standpoint, people are not only our most important asset but also our most expensive. Well over one-third of our budget (38 percent) is devoted to personnel costs alone. Therefore, our most significant savings have come from manpower reductions, which we have been able to accommodate (while enhancing our overall combat capability) largely by capitalizing on qualitative technological improvements, developing a more streamlined organizational structure, and cutting deeply into the "softer" areas of headquarters, support, and other "overhead" personnel. Strength reductions in recent years have been significant.

The FY 1976 force, when compared to the 1968 peak, reflects a decline of 315,000 military and 87,000 civilian personnel, an overall reduction of 32 percent. But the

total percentage drawdown does not tell the complete story. It is generally recognized, when a large organization makes reductions of this magnitude, especially when the reductions come incrementally over a period of years, that reductions in overhead usually lag appreciably behind. Yet during this same eight year period, we will have reduced headquarters strength by over 50 percent, partly by direct cuts and partly by eliminating some headquarters altogether and absorbing their functions in other organizations. While a large share of these headquarters and other support reductions were pure savings, many of the manpower authorizations were "plowed back" into operational units to increase our combat capability.

We have been able to make reductions of the magnitude I have described through a combination of reorganizing, streamlining, and modernizing our management techniques. A few recent examples will illustrate how we have applied this combination.

In Europe, the focus has been on improving the efficiency and combat capability of our NATO-committed forces, while realizing significant economies through improved management techniques and reorganizations. First, peacetime organizational structures were reduced and recast to put them more on a wartime footing. Second, the USAF peacetime headquarters was collocated with the NATO headquarters that would actually command the force in wartime. Third, headquarters

were moved out of cities and onto operational bases to improve operational effectiveness.

I believe it is significant that the U.S. Air Force headquarters and associated support manpower in Europe have been reduced by over 50 percent since 1968, while the total number of air units in Europe remained essentially level. The personnel resources released by these reductions have been reinvested to provide significant improvements in combat capability. For example, a one-for-one transition from F-100s to F-4s and F-111s in Europe substantially increased our combat capability, but also required additional maintenance personnel per aircraft. Manpower savings from headquarters reductions permitted these positions to be filled with no increase in overall personnel totals, while grade levels and personnel costs actually decreased. We are continuing with actions to streamline our management system.

The Tactical Air Command (TAC) has historically been the doctrinal "parent" of our tactical air forces, in the sense that among other responsibilities, TAC is the principal point of contact and coordination with the Army's Training and Doctrine Command, develops and tests combat tactics, trains all our tactical aircrews, and has operational control over the majority of the U.S. based tactical air forces. We propose to move toward broadening TAC's

direct role in tactical airpower worldwide by extending its responsibilities to our tactical Air Force units in the Western Pacific. Naturally, command in combat will continue to reside with CINCPAC, the overall joint theater commander. However, we plan to have TAC assume the majority of the Air Force management and support functions, conducted through the senior Air Force commanders in the Pacific.

Besides strengthening the linkage between the Pacific theater air forces and the Tactical Air Command, this application of the single manager concept will enable us to make still further savings in manpower and dollars. Our current plans are to disestablish Headquarters, Pacific Air Forces (PACAF), based in Hawaii. Phasing out PACAF, traditionally one of our larger and more expensive-to-support major command headquarters, will free approximately 2000 headquarters and support personnel for reallocation or reduction, and will save some \$32 million annually.

Still other organizations were involved in our consolidation initiatives. In seeking fruitful areas for further savings, we recognized that two of our Major Commands -- MAC and the Air Force Communications Service (AFCS)--had certain key characteristics in common despite their different primary missions. For example, both operate worldwide, frequently at deployed locations with small detachments. Each is a

"service" command for customers in the Defense Department and other agencies. Each headquarters devoted much of its attention to caring for and managing the activities of people at distant bases who frequently worked side by side, separated only by differing command lines. Therefore we decided to merge the AFCS field and headquarters functions with MAC and phase out Headquarters, AFCS, as a separate major command. Besides the reductions of over 750 military and 150 civilian positions, we are confident that the airlift and communications missions will be enhanced through the worldwide integration and central direction of these important functions.

An even more dramatic application of this single manager concept within MAC pertains to the prime mission, the airlift business. You are familiar with our three classic categories of airlift; strategic, tactical, and support. In supporting a national strategy whose implications call for a capability for rapid movement of men and/or supplies quickly over long distances, we are doing everything possible to enhance strategic airlift. We have trained our C-5 crews in air refueling to reduce dependence on enroute bases; we want to stretch the C-141 to increase total capacity at far less cost than by buying more C-141s; and we propose to improve our total oversize cargo capacity through modification of some commercial wide-body jets.

I mentioned tactical airlift earlier, but as we have modernized our aircraft over the years, we have realized that the line between tactical and strategic airlift has blurred appreciably. For example, our C-130s have a strategic capability and can be used in this role (as, indeed, they have been in the past). Similarly, our C-5s and our C-141s have a tactical capability. Therefore, we are transferring all tactical airlift aircraft to MAC -- except, of course, for those in the Reserve forces, which will come under MAC's operational control if called up. The result will be one command responsible for both strategic and tactical airlift roles and for management of resources between them.

MAC's charter has been broadened still further by also picking up responsibility for the third category of airlift I mentioned, support. The aircraft involved -- C-118s, C-131s, T-29s, T-39s, C-97s, etc. -- have some cargo capability, but their main role has been to transport personnel. We have never had them assigned to individuals, but they have been assigned in "ones and twos" to bases around the country for administrative support and proficiency flying. This arrangement obviously decentralized the scheduling and control and, since many of them are of World War II vintage technology, they have proven increasingly expensive to maintain.

Consequently, we are taking two related actions. First, we are phasing out over 400 of these aircraft, primarily the older reciprocating engine types. Second, we are assigning the remainder to the Military Airlift Command, which will operate and maintain them at a small number of centralized bases. If individuals or groups have travel requirements, they will apply for transportation under MAC-standardized rules. This streamlining will release over 6,000 manpower spaces for increased combat capability, and reduce fuel consumption by roughly 150,000 gallons per day. Naturally, this will result in some increased use of commercial transportation which will require a slight increase in travel funds, but even allowing for offsetting increases, this realignment will avoid costs approaching \$100 million per year.

The fuel savings I consider especially important, and we are attacking the problem of energy conservation on a broad front. We are flying half the number of hours today that we did in 1968. In terms of fuel consumption associated with that flying, we are consuming less than half the fuel that we consumed in 1968, yet our total fuel bill is twice as high. Looking at it another way, in comparison to FY 1973, we plan to purchase 28 percent less fuel in FY 1976, a significant measure supporting the national effort to reduce energy consumption. However, this reduced quantity of fuel will cost over a billion dollars more in FY

1976 than the larger amount consumed in 1973. This enormous increase provides additional incentive for reducing fuel consumption to the absolute minimum consistent with maintaining capability and readiness.

We are looking to savings in other areas as well. Life Cycle Costing techniques examine ownership cost along with procurement cost in making acquisition decisions. This factor weighed heavily in our recent selection of the F-16 Air Combat Fighter. We are pursuing a number of fuel and cost saving innovations in training and instructional technology. For example, we plan to invest significantly in flight simulators over the next few years. Although there is, naturally, an irreducible minimum of actual flying training to be accomplished, over the next decade simulators will allow us to train aircrews faster, more safely, more cheaply, and by the mid-1980s, with nearly 10 million fewer barrels of jet fuel burned every year.

To return to the present, though, our FY 1976 budget request reflects a savings of about 2900 personnel from Air Force management headquarters alone and an additional 8500 spaces will be saved from the combined initiatives I mentioned above and other economies. These actions, along with many other manpower realignments, consolidations, and force adjustments, have made it possible to reduce total manpower requirements in the FY 1976 budget by more than 31,000

below the FY 1975 budget appropriation, while maintaining our combat capability.

From what I have said so far, it must be abundantly clear that I am proud of the record of innovation, resource judgment, and tight management the Air Force has established, and I am determined to sustain and, if possible, accelerate that momentum. We think we have done a serious job of belt tightening in order to maintain the level of modernization needed to keep us on top, and I am grateful to the members of this Committee, and to your predecessors, for the invaluable support you have rendered over the years. It is for that reason, Mr. Chairman, that I wanted to take this opportunity to reinforce the confidence of the members of this Committee that the Air Force's primary interest is to provide the nation the best defense for the dollars appropriated to us. We have made our mistakes, but we try to minimize them, learn from them, and avoid repeating them.

We realize that the economic and military stakes are too high to permit margin for much error. For, if the present economic straits of our country are the most immediate domestic threat to our national security, there are equally perilous forces abroad which also must engage our attention and influence our defense decisions.

III THE STRATEGIC BALANCE

Strategic nuclear deterrence continues to be paramount

TRIAD of land-based ICBMs, long range bombers, and SLBMs best meets these requirements in light of current strategic tasks and presently perceived threats. It is, of course, impossible to predict with precision what particular combination of systems and capabilities will be required in the future, as present trends develop, new technologies emerge, or new forces come into being. The only certainty is that deterrence will take on broader dimensions.

Hopefully, progress in SALT and other arms limitation negotiations will serve to limit the deterrent burden. In this respect, we can hope that future negotiations will lead to mutual reductions which result in a stable strategic balance at equal, but significantly lower, aggregate levels. However, equal aggregate numerical limits alone, although a necessary first step which I fully endorse, are not sufficient to ensure equivalence between United States and Soviet strategic forces. Other vital indices of effectiveness, such as throw weight, accuracy, and yield, must be taken into account in measuring relative capabilities. Hence, while completely symmetrical forces are not required, not all asymmetries should favor the other side in the balance. Some balancing of capabilities is necessary to offset the potential represented by the large throw weight of Soviet missiles. Consequently, it is essential that we continue with the Advanced ICBM Research and Development program and

among the responsibilities charged to the United States Air Force. As noted by Secretary Schlesinger, "Without a firm foundation of nuclear deterrent forces the rest of our power would not count for much in the modern world."

As a member of the Joint Chiefs of Staff, I fully appreciate that this responsibility is shared with the other Services, and particularly with the Navy whose submarine launched ballistic missiles (SLBMs) form an essential element of the Nation's strategic power.

The criteria for structuring strategic forces derive directly from national policy and are transmitted to the Military Departments by the Secretary of Defense. This guidance prescribes that strategic forces must retain an assured retaliatory capability in the event of a massive surprise attack; provide for a wide range of options appropriate to differing levels of provocation and to control escalation; promote crisis stability and stability with respect to arms levels; and ensure essential equivalence in the indicators of strategic power and the capability to implement and maintain a full range of alert and survivability postures that are responsive to political circumstances. Providing forces which satisfy these exacting standards presents an unparalleled challenge.

The fundamental conclusion which emerges from our constant re-evaluation of strategic posture is that the

the Air Launched Cruise Missile program in order to preserve our options for achieving increased throw weight capability and alternative basing and penetration modes.

For the foreseeable future, the mutually supporting elements of the TRIAD provide an essential hedge against uncertainty. A key aspect of the TRIAD is that it provides the flexibility essential for selective, measured options in response to aggression below the level of general nuclear war. These options are required to deter serious intimidation, coercion, overwhelming conventional aggression, or a limited nuclear attack against our deployed forces or those of our Allies. We are presently taking a number of actions to improve this flexibility, to include the development of highly discriminate targeting packages; improvements in command, control, and communications; and improvements to the MINUTEMAN force such as Command Data Buffer. Let me stress that these efforts simply refine the capabilities which our strategic forces have always had. These improvements promote stability by reassuring our allies and by signalling to potential adversaries that our response will always be commensurate with the provocation.

Beyond the immediate task of maintaining options for flexible and discriminate response lies the more difficult problem of developing forces which will keep those options viable in the uncertain strategic nuclear environment of the

future. Two factors weigh heavily in our force planning. The first is that despite the associated costs, present and prospective limitations on strategic nuclear arms place a premium on maximizing effectiveness through technology, thereby helping to ensure that deterrence can be maintained. The second is the scope and vigor of the strategic programs of the Soviet Union, the most important nuclear power confronting the United States.

Taking into account, therefore, the prospect of future arms limitations, our assessment of prospective Soviet capability, the strategy which our forces must support with respect to that capability, and tradeoffs among the size, readiness, and modernization of our forces, I am convinced that our strategic programs are moving in the proper direction.

Of these programs, the most urgent is the continued development of the B-1 bomber. I recognize the controversy surrounding this program, so I believe it is appropriate to take this opportunity to enunciate the Air Force rationale in supporting the B-1. To appreciate the need for the B-1 -- indeed for any manned bomber -- one must begin with the conceptual premises implicit in our TRIAD strategy.

The cornerstone of this strategy is credible deterrence, guaranteed by maintaining an assured "second strike" capability which would render a successful Soviet surprise

attack impossible. The complementary characteristics of our strategic systems, particularly the bomber/ICBM interaction, deny the Soviets any option for a successful knock out blow against our land-based forces. An apparent enemy ICBM launch would be detected in time to launch the bomber alert force under positive control well before any possible impact on our bomber bases. Moreover, substantial numbers of our hardened ICBMs would survive even a large scale attack. Somewhat less warning time would be available in case of a submarine launched ballistic missile (SLBM) attack, but our bomber alert posture would still deny the Soviets the assurance that the bomber threat could be neutralized. More important, our ICBM force is even less vulnerable to the Soviet's comparatively less accurate SLBMs than to their ICBMs.

Finally, if the Soviets were to contemplate a simultaneous ICBM/SLBM attack, these same considerations would combine to cancel the element of surprise and insure our second strike capability. For example, a simultaneous launch of hostile ICBMs and SLBMs would be ineffective because earlier nuclear impacts from the shorter flight-time SLBMs would provide unambiguous proof of an attack, allowing retaliatory launch of our land-based missiles and surviving bombers. On the other hand, timing an attack for simultaneous arrival of hostile ICBM and SLBM warheads would be

equally flawed because the longer flight-time ICBMs would have to be launched first. Here again, the warning provided by our launch detection systems would allow ample time for the National Command Authorities to direct appropriate actions. Moreover, our own SLBM force, the third essential leg of the TRIAD, would always remain a further complication for an enemy bent on a first strike.

Complications of a different sort, but equally intractable, are created for a potential attacker by introducing the penetrating bomber into his problem of air defense. The prospect of coping with manned bombers, penetrating on a variety of unpredictable routes toward multiple targets, in a degraded and confused air defense environment, with human intelligence brought to bear over enemy territory, poses extreme difficulties for an enemy planner.

Equally significant is the impact of the bomber threat on military spending of a potential opponent. As observed by Secretary Schlesinger on occasion of the roll-out of the B-1 development aircraft, "The Soviet Union will continuously be faced with the choice of allowing a free ride for bombers. . . . Otherwise it must face up to the continuation of very substantial expenditures on air defense. . . . Air Defense is that aspect of the Soviet military posture that this country finds least disquieting and least threatening." Over the past decade Soviet air defense expenditures have

exceeded those of the U.S. many times over, and the current disparity, on the order of \$5 billion annually, is likely to continue. No one can maintain with absolute assurance that, if the U.S. reduced or eliminated the manned bomber leg of the TRIAD, the Soviets would divert these resources to other capabilities or to the civilian sector of their economy, as the U.S. has done. But the essential points are two, as I see them. First, a continued credible U.S. bomber capability, together with a strong Soviet predilection for massive air defenses, "freezes" significant resources in an area of no direct threat to U.S. national security, either militarily or economically. Therefore, second, a sophisticated assessment of the utility of the bomber in our strategic arsenal must include not only the capabilities and costs of the system, but also the costs to a potential enemy for defending against it--and the additive capabilities he is thereby denied.

In sum, while land-launched and submarine-launched missiles are essential elements of our strategic forces because of the mutual perception of their deterrent capabilities, their utility (beyond the fact of possessing them in quantity) can only be measured in their use or non-use. In the case of the ICBM, in particular, their deterrent value is static, in the sense that they are always on full alert and the next step above their normal peacetime posture.

is to launch their warheads irretrievably toward an enemy. The bomber force, on the other hand, has a high degree of military flexibility and political utility short of actual conflict. It can be used actively to influence or discourage a hostile power while minimizing the risk of miscalculation or escalation, even in an extreme crisis. For example, bombers can be generated within a broad range of ground and airborne alert and survivability postures to provide a visible, unmistakable signal of national resolve. Launch of strategic bombers toward their positive control line in a crisis, while clearly an act with grave implications for an adversary, still provides him a margin for reflection on objectives and risks, a margin which could be decisive in averting a nuclear war.

Moreover, the human element gives the bomber the additional capabilities for recall, diversion, and immediate target damage assessment and reporting. Also, while a missile is literally a "one shot" vehicle, the aircraft can be recovered, reloaded and used again if necessary, thereby sustaining deterrence against reattack, encouraging termination, and multiplying its combat potential beyond the mere numbers that impose a finite upper limit on missile targets.

Finally, without in any way casting doubt on the overall missile reliability of either side, I would remind the members of this Committee that the bomber is the only

element of the strategic TRIAD which has proven itself in actual combat. Since we are without experience in missile warfare--and I fervently hope we never will reach the point of having to gain such experience--there are many risks and uncertainties in actual performance which no amount of component testing or extrapolation can completely dissipate. Such scientific variables as warhead "fratricide," weather effects, etc., are uncertainties which we have to live with or accommodate. As the one "known quantity" in the strategic equation, the manned bomber provides an irreplaceable measure of assurance in our total strategic posture.

Taken singly, none of the above points argues decisively for a manned bomber. Taken together, however, the unique advantages I have mentioned lead logically and, in my judgment, inexorably to the conclusion that the bomber must remain an integral part of the U.S. strategic deterrent for the foreseeable future. Since the top civilian and military leadership in the Air Force is unanimous on this point, I felt it appropriate to articulate the logic which produced this judgment. Also, I wanted to assure this Committee that the Air Force has thought through the strategic and resource implications of our position, rather than succumbing to the "follow-on syndrome" which argues that possession of a system automatically produces the requirement for a replacement.

Nevertheless, reasonable people may accept the logic of the TRIAD and still harbor reservations about the B-1. Thoughtful questions are raised which require answers. Since the cost of the B-1 is usually the primary issue, let me address that point first.

To deal with the cost issue in proper context, it seems to me we have to answer two fairly fundamental and inter-related questions: Can we afford the system, and is it worth the cost?

In addressing whether we can afford the B-1, the easy answer would be that we can't afford to not buy it, but that begs the question. A more thoughtful response might be that there is no more important area in which national resources should be invested than maintaining U.S. security. The degree to which one supports the national position of free world leadership, accepts the burden of military capability which that role imposes, and appreciates the relationship of the TRIAD to that capability will largely decide each person's assessment of the affordability of this system. As Secretary Schlesinger pointed out in the speech cited earlier, "These strategic forces are acquired, not for their specific, cost-effective contribution to target destruction narrowly defined, but for their broader contribution to that panoply of power that maintains deterrence."

So in an objective sense, dependent upon the price tag one attaches to national security, the answer must, of course, be, "Certainly we can afford it," so long as we are convinced of its irreplaceable contribution to that "panoply of power" or, in other words, if the return is appropriate to the investment.

We believe it is. The B-1 exploits the practical advantages of the manned bomber with much improved speed, range, payload, accuracy, pre- and post-launch survivability, and modern technology which will sustain a credible manned bomber capability beyond the end of the century. The first aircraft is now flying and will provide the Congress with hard evidence of these improvements. I am convinced that the B-1 program is based on a sound R&D effort, that the flight test program will produce the results we expect, and that the aircraft will be ready to enter production in 1977. My personal involvement in this program has strengthened my conviction that the B-1 will provide a return appropriate to the investment.

One other key question ought to be addressed before turning to other matters. Although related to cost, it is really a separate issue, namely, the cost-capability

implications of the SALT negotiations, and particularly the Vladivostok understanding.

Three factors are pertinent here. First, a very large percentage of our equivalent megatonnage is carried by our bomber force. In addition, the understandings would provide an upper limit on equal aggregates of weapons carriers. Finally, the lower number of U.S. missiles vis-a-vis the Soviets is implicitly compensated for by a larger number of bombers. Several significant conclusions derive from these three factors.

First, given a fixed number of land-launched ICBMs, and the projected changes in the SLBM force, we cannot build a large number of new bombers, each of which is, of course, counted as a "carrier," without exceeding the equal aggregate limit. On the other hand, each B-52 we phase out represents a disproportionate reduction in numbers of effective weapons and in megatonnage unless replaced by a carrier of equivalent or greater capacity. Therefore, if we are indeed to maintain essential equivalence within the SALT guidelines, and until hoped-for lower limits can be negotiated, prudence dictates moderate numbers of a follow-on bomber with high unit performance. In fact, as ceilings are imposed on quantity of systems, the qualitative features of remaining systems assume even more importance for credible deterrence. If

future negotiations are productive, reassessment of these imperatives will certainly be appropriate. Notwithstanding a quantitative reassessment, I am convinced that the B-1 will provide a very critical part of our strategic force for many years.

Turning to the role of Strategic Defense, we are taking maximum advantage of all air defense capable assets, in part, by augmenting our dedicated interceptor force with tactical fighters and by transitioning to a joint use FAA/USAF radar network which phases out the costly SAGE system.

It is clear that an absolute prerequisite to a strategy of flexible response is the ability of our strategic defensive systems to provide adequate and timely warning, attack and damage assessment, and command, control, and communications. Improved Air Force space systems will continue to play a vital role in satisfying these requirements. Further, improvements underway to the E-4 Advanced Airborne Command Post and the Worldwide Military Command and Control System, to which the Air Force is a major contributor of resources, are designed to improve significantly the responsiveness and survivability of this vital link between the National Command Authorities and our military forces.

In concluding this portion of the Posture Statement, let me reaffirm that the Air Force does not confuse the ends

and means of the strategic balance. We are wedded to no "pet" programs. Rather, we are recommending a level of capability which in our judgment is sufficient to assure that this Nation will never be forced to bend to a superior force in protecting its vital security interests.

IV REGIONAL PERSPECTIVES AND GENERAL PURPOSE FORCES

Turning to an assessment of the regional objectives which our forces must support, my thoughts are drawn immediately to Europe, which, for me, means NATO. The primacy of the Atlantic Alliance in my personal thinking stems from two major influences. First, and most important, is the priority given to the defense of Western Europe in sizing Air Force general purpose forces, assessing the likely scenarios for their employment, and the linkage of other NATO forces to United States strategic nuclear forces. The second is my service experience in Europe dating back to 1965 and culminating in my previous assignment as both a U.S. and NATO commander.

After long association with the Alliance, I am convinced that the strategy of flexible response, based on a strong conventional forward defense, is both credible and well within the collective capabilities of the Alliance members. This conclusion is based on the following convictions.

First, the true capabilities of currently available allied resources are sometimes not given full weight in quantitative evaluations of the NATO/Warsaw Pact balance,

evaluations which are themselves subject to interpretation and honest disagreement. Second, NATO capabilities, which are already substantial, can be markedly improved, without dramatically increased budgets, through restructuring, standardization, specialization, and improved interoperability. And third, anticipated modernization in the worldwide capability of United States air forces, will, at the same time, significantly enhance the Alliance defense posture to which we contribute, and thereby help to reinforce Allied confidence, both in the U.S. commitment and in NATO's conventional defense capability.

In a war in Central Europe the initial and principal task of Allied Air Forces must be to assist friendly forces in halting the Pact ground offensive. This requires that NATO air power become immediately and heavily engaged in close air support operations, while attaining local air superiority as necessary. Less immediate critical objectives, such as achieving theater-wide air superiority, must await a reduced need for close air support. I believe that NATO air power is well suited to these requirements. The capability of NATO aircraft is, and will remain, superior to comparable classes of Warsaw Pact aircraft. Moreover, NATO's air power provides an essential hedge against the Pact option of choosing the time and place for opening

hostilities, an effective means for blunting the initial shock of multiple air and armored thrusts, and the capability for rapid augmentation and resupply during the critical early stages of a war.

As I mentioned a few moments ago, before returning to the U.S. to take over the job of Air Force Chief of Staff, I was assigned to a "dual hatted" position in Europe, as Commander in Chief of USAFE and Commander of Fourth Allied Tactical Air Force. A short time before my departure, I had been designated commander of Allied Air Forces Central Europe, responsible for wartime command of all the NATO committed air forces of the six nations contributing to the defense of the Central Region. In both my NATO and national hats, there was no problem which engaged more of my attention and energy than Tactical Command and Control. The twofold irony of the situation is that, first, qualitatively speaking, the NATO air forces are a far more potent combat force than their Warsaw Pact counterparts, and second, rapid, flexible employment of airpower is the potential keystone for successfully countering an armored attack by the numerically superior Pact ground forces. Yet the "central nervous system" for controlling air--NATO's Command and Control System--has deficiencies which prevent the most effective application of the force. The system in Europe

consists of surveillance, control, and communications facilities which were designed and deployed during a period when NATO's strategy was a "tripwire" nuclear response to aggression.

Deficiencies in command and control--and my conviction that they must be remedied--are in large measure responsible for my strong support of the Airborne Warning and Control System (AWACS). Not that AWACS should be considered exclusively, or even primarily, a European-oriented system. On the contrary, its greatest strength lies in its worldwide capability to provide timely support to U.S. and allied forces wherever warning and control may be needed. Nevertheless, the European theater has the most obvious immediate need for AWACS and also represents the most demanding yardstick for measuring the system's potential.

As you know, AWACS has been subjected to the most rigorous examination by authorities within and outside the Department of Defense. While recognizing that no system is completely immune to countermeasures, my experience in Europe and my study of test results convince me that AWACS can make a unique and vital contribution to NATO's conventional capability. Even if the Warsaw Pact forces were to exert the maximum effort to counter AWACS using all possible techniques in the high intensity European air environment,

the system's warning, detection and control capabilities would still remain a quantum jump beyond the current ground based systems.

We plan to augment the basic configuration of AWACS with an improved data link system and other modifications in later procurements, but I cannot overemphasize the urgency with which I view early production and deployment of the first generation model. We have given serious thought to the relative merits of providing the large margin of increased capability in the near term versus delaying until all production aircraft can be configured with the second generation improvements. All my experience within the European theater convinces me it would be a mistake to delay production.

In the future, the many benefits from the improved system will accrue to air and ground forces alike. In a European scenario, better flexibility in employment of air resources benefits the ground forces directly because of our heavy close air support involvement, especially against hostile armor. Beyond this, AWACS has further inherent potential for providing near-real time intelligence, force status and disposition, and a wide variety of currently fragmentary critical information needed by air and ground commanders. The improved AWACS will not be a replacement

for today's systems in Europe, but will make all the other systems better by serving as the "connective tissue" integrating these components into a coherent, mutually reinforcing instrument of surveillance, warning, and control. Meanwhile, the immediate leap forward obtainable from early deployment of the core model strongly supports our proposal for continued acquisition this fiscal year.

Turning to other tactical systems, as you are well aware, we are producing the F-15, the most capable air superiority fighter in the world, which was designed specifically to counter the high performance portion of the Soviet threat through the 1980s. The F-15 was introduced into the Tactical Air Command last fall, after demonstrating truly outstanding reliability, maintainability, and performance during test and evaluation. Last month its climb performance exceeded previous world records in a series of demonstrations conducted under international supervision. This fine aircraft results from a highly efficient development and production program, and we are most pleased with all aspects of the aircraft.

To complement the F-15, we are requesting funds this year to initiate full scale engineering development of the F-16 Air Combat Fighter (ACF), a follow-on of the highly successful Lightweight Fighter prototype development program.

I was delighted with the success of this program for two important reasons. First, both Northrop and General Dynamics produced superb prototypes. Although the YF-16 was clearly the better selection for the Air Force, each aircraft was a credit to U.S. initiative, technology, and enterprise. The Air Force was fortunate to have two such highly capable aircraft from which to select our proposed Air Combat Fighter.

Second, the keen competition and the high quality achieved further validate the efficacy of our emphasis on prototypes and of our "fly before buy" approach to major system procurement. These concepts have produced a system of comparatively low cost, high reliability, and high confidence--features all of us like to see in development and procurement programs.

I am confident that the development of the F-16 will produce a highly effective complement to the F-15 in our "high-low" mix force. The resulting combination of sophisticated aircraft and highly capable but more austere fighters will enable us to maintain a larger force for equivalent budget expenditures. This larger force will serve to minimize any quantitative advantage of the Warsaw Pact without sacrificing our overall qualitative edge.

You are aware also of the strong interest of our Allies in replacing their F-104 and other aircraft with the ACF. This promising aircraft can provide an unusually

versatile multi-mission addition to their air forces. Its procurement in quantity will improve substantially the combat capability of the Alliance as well as standardizing and integrating allied forces more closely with our own.

As I have already pointed out, the crucial task of blunting a massive onslaught of armor is a principal concern for NATO planners. The A-10 close air support aircraft is optimized for that role, not only in NATO, but wherever required. It represents a vast improvement over present capabilities. And, not only does it carry antiarmor ordnance of proven effectiveness, but it also can deliver up to eight tons of general purpose or specialized ordnance. The A-10 has been designed specifically to survive when pitted against the high intensity defenses over the modern battlefield. Moreover, all of these capabilities have been combined into one system that is reliable, easy to maintain and repair, and very low in procurement and life cycle costs.

Our experience in Vietnam and assessments of air operations in the 1973 Mideast War underscore the need for effective tactical electronic warfare systems. There is no doubt that the military force which fails to keep abreast of the "state of the art" in this dynamic technology risks decisive defeat at the hands of a modernized force. Therefore, our budget request includes the resources to improve our airborne jamming and warning systems and to develop remotely piloted

vehicle systems for saturation, confusion and decoy missions. Later witnesses will elaborate on these requirements.

The systems I have discussed are products of the most advanced aerospace technology base in the world. Our future security will depend in large measure upon maintaining technological superiority. Clearly then it is in our interest to support a dynamic research and development program.

Before turning to other subjects, I want to bring to your attention an essential improvement in our tactical forces combat capability. Although we are deploying highly capable aircraft, present crew resource limitations prevent us from achieving full system efficiency in terms of a capability to meet the high sustained sortie rates we would encounter in combat. Now, support savings will enable us to make marginal increases in tactical aircrew ratios to maximize the capabilities of our deployed systems. The increase in trained aircrews and associated maintenance personnel will greatly expand capability for rapid engagement with enemy forces and mean greater staying power for units in combat. I hope to make further improvements in tactical air readiness and operating capability during FY 1977.

The Air Force programs highlighted above serve not only to bolster our capability to contribute to the security of the NATO Alliance, but also and more importantly, to greatly

strengthen U.S. conventional forces in their worldwide capabilities. Before turning to other areas of interest, I would like to reaffirm my confidence in the efficacy of the NATO TRIAD, which links U.S. strategic capability, tactical nuclear weapons, and a stalwart allied conventional defense as inseparable elements of NATO security. We are improving our capability in all three areas, with particular emphasis on sustaining allied confidence in U.S. commitment and in the credibility of successful conventional defense.

For at least the past year and a half, world attention had been focused on the Middle East. As you know, Air Force airlift and supplies supported the national effort to maintain a balance and restore peace to the region. We continue to be keenly interested in the military situation there.

It is recognized that, in the event of a European conflict, the ability to reinforce rapidly from the United States will be critical. Thus, our airlift operations to the Middle East in 1973 served as a useful test of our capability to support the more demanding requirements we would encounter in a NATO conflict. The conflict highlighted the need for improvements in our strategic airlift forces. Accordingly, as I mentioned earlier, we are undertaking a major program to enhance our airlift capability. We are providing inflight refueling training for C-5A aircrews and increasing the utilization rate capability of our

strategic airlift force. At the same time, we are recommending modification of C-141 aircraft to increase their load capacity and proposing improvements in the capacity of the Civil Reserve Air Fleet. In related efforts we are continuing the development of the Advanced Medium STOL Transport and the Advanced Tanker/Cargo aircraft. These improvements will substantially compress the time required to move combat forces anywhere in the world while minimizing dependence on en route bases.

Referring again to the October 1973 war, the relative tactical air strengths and weaknesses of the principal adversaries bear striking resemblance to those of NATO and Warsaw Pact forces in Central Europe. The value and importance of proper logistics management, electronic warfare capabilities, refueled ferry flights, aircraft sheltering, modern munitions, and command and control were convincingly demonstrated. These are old lessons reaffirmed and, like the need for airlift enhancement, are directly applicable to a contingency in any overseas location. Our budget request appropriately reflects these considerations.

I would like to turn now to the Western Pacific, another area where the Air Force maintains a presence in support of national objectives. The Air Force has followed a policy of reducing our presence as tensions in the area

diminish. We have removed all combat forces from the main island of Japan and have only two major bases in that country and two in Korea. In Thailand, substantial reductions also have been made.

Notwithstanding these reductions, the Pacific region retains a high potential for sudden crises. The United States has significant interests and commitments in this area, obligations that no other nation can assume. Additionally, should global deterrence fail and U.S. forces become involved in a NATO conflict, we could expect the Soviet Union to be an adversary in the Pacific as well as in Europe. Consequently, we cannot foreclose our options to augment our forces rapidly in the Pacific. Hence, we support retention there of relatively modest forces, necessary bases, materiel storage facilities, rights of transit and access, and an operating command and control structure.

V THE TOTAL FORCE

Having addressed our interdependence with allied air forces and U.S. Air Reserve Forces, I would like now to touch upon an equally important element of the Total Force Policy, and that is the support we receive from and provide to the other three Armed Services.

For years, strategic planning has been conducted jointly with the Navy, and multi-Service contingency planning is a way of life in the unified headquarters worldwide. Beyond

that, however, there are other examples of cross-service cooperation which deserve more recognition. For example, Air Force B-52s long have had a collateral mission of aerial mine laying. More recently we have been exploring ways to assist the Navy in their difficult task of sea surveillance and sea lane defense. To that end, those aircraft capable of mine laying also will be configured for employment of the Navy's anti-ship HARPOON missile. The extended range, endurance, and payload capability of those aircraft make them especially suitable for such a mission. In addition, we have exercised our tactical aircraft in maritime surveillance operations and found that these weapon systems, particularly the F-111 and RF-4, possess an inherent capability to perform this mission. On the other side of the coin, plans are being developed for Navy and Marine tactical fighters to join our air defense interceptors and tactical fighters in an air defense pool for responding to worldwide emergencies. Airspace control in a combat zone is another subject receiving cooperative inter-Service consideration. We intend to work closely with the Navy in the ACF/Navy ACF development program, as we presently are doing in selected missile development and other programs. The mounting demands and complexity of modern warfare and the reality of limited resources have produced a new era of mutual Service understanding, cooperation, and support.

Turning to a third aspect of the Total Force Policy, we have made great strides toward modernizing and integrating our Air Reserve Forces (Air National Guard and Air Force Reserve) with the active force. They are being equipped with more modern weapon systems to complement the active component, and priority for support resources has now been assigned to units on the basis of mission in the total force, regardless of active or reserve identity. Well over half of our tactical airlift aircraft are assigned to the Reserve components, and approximately 40 percent of our Military Airlift Command C-141 aircrews are provided by the Air Force Reserve Associate program.

During FY 1976 we will begin transferring KC-135 tanker aircraft to the Air Reserve Forces. Thus, in addition to their continuing refueling support of tactical forces, for the first time, reserve units will augment active strategic offensive forces in support of our strategic integrated war plan.

In the area of general purpose forces, by the end of FY 1976, six Air National Guard squadrons will be equipped with the A-7, and half of the AC-130 gunship aircraft will become the responsibility of the Air Force Reserve. By the end of FY 1980, Guard and Reserve forces will be modernized with A-10, A-7, F-4, and RF-4 aircraft.

VI PEOPLE

I said at the beginning of my presentation that people are our most important resource and I would like to close on the same theme. We are proud of our all-volunteer record and of our reputation for good management and sensitive leadership; we are even more proud of the quality of the young men and women joining the Air Force. Frankly, in an age when many people express concern about the so-called "alienation" in our society, I find very little evidence of this problem among our people. On the contrary, I have been deeply impressed with the intelligence, motivation, open-mindedness, and sense of involvement among the people joining and remaining in the Air Force. Most of the "people problems" which we face, fortunately, are the sort which yield to sound leadership, proper discipline and competent management.

Our continuing goal is to maximize force capability by improving individual initiative, morale, and productivity. I believe our record in achieving this goal during a period of high social and economic turbulence attests to our success in striking a happy balance between good discipline and good human relations and in carrying out the letter and intent of the Equal Opportunity Program. Our people make up a well-motivated, competent, and well-disciplined force of professionals of which you and the country can be justly proud.

VII CONCLUDING REMARKS

Mr. Chairman, the foregoing statement is not intended to be a comprehensive description of Air Force systems or programs. Rather, I have regarded it as an opportunity to present my views on selected subjects which concern me as the Air Force Chief of Staff and which I believe will also interest this distinguished Committee. Secretary McLucas and I are the first of a series of Department of the Air Force witnesses who will provide you with program details and answer your questions relating to their specific responsibilities.

Since this meeting initiates our budget justification process, it should be useful to summarize the major Air Force elements to be supported by this budget. In FY 1976 the Air Force will operate about 400 bombers, over 1000 missiles, and 600 plus tankers in our strategic offensive forces. The strategic defensive force includes fighters, space and warning systems, and other defensive elements, augmented from tactical fighter forces. Our general purpose forces number more than 2300 fighter aircraft in the active and Air Reserve Force. Airlift support for all four Services will be provided by some 300 strategic airlift aircraft. This lift capability is reinforced by about 600 active and Air Reserve Force tactical airlift aircraft. The budget includes over half of all DOD intelligence costs, a

major portion of DOD communications costs, and substantial direct support for the National Command Authorities. It also embodies the research and development funds so essential to our future security, and includes the procurement dollars to continue selectively the vital force modernization process. Over one-third of our dollars represent the rising costs to maintain 590,000 military and approximately 270,000 civilians in the force.

Mr. Chairman, as I noted at the outset, despite a full menu of challenges my statement today is one of confidence and realistic optimism. When I assumed my present position, I joined with the Secretary in responsibility for an Air Force whose people, equipment, and capability are second to none in the world. It is my solemn pledge to dedicate my every effort to keeping the U.S. Air Force second to none through the economical and efficient management of the resources which the country provides. I have outlined for you today the priorities and the resources which we believe are essential to maintaining that preeminent position, as well as our approach to managing them. I earnestly solicit the support of this Committee and of the Congress for the Air Force programs in the Department of Defense Budget.

Thank you.

D E P A R T M E N T O F T H E A I R F O R C E

PRESENTATION TO THE COMMITTEE ON ARMED SERVICES

U.S. HOUSE OF REPRESENTATIVES

BUDGET ESTIMATES FISCAL YEAR 1976

SUBJECT: Air Force Authorization Request

STATEMENT OF: HONORABLE JOHN L. McLUCAS
Secretary of the Air Force

February 24, 1975

NOT FOR PUBLICATION UNTIL
RELEASED BY THE
COMMITTEE ON ARMED SERVICES
U.S. HOUSE OF REPRESENTATIVES

Dr. John L. McLucas
Secretary of the Air Force

Dr. John L. McLucas became Secretary of the Air Force on July 19, 1973. He had been Acting Secretary of the Air Force since May 15, 1973, and Under Secretary of the Air Force since March 1969. Prior to his appointment as Under Secretary, he was president and chief executive officer of MITRE Corporation of Bedford, Mass., and McLean, Va.

Dr. McLucas was born in Fayetteville, N.C., on August 22, 1920. He attended public schools in McColl and Latta, S.C., graduating from Latta High School in 1937. He received a Bachelor of Science degree from Davidson College in 1941, a Master of Science degree in physics from Tulane University in 1943, and his Doctorate in physics from Pennsylvania State University in 1950.

During World War II, he served as an officer in the U.S. Navy from 1943 to 1946. After one year at the Air Force Cambridge Research Center in Cambridge, Mass., he enrolled at Pennsylvania State University.

From 1950 to 1957, he was vice president and technical director of Haller, Raymond and Brown, Inc., an electronics firm at State College, Pa. In 1958 he was made president of HRB-Singer, Inc. He joined the Department of Defense in May 1962 and served as Deputy Director of Defense Research and Engineering (Tactical Warfare Programs).

Two years later, he was appointed as Assistant Secretary General for Scientific Affairs at NATO Headquarters in Paris, France. In 1966 he became president of MITRE Corporation, where he remained until his appointment as Under Secretary of the Air Force on March 17, 1969.

He was elected a Fellow of the Institute of Electrical and Electronic Engineers in 1962; an Associate Fellow of the American Institute of Aeronautics and Astronautics in 1971; and a member of the National Academy of Engineering in 1969. He received the Department of Defense Medal for Distinguished Public Service in 1964, and first bronze palm in 1973; and the Air Force Exceptional Service Award in May 1973.

He is a member of the Chief Executives Forum; American Physical Society; Operations Research Society of America; and of several honorary societies, including Sigma Pi Sigma and Sigma Xi. He is a former member of the Defense Science Board, Air Force Scientific Advisory Board, and the Young Presidents Organization.

CONTENTS

	<u>Page</u>
I. Introduction	1
II. Personnel	4
III. Research and Development	15
IV. Procurement	31
V. Societal Responsibilities	44
VI. Conclusion	49

TABLES

I. TOA By Budget Category	50
II. Personnel Strengths & Costs	51
III. R&D Costs of Major Systems	52
IV. Missile Procurement	53
V. Aircraft Procurement	54

I. INTRODUCTION

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

As we submit our FY 1976 budget statement to this committee, I want to acknowledge the many years of vision and dedication demonstrated by Congress in supporting an Air Force that possesses outstanding capabilities. During the past six years, first as Under Secretary, then Secretary of the Air Force, I have learned how important these annual meetings with Congressional committees are. This is my second appearance as Secretary of the Air Force in these proceedings, and I welcome the opportunity to discuss Air Force programs with Congress.

Today's Air Force is powerful and prepared, but maintaining a high level of effectiveness in the years ahead requires coping with inflation, limited resources, and increasing Soviet military power.

The impact of inflation is significant in our FY 1976 budget. The purchasing power of the FY 1975 Air Force budget of \$26 billion (TOA) has been eroded by an inflation rate substantially greater than was anticipated when we developed our request at the end of 1973.

In our modernization efforts, we are faced with the problem of forecasting weapon systems costs well out into the future -- as far out as 1984 for the B-1 as an example. We need your help in this respect, especially your understanding and perspective of the magnitude of the problem.

The degree of escalation in operating costs over the last several years is evident in the price of petroleum. Air Force fuel consumption in FY 1975 is projected to be 27% less than that of FY 1973, yet the cost this year will be 133% greater than in 1973.

Even after major cutbacks, in fuel use and elsewhere, inflation is driving up the cost of maintaining a ready Air Force capable of meeting its responsibilities. An effective and efficient combination of people and hardware is imperative, as is an optimum mix of quality and quantity.

Our effectiveness begins with and depends upon our people. In this all-volunteer era, we are acquiring and retaining quality people, our personnel management programs are working well, and Air Force morale is good.

On the other hand, the continuing reductions in authorized manpower are forcing us to separate experienced people. Authorized manpower levels must remain compatible with Air Force equipment, activity rates, and mission responsibilities, and reductions should not outstrip our ability to adjust to lower force levels.

Along with the need for adequate numbers of capable people, national security and world stability require that we continue to modernize Air Force equipment.

The nation's strategic forces must remain sufficient to deter nuclear war and to assure the balance of power needed for international negotiations toward peace. The Air Force must continue to maintain a force of strategic bombers and missiles that are modern and capable, and which serve to prevent U.S. forces from falling into a position of inferiority.

Our efforts to improve Air Force tactical capabilities are bearing fruit. The F-15 is now entering the operational inventory. The A-10 will be available next year. We have just selected the F-16 as the new Air Combat Fighter, a program that demonstrates a balanced approach to the challenge of maintaining a quality force of adequate numbers in the face of rising costs. Our weapons development programs, such as improved strike and defense suppression systems, are progressing well. Overall, we are on the verge of fielding a new generation of tactical forces that are indispensable to the conventional combat strength that strategic parity is making increasingly essential.

Throughout our research, development, and procurement programs, we are aggressively pursuing Design to Cost (both acquisition and life cycle costs), standardization, and high-low mix concepts in order to hold down the price of modernization.

Meanwhile, we are cutting operating costs through such actions as sharply increasing the use of simulators, reducing energy consumption, improving logistics management,

consolidating units, phasing out older support aircraft, and trimming our headquarters structure.

All in all, our FY 1976 budget (summarized in Table I, page 50*) reflects the appropriations required to maintain a first-rank Air Force. It is an austere, but realistic blend of essential research and development investments, prudent procurement expenditures, restrained operating costs, and essential personnel costs. The Air Force continues to recognize its responsibility for managerial efficiency in this era of economic stress. We have tightened our belts, and we will continue to strive for maximum return from our resources.

I believe that the Air Force is lean but strong, and that the needs specified in this budget request are essential to continued U.S. airpower effectiveness and national security.

II. PERSONNEL

People, and creating an atmosphere in which they can perform productively and efficiently, continue to be top priority concerns. The cost of supporting our personnel programs in FY 1976 is projected at approximately \$11.6 billion; by comparison, people costs were \$11.2 billion in FY 1974 and \$11.6 billion this fiscal year. These relatively stable costs during a period of rising inflation can be traced to steadily declining strengths.

*The tables at the end of this statement list separate figures for fiscal year 1976 and fiscal quarter 7T. The statement itself discusses FY 1976 funding only, except that any major new start in fiscal quarter 7T also is addressed.

Fiscal Year 1976 will be the eighth consecutive year of decline in our personnel totals. Since 1968, the force structure has been reduced by approximately 315,000 (35%) active duty military personnel -- including approximately 40,000 officers and 275,000 airmen -- resulting in the smallest Air Force personnel structure since 1950. The civilian trend is similar. The total FY 1976 civilian end strength of about 270,000 is approximately 87,000 (24%) less than the FY 1968 level. Overall, the military and civilian reductions since FY 1968 total 401,000 -- a decrease of 32%.

We recognize the necessity to fit manpower levels to new equipment and mission requirements. However, continued reductions in Air Force manpower of the magnitude annually being sustained reduce our surge capability and impair our short-term flexibility to realign available personnel with adjusted requirements. As the force shrinks, our ability to assimilate cuts is hampered; a force of 900,000 active duty military personnel can absorb cuts more readily than can our projected FY 1976 end strength of about 590,000. Moreover, the ramifications are proportionate to the rate of drawdown. The impact of reductions is felt over several years; thus, annual cuts compound the turbulence in our personnel planning and can impinge upon our combat readiness.

Personnel strengths and costs are summarized in Table II, page 51.

Total Force Policy. Because of this substantial reduction in manpower, the Total Force Policy is vital to maintaining our combat capabilities. The Total Force Policy blends active duty and Reserve Components (Air National Guard and Air Force Reserve) into a highly qualified team capable of meeting military contingencies. High-priority, early-response missions and associated modern equipment continue to be assigned to our Reserve Components. Their performance in air defense, airlift, and tactical air operations demonstrate the reality of the Total Force.

Fiscal Year 1976 manpower levels in the Air National Guard (ANG) are projected at 95,000 -- 27% above the FY 1968 figure. In the Air Force Reserve (AFR), FY 1976 totals are projected at 53,000 -- 33% greater than in FY 1968. The overall increase within the Reserve Components since FY 1968 has been 29%.

In terms of equipment, our Reserve Components are being modernized at an accelerating rate. Two ANG tactical fighter squadrons -- the 188th at Kirtland AFB, New Mexico, and the 120th at Buckley ANG Base in Denver, Colorado -- have completed conversion from the older F-100 to new production A-7D aircraft and are combat-ready. Another -- the 166th at Rickenbacker AFB, Ohio -- has recently converted to A-7s and three additional units will be converted by the end of FY 1976. We will continue in the future to modernize the ANG and AFR

fighter and reconnaissance forces with F-4, A-7, A-10 and RF-4 aircraft replacing F-100s, F-105s, RF-101s, and A-37s.

Elsewhere, 56% of our tactical airlift aircraft are now assigned to Reserve Components. By the end of FY 1976, 50% of the AC-130 gunship aircraft in the Air Force will be the responsibility of the AFR. Also in FY 1976, we will begin the assignment of 128 KC-135 tanker aircraft to the Reserve Components -- a move that involves not only modernization for their long-established tactical role, but the assumption of an important strategic mission. Despite the turbulence generated by the various equipment and mission changes, approximately 90% of our Reserve Components are combat ready.

The Total Force Policy requires increased emphasis and reliance on ANG and AFR forces. With decreasing active duty manpower, we must recognize that future major contingencies will require the quick activation of our Reserve Components. We urge approval of DoD's legislative proposal to authorize the President to call up as many as 50,000 selected Reservists in situations short of national emergency.

Support and Headquarters Cuts. Meanwhile, we are continuing aggressive action to reduce headquarters and support manning and to manage more efficiently overall support functions.

Savings reflected in the FY 1976 budget request include approximately 2,900 positions from Air Force management

headquarters and significant numbers of additional spaces through such actions as retirement of support aircraft (6,400 spaces); consolidation and realignment of Research, Development, Testing and Evaluation aircraft and laboratories (800 spaces); relocation of Air National Guard and Air Force Reserve activities from Ellington AFB, Texas, and the closure of that facility (1,000 spaces); and other initiatives. This does not mean that vital functions are being discontinued. For example, the fact that we are disestablishing the Air Force Communications Service Headquarters does not mean that we are de-emphasizing communications. Rather, we are providing administrative support and non-specialized logistics for our communications functions through consolidation under Military Airlift Command (MAC).

Our efforts to find better, more economical ways of supporting Air Force combat forces include initiatives in the area of logistics improvements. We initiated in April of 1974 a Maintenance Management Information Control System (MMICS) at base level. This system uses computers to perform many of the routine tasks previously performed by people. By the end of FY 1976, MMICS will result in the net reduction of 499 manpower authorizations. This is the first phase of a multi-phase program to improve effectiveness and efficiency within our base level maintenance operation. Another example is the Customer Integrated Automated Procurement System (CIAPS)

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which became operational in 1972. The system was designed and developed to support base level procurements primarily in the area of commodities acquisition. Like MMICS, CIAPS uses computers to perform routine tasks and has resulted in the reduction of 110 manpower authorizations from base level procurement.

Another major logistics initiative, begun in 1972 and now reaching fruition, is the Depot Plant Modernization Program (DPMP). The numerous projects embraced within this program provide monetary savings through enhanced productivity, improved workmanship, and reduced manpower requirements.

In brief, we are committed to reducing support costs and reinvesting these funds into force modernization and improved combat capability.

Recruiting. Despite the overall reduction in manpower, we must continue our recruiting efforts to maintain a capable, balanced force.

We expect to meet this year's active duty recruiting quota of 75,655 airmen. Moreover, 89% of our first-term enlistments during the first six months of FY 1975 were high school graduates or the equivalent (state certified General Educational Development test) -- a percentage that exceeds draft era levels.

We anticipate little difficulty in meeting our manpower needs in the Air National Guard, but we are having to work hard to meet Air Force Reserve requirements. In FY 1974, the

Air Force Reserve experienced a 12% shortfall in enlisted manning (involving selected Reserves and comparing programmed end strengths of 40,852 to the 35,936 actually assigned). We believe that increased emphasis on recruiting and retention, and greater cooperation between active and Reserve Components are closing the gap in FY 1975.

Strength Reductions. The Air Force has sought in the past to accomplish force reductions through strictly voluntary separations because this method saves money and is least disruptive to the mission and our people.

Enlisted reduction in FY 1976 again will be accomplished through voluntary programs. However, as was the case in FY 1974 and FY 1975, voluntary actions will not produce sufficient reductions within the officer corps. Based on current FY 1976 strength projections, a reduction of approximately 4,500 officers will be required -- including an involuntary reduction in force (RIF) of 1,200-2,200 depending on voluntary losses.

DOPMA. The Defense Officer Personnel Management Act (DOPMA) is extremely important to our personnel management program because it would enable us to manage our people more effectively and fairly. Furthermore, it would provide the permanent grade tables required to maintain an equitable promotion program compared with the other Services.

We enthusiastically support DOPMA, and we already have started to align, where possible, our personnel management

with this new system. Last fiscal year, promotion opportunity was lowered to coincide with DOPMA levels -- promotion to major was changed from 90 to 80% and to lieutenant colonel from 75 to 70%. We are also aligning our Regular officer augmentation program to facilitate our transition to a force structure based on DOPMA.

Equal Opportunity. Another personnel responsibility of great interest to the Air Force is equal opportunity. Currently 3% of our officer corps consists of minorities. Our goal is to increase that to 5.6% by 1980 and thereby approximate the percentage of minority college graduates in the U.S. population. Our minority enlisted manning is 15.4%.

Today, women compose about 4.2% of our active duty force and we expect that percentage to almost double (8.2%) by 1978. Women are being given full opportunities in all career specialties except those directly related to combat.

Whether in the active force, civilian structure, or Reserve Components, I think we are making continued progress in equal opportunity. In 1971, for example, we experienced eight serious racial incidents. In 1974, we had none.

Our human relations training program is resulting in more cohesion and creating an atmosphere in which men and women of differing backgrounds, races, ethnic groups, and religions can work together more cooperatively and efficiently. Our work in equal opportunity certainly is not

finished, but we have made many improvements and we intend to continue our emphasis.

Education and Training. In education, the Community College of the Air Force continues to qualify our people for academic credit in civilian institutions for work performed in Air Force training courses. The Career Education Certificates that are available through this program are also credentials for entering the civilian labor force at the journeyman level. The Community College program assists Air Force career development and is a major asset in recruitment and retention.

The Airman Education and Commissioning Program (AECP) and the Graduate Education Program for officers are also areas of current emphasis. Congress curtailed the Graduate Education Program and cut off inputs to AECP; however, I would like to stress their value to the Air Force. For example, AECP is a necessary source of technical degree holders. Moreover, it has provided the major avenue by which skilled airmen could progress to officer status, and thus it is an important morale and motivational factor for our airmen. The program also is extremely cost effective, with a graduation rate of 97% and 95% retention of these graduates.

The Graduate Education Program is an essential source of advanced technical and managerial degree holders. With a forecast shortage of engineers in the civilian sector, this program will play a crucial role in providing the technical competency the Air Force needs.

In the training area, the Instructional Systems Development (ISD) process (the application of systems logic to training and education) is used to identify training requirements on an individual and group basis. This helps insure that we expend only those resources that are needed. Over the last three years under the ISD system, we have restructured 213 high-cost technical training courses, resulting in a reduction of over 3,000 man-years in the technical training pipeline and a cost avoidance of about \$20 million. We expect to do a lot more in this area.

Furthermore, we are participating in an Interservice Training Review Program to insure that training courses of other services are used when they prove to be more cost effective and practical. Present goals are to develop common-core courses in the areas of construction equipment operation, military police, data processing, and audio-visual services. In addition, a task group was formed recently to analyze flight training programs for possible cost-saving consolidations.

Meanwhile, there are several other aspects of the personnel picture where we need your help.

Medical Care. Despite the decline in our active duty force, our medical beneficiary population has remained relatively constant due to dependent and retiree increases. However, the active force drawdown has been accompanied by a reduction in medical authorizations, and a shortage of

Historically, we have depended upon airpower, not only to protect our ground forces, but also to carry the battle to opponents. With advances in aviation technology, especially in aircraft range and delivery accuracy with guided weapons, airpower has the potential to play an even greater role. We count upon it to offset the Warsaw Pact advantage in numbers of tanks and to help the Navy protect vital sea lanes.

Successful development programs depend upon relevant research. Last summer, Senator Barry Goldwater wrote to Secretary Schlesinger and me expressing his concern about the erosion of basic research. Due to essentially level funding during a period of inflation, there has been a reduction in real research effort. Both Dr. Schlesinger and I share the Senator's concern; we are taking steps to halt the erosion and to protect research funding from undue competition with development and production programs. While we capitalize upon Air Force research and that of other government agencies, my primary emphasis will be to preserve and enhance the effectiveness of our contract research programs in universities and industry. I believe that the talents of our colleagues in academe and business are vital to a well-balanced defense research program.

To support essential RDT&E programs, we are requesting \$3.9 billion (13% of the USAF budget request). While this is about 7% more in real buying power than the level of the last three years, it is about one-third less than in the

pre-Vietnam war year of 1964.

The major equipment categories of our RDT&E request include aircraft (\$1,430 million), missiles (\$358 million), space (\$561 million), ordnance and combat vehicles (\$189 million), and other equipment (\$720 million). A summary of our RDT&E funding request is at Table III, page 52.

B-1 Strategic Bomber. Within the aircraft category is our most important development program, the B-1. Since I know you are particularly interested in this program, I would like to reiterate why we believe the B-1 is a sound value in terms of significantly increased national security. Let me discuss what bombers do for us in peacetime, particularly in relation to SALT, and also what they do for us in periods of crisis.

In peacetime, bombers serve as an element of our strategic Triad that helps deter nuclear attack upon the United States and our Allies.

Bombers enormously complicate any attack planned on our strategic forces by helping to make it impracticably difficult to coordinate a successful surprise attack on all Triad elements. In addition, bombers provide a hedge against possible countermeasures or technological breakthroughs that an enemy might seek to employ against our missiles, either in a prelaunch attack or in terminal defense.

A second basic way bombers contribute to deterrence is by complicating the defenses any potential aggressor would

need to block our retaliation. Bomber capabilities require the Soviets to continue to commit very substantial resources to air defenses that must guard against retaliatory air strikes from any altitude or direction. Yet Soviet air defenses are an aspect of their armed forces that least threaten the United States directly. At the same time, our bombers are not destabilizing, because their relatively long time-of-flight does not pose a first strike threat.

Bombers play a particular role in relation to SALT. Although not specifically included in the 1972 SALT I agreements, bombers helped compensate for Soviet advantages such as in numbers of missiles and throw weight. With the proposed SALT II limits on the total number of strategic delivery vehicles, and considering continuously improving Soviet air defenses, our future bomber force must have high unit performance.

The B-1 is designed to have just that. It will be able to penetrate with high-subsonic speeds at tree-top level below enemy radar coverage. It will be able to deliver gravity bombs with precision accuracy or carry internally up to 24 SRAM air-to-surface missiles to attack various targets, including defenses. The B-1 force should be able to attack any target system with high confidence of success well into the 21st century.

Bombers are also uniquely useful in crucial periods of

international tension -- serious crises like, or more intense than, Cuba in 1962. Fortunately, such crises have not happened frequently, and visible national resolve coupled with a strong defense posture reduces their likelihood. But we cannot guarantee that they will not occur again, with or without detente. It is of the utmost importance to be prepared for such crises. They increase sharply the terrible risk of catastrophic, all-out nuclear war, and we must have means to try to control them.

In serious crises, the flexibility of bombers becomes more apparent. The President used them to signal our determination to the Soviets during the Cuban missile crisis. The bomber force can be dispersed or put on higher alert status, including airborne alert, to insure its prelaunch survivability. If further security or signals are required, the President could launch all or part of the bomber force, yet still have time for decision, negotiation, and recall.

In an even more extreme situation, such as limited nuclear strikes against the United States or the imminent overrun of Western Europe, bombers would be particularly suitable for carrying out limited nuclear options. Bombers can be highly selective, discriminating, and controlled. Small scale bomber attacks are relatively easy to distinguish from large attacks and they allow time for negotiation. Given the Soviet capability for secure second-strike, a limited nuclear option capability is essential if we are to

deal with limited nuclear aggression and continue to deter broader nuclear conflict. We all hope that nuclear proliferation can be halted; however, none of us can predict with certainty that it will, nor how vital U.S. interests will be involved. In the future it may be necessary to deter actions in parts of the world where only long-range bombers can do this quickly, visibly, and effectively.

Bombers were proven effective with conventional weapons in World War II, Korea, and Southeast Asia. The B-1 is designed primarily as a nuclear deterrent, but it has the potential to carry up to 57 tons of conventional bombs, about twice the payload of the B-52. Bombers also have a swift, worldwide ocean surveillance and attack capability, especially with guided weapons.

The many and varied capabilities of the B-1 will not be inexpensive. Therefore, I believe it is important that all of us not only understand what the aircraft can do but also have a good perspective on its real cost.

Our estimate of the B-1 program cost has increased since we began development in 1970. Since our economic crystal ball is no better than that of others, we did not predict the recent rate of inflation. It is difficult to determine or comprehend the full effect of economic escalation on a large program like the B-1 that involves compounding inflation over future years.

Imagine that you had gone to sleep in 1965 and just awoke now. Today's prices would be a shock. When we look at the estimated cost of the B-1, it is as if we were suddenly awakening ten years from now after another decade of inflation. We're just not used to thinking in 1985 dollars, but we must to put the B-1 cost in perspective.

In 1970, we planned on \$1.3 billion for inflation. Today we estimate \$9.6 billion for inflation -- almost half the current total program estimate. Each 1% increase in the inflation rate adds about \$1 billion to the program. To put it another way, the present estimate of B-1 unit procurement cost in 1970 dollars is \$34.3 million, an increase of less than 12% since the program began.

We realize that costs are a problem for everyone: DoD, Congress, and citizens. We are determined to do our share to hold down the price of the B-1. We have taken many actions to get the most cost-effective aircraft possible. For example, we have substituted aluminum for more expensive titanium where we could in the B-1's airframe. We have modified the engine inlet to a more easily manufactured design. Last year we conducted another intensive review to identify any additional possible design changes to reduce costs. This review went well beyond the specific requests made last year by the Senate Appropriations Committee. As a result, we are

taking a number of cost and technical risk reduction actions such as replacing the crew escape module with new, advanced technology ejection seats in the fourth and subsequent aircraft. We re-examined the variable-sweep wing and determined that it is essential for B-1 performance. Simply stated, we need the greater lift provided by the wings in the forward position for efficient takeoff and aerial refueling. But we also need the low drag associated with swept wings for high speeds at low altitudes.

We will continue to evaluate other tradeoffs. Realizing that cost is a prime factor, we will give up features that are not absolutely essential to mission performance. Let me assure you, though, that the B-1 will continue to be able to meet its mission requirements.

We are pleased with how well the B-1 has performed since its first flight last December. We now have a flying aircraft that is meeting its test goals. As is appropriate for a complex, expensive system, we have a rigorous, thorough flight test program that lasts for two years. Our planning is geared to permit a production decision by late 1976, based on development progress and the SALT environment. The B-1 Initial Operational Capability is planned for 1981, with deliveries continuing for about five years.

In FY 1976 we are requesting \$672 million for R&D and \$77 million for long-lead procurement. The R&D funds are to continue building the remaining R&D aircraft and to conduct

the flight test program. The long-lead money will be used to complete design of production tooling and to order material for tooling and for the early aircraft. It may be questioned why we need procurement funds when we have not made a production decision. The answer is that this is the minimum we can invest to protect the schedule. Otherwise, delivery of operational aircraft would slip one year, which could increase costs by about \$1 billion.

Strategic Missiles. Before talking about our strategic missile R&D, I want to put strategic force program costs in perspective. The overall DoD strategic force program has been funded at an annual level of about \$7 billion in direct costs for a number of years. Even in then-year dollars, this is over \$3 billion less than what we spent in 1962, for example. Until the government has had more time to study all the ramifications of the recent Vladivostok agreements and until the agreements are more formalized, our options should be kept open. However, the Vladivostok agreements have not caused the Air Force to commit to the production of any new systems, beyond those already planned. In fact, SALT II proposed ceilings generally consistent with our previously planned programs.

In the Vladivostok proposals, each party is allowed freedom to mix types of weapon systems within the overall limits. Since it will be some time before our current programs approach these limits--and we are hopeful for early negotiations on lower limits--we believe it is too soon to

foreclose options to increase any type system, including alternatives such as mobile ICBMs.

The major points I'm making are that (1) SALT II is a cap on strategic arms; (2) beyond those weapon systems already programmed, we are not now planning to initiate any new ones just to reach the numerical limits proposed at Vladivostok; and (3) it is too early to foreclose strategic options.

Therefore, we believe it is still necessary to carry out the previously planned R&D on strategic missiles. Let me discuss the key programs.

For MINUTEMAN R&D, we are seeking \$123 million for FY 1976. The major items are continued development of options for MINUTEMAN III such as better accuracy (\$41 million) and the Mark 12A larger-yield warhead (\$36 million). These qualitative improvements become increasingly important as quantitative limits are set.

We must be in a position to retain strategic arms balance and stability as the Soviets deploy more advanced strategic forces. The potential Soviet growth in numbers and yields of their MIRVs could create more serious threats to a wide range of U.S. targets including our strategic forces. Therefore, we are pursuing an Advanced ICBM Technology Program to examine options for improving our land-based missile force.

Two years ago the Air Force began investigating advanced ICBM technology, larger throw weight missiles, and more

survivable basing modes, including air mobile, ground mobile, and improved silo concepts. To demonstrate the basic technical feasibility of the air mobile concept, we air launched a MINUTEMAN missile from a C-5 aircraft last fall. For FY 1976 we are requesting \$41 million to continue work on those key items of technology necessary to support a future decision on full-scale development of an M-X missile. We do not contemplate deployment before the mid-1980s. The pace and scope of this program are keyed to the evolving Soviet threat and, via SALT, further progress on arms limitations, including, hopefully, reductions.

In the Advanced Ballistic Reentry System (ABRES), we are requesting \$101 million in FY 1976 to continue our investigation of improved reentry systems. Also we are asking for \$51 million to continue advanced development of the Air Launched Cruise Missile (ALCM) to provide an extended range, modern weapon to be launched by and complement the penetrating bomber force. We have extended development to further design validation and to maximize commonality with the Navy Sea Launched Cruise Missile. The ALCM should dilute enemy defenses, improve bomber survivability, and increase overall force effectiveness.

Tactical Programs. We also must keep an effective, but economical, balance of forces in the tactical area.

Our Lightweight Fighter program, which investigated advanced fighter technology in less costly but high performance aircraft, was so successful that we were able to pick one of the two prototypes, the YF-16, as the basis for full-scale development as the Air Combat Fighter (ACF). The F-16 will be a multi-mission fighter weighing about half as much as the F-15 and costing significantly less. It will help control the trend toward rising weapon systems costs. We are requesting \$273 million for ACF development in FY 1976. The Air Force intends to ask Congress for at least 650 F-16s to modernize and expand our tactical fighter force. We hope our European allies will select the F-16 as a replacement for their aging F-104s.

Another program in which we are using prototypes to investigate advanced technology is the Advanced Medium STOL Transport (AMST). Our present basic tactical transport, the C-130, cannot meet all current or future tactical airlift requirements. Further, by the mid-1980s, most of the C-130 force will be between 20 and 30 years old, and will require either expensive modification or replacement. The AMST is being designed to accommodate the Army's new larger equipment, carry about 2 1/2 times the C-130's payload, operate from shorter runways, and be air refueled to help meet strategic airlift surge requirements.

As we found in the Lightweight Fighter and other programs, prototype competition between two contractors can

provide us with a better, more economical aircraft. Therefore, we are requesting \$85 million in FY 1976 to have Boeing and McDonnell Douglas continue development of their YC-14 and YC-15. The first YC-15 prototype is in final assembly with first flight scheduled for the latter part of this year. The AMST should give us an option for significant improvement in supporting the Army's mobility and reducing our operating costs.

In another prototype program called COMPASS COPE, we have two contractors developing high altitude, long endurance Remotely Piloted Vehicle (RPV) prototypes. These unmanned RPVs could carry a variety of surveillance and data relay packages on 24-hour long missions above 50,000 feet. Both versions successfully flew last fall and we plan to select one contractor and start engineering development in FY 1976.

We also are requesting \$5 million to continue the development of an Advanced Tanker/Cargo aircraft to meet our most demanding, long-endurance aerial refueling requirements for airlift, tactical, and strategic forces. We are examining currently-produced, wide-bodied transports and expect to select a candidate this year.

In keeping with DoD's mutual support principle of force interdependence, the Air Force is assisting in the ocean surveillance and control mission. For FY 1976 we seek \$7 million to initiate interface modifications essential to the B-52/HARPOON system, using two B-52Ds as prototypes to carry

and launch the Navy-developed anti-ship missile, the HARPOON. This will give us a swiftly deployable, global capability to attack ships with an all-weather, standoff weapon.

Improved Night, All-Weather Defense Suppression and Strike Capabilities. As I reported last year, the recent conflicts in Southeast Asia and the Middle East emphasized the need for effective, 24-hour tactical air operations in intense defensive environments. This need is particularly critical in Europe where in addition to very sophisticated air defenses, weather is often bad. We have concentrated on development of effective defense suppression and strike systems for day, night, and all-weather use. We have given special management emphasis to a group of such systems (PAVE STRIKE) to assure their expeditious entry into the operational force. They include surveillance systems that can locate electronic radiators and direct weapons against them under all-weather conditions; forward looking infrared (FLIR) systems for day/night target acquisition and weapons delivery; laser guided weapons and designators that can be used with the FLIR system or independently; a modular family of guided munitions for attacking point and area targets; aircraft for suppressing and attacking ground systems that employ electronic emitters; and multi-mission RPVs for selected EW, reconnaissance, and strike missions.

Space. We are requesting \$561 million for FY 1976 astronautics R&D programs. Some essential missions can be

accomplished only in space, and others can be handled more effectively or less expensively there.

The Air Force is working on two complementary, worldwide satellite systems to improve the responsiveness and effectiveness of U.S. forces by upgrading our communications capabilities. The Defense Satellite Communications System (DSCS) handles general communications at high data rates between fixed sites and rapidly deployable smaller equipment. The two satellites we launched in 1973 have been giving DoD better long distance capacity from both the Pacific and Europe. The launching of two more satellites early this year will complete the initial system. A contract for replacement satellites through 1980 has been signed, and in FY 1976 we plan to start development of an improved satellite for the 1980s.

The second system is the Air Force Satellite Communications System (AFSATCOM), a highly reliable, low data rate system designed to provide command and control communications to strategic forces. It will not require satellites of its own, but will use communications capabilities on other satellites. Terminals will be installed in strategic aircraft, missile launch control centers, and key command centers. Terminal equipment testing is to be completed in FY 1976 and Initial Operational Capability is planned shortly thereafter.

Perhaps the most important present space program is our satellite early warning system. We have two satellites over

the Western Hemisphere and one over the Eastern. Using infrared and other sensors, they provide us warning of ICBM and SLBM launches in near real time.

A space system that I believe has the potential of revolutionizing the effectiveness of airpower and world navigation is NAVSTAR. We are developing this global positioning system, consisting of satellites and user terminals, to give the positions of aircraft, ships, and vehicles with an accuracy of tens of feet in three dimensions. Besides helping to stop the costly proliferation of navigation systems, one of NAVSTAR's most important applications could be in weapons delivery worldwide, especially at night and in adverse weather. Last year we began the first phase of a deliberate, evolutionary development program aimed at initial launch of prototype satellites in 1977 to demonstrate the actual accuracy capability.

Also for space use in the 1980s, the Air Force has been designated as the DoD executive agent to participate with NASA in the Space Shuttle program. The Space Shuttle is a reuseable vehicle for carrying payloads to and from low earth orbit. DoD is participating with NASA in the shuttle design to assure that military requirements are satisfied. NASA will provide the East Coast launch facility at the Kennedy Space Center. A West Coast site is essential for polar orbits, and DoD is planning to provide that at Vandenberg AFB, California, not earlier than December 1982.

For launches into high orbits, NASA plans an upper stage called a Space Tug for the mid-1980s. Since all DoD payloads launched from the East Coast require higher orbits, we plan a minimum cost modification of an existing upper stage to make an Interim Upper Stage (IUS). This IUS is expected to be available in 1980 and will allow earlier use of the Space Shuttle for East Coast launches and earlier phase out of expensive expendable space boosters.

IV. PROCUREMENT

After research and development activities provide the technology necessary to maintain a modern, effective Air Force, we then must select, procure, and deploy appropriate new equipment. In the strategic sector for FY 1976, we want to continue MINUTEMAN III production for one more year and other on-going efforts to improve our ICBM force. Increased U.S. strategic airlift capability also is a high priority objective. For our tactical forces, we are requesting funds to continue production of the F-15 and the AWACS, and to begin full-rate production of the A-10. In addition, our request covers procurement of tactical missiles, such as the MAVERICK for air-to-surface, and SPARROW and SIDEWINDER for air-to-air operations.

The FY 1976 procurement request includes \$266 million for 50 MINUTEMAN III missiles to provide an adequate operational test program, \$388 million to modernize the MINUTEMAN force,

and \$2.3 billion for 191 aircraft. Sixteen C-12 utility airplanes are for use by Defense Attache Offices and Military Assistance Advisory Groups. For the Air Force, we want to procure 175 aircraft consisting of 108 F-15s, 61 A-10s, and 6 E-3As (AWACS). The missile and aircraft procurement requests are summarized in Tables IV and V, pages 53 and 54, respectively.

ICBM Force. For several years we have had under way programs to modernize our ICBM force, which as of February 1975 was composed of 500 MINUTEMAN II, 500 MINUTEMAN III, and 54 TITAN missiles. We have been replacing older missiles with the much more capable MINUTEMAN III. In fact, this past September the last of the MINUTEMAN Is were removed from the force. The newer MINUTEMAN III not only provides us with an increased number of targetable weapons, but, because of its accuracy and yield combination, also increases our overall effectiveness and ability to tailor our response to changing military and political conditions.

Last year we requested funds for 61 MINUTEMAN III missiles for testing reliability and evaluating accuracy. This also allowed us to maintain a production base, a prudent step in view of the continuing Soviet drive to produce greatly improved ICBMs. I believe we should continue this production base in FY 1976. The 50 missiles we are requesting are needed to continue the testing that will maintain high confidence of force effectiveness.

We are requesting \$388 million to continue the two-element Force Modernization Program. To assure the continued high survivability of the force into the mid-1980s, existing silos are being upgraded to improve resistance to nuclear blast, shock, and electromagnetic pulse effects. To provide better control and flexibility, the Command Data Buffer modification gives MINUTEMAN III a secure, rapid, and remote retargeting capability that further increases the deterrent potential of the force against all-out or selective nuclear attacks.

Force modernization is on schedule. Three hundred and fifty Upgraded Silos have been completed as of February 1975. By FY 1977 the entire MINUTEMAN III force will be deployed in these improved silos with Command Data Buffer. By FY 1979 all MINUTEMAN II missiles will be in Upgraded Silos.

Strategic Airlift Enhancement. Strategic airlift is a vital part of our capability to deter conventional wars and to support United States interests overseas. Effective strategic airlift forces help strengthen relationships with our allies and play a crucial role in establishing stability in crisis situations. One familiar example occurred during the 1973 Middle East conflict, but it is apparent that a much greater challenge could face us in Europe.

We need to increase our total strategic airlift capability to move a large force to Europe in the critical early weeks of a NATO-Warsaw Pact conflict. This improvement is needed so

that we could counter a major attack by conventional means. Currently, the predominant requirement is for oversize cargo, that is, cargo that can be transported by a medium aircraft such as the C-141. If we can increase our capacity in medium transport aircraft to a point where those aircraft can move all of the required oversize equipment to Europe in the same time the C-5s need to move the outside cargo, we will be able to double the amount of forces deployed in the early stages of currently planned NATO reinforcement.

Last year we proposed an extensive airlift enhancement program. Congress recognized the fundamental need for improvement, but directed additional study of alternative ways to meet requirements. This study was completed in January 1975 as a joint effort by the Air Force and the Office of the Secretary of Defense, and its conclusions form the basis of our FY 1976 request. There are several related parts in the enhancement effort.

In this year's budget, we are asking for \$17 million to complete the prototype and testing of the C-141 stretch and inflight refueling modification. We consider this program to be one of the most readily attainable means of enhancing airlift capability. Stretching the fuselage provides a potential increase in force productivity equivalent to about 80 new C-141s, without the associated increases in manpower or maintenance costs. Since the purpose of this modification is to increase capability during emergency conditions, we do not

plan to add extra payload during normal peacetime operations. Therefore, the impact on aircraft fatigue life should be negligible. The inflight refueling capability will allow us to reduce our dependence on foreign bases in crisis situations.

To improve surge and sustained wartime utilization rates for strategic airlift aircraft, we are increasing the crew-to-aircraft ratio for both the active force and Reserve Components. Our primary emphasis is on increasing the crew ratio for the Reserve Components in both the C-5 and C-141, but we also are increasing slightly the active ratio for the C-5. In addition, we are beginning an auxiliary aircrew concept under which former transport crew members and certain support personnel can be diverted from other duties to the airlift mission during emergencies. With these improvements plus a modest outlay for additional war readiness spares, we can increase future wartime capability of the C-5/C-141 force by 25%.

To support another aspect of the program, we are requesting \$22 million in FY 1976 and \$24 million in the transition period to begin a program to modify floors and entrances of wide-bodied jet passenger aircraft in the U.S. Civil Reserve Air Fleet (CRAF) so that they could carry military cargo in an emergency. By using these aircraft, we could secure this additional capability at a fraction of the cost it would take to acquire and maintain its equivalent within organic military resources.

The airlift enhancement program is not our only effort to improve strategic airlift. We have been training our C-5 aircrews for inflight refueling, and we can now utilize that capability as circumstances require. We also are proposing a modification of the C-5 wing to extend the useful life of this unique and important aircraft. Pending this modification, we are carefully controlling the use of the C-5 to prolong its life while meeting current airlift requirements. In FY 1976, we are requesting \$22 million in RDT&E funds for this alteration to cover design of the conversion kit and modification of a test article.

F-15 Tactical Fighter. The FY 1976 request includes \$1,438 million to procure 108 F-15 tactical fighters. This aircraft is needed to give us all-weather air superiority against all challengers. Effective tactical air warfare in support of ground forces depends on maintaining, at a minimum, local air superiority.

The F-15 was designed from the beginning to optimize its counterair capability. Because of its inherent aerodynamic and avionic performance, it also possesses an excellent air-to-surface strike potential. In its flight test program, which has been under way for 2 1/2 years, the F-15 has met or exceeded all of our expectations. We are encouraged by its reduced cost of ownership compared to contemporary operational fighters. The aircraft is durable and requires only moderate maintenance. In fact, the radar in the F-15 that flew to the

Farnborough Air Show in 1974 went 72 flights before maintenance was required -- a performance many times better than current fighters achieve.

The 108 aircraft being requested for FY 1976 will provide an F-15 production rate of 9 per month in lieu of the 6 per month previously planned. This increased production will give us lower total program costs per aircraft and could provide the last three F-15 wings six months earlier than currently scheduled.

During FY 1976 the F-15 development test program will be completed, and plans call for the first operational wing at Langley Air Force Base, Virginia, to receive two of its three squadrons. The first operational aircraft were delivered to Tactical Air Command in November 1974, as scheduled, and are being used for training. We plan to seek procurement of a total of 729 F-15s through FY 1980.

A-10 Close Air Support Aircraft. Providing combat air support of ground troops has been a primary mission of tactical air forces since World War I. In Europe, one of the most challenging tasks for air support is to help counter the Warsaw Pact's numerical advantage in armor. In the A-10, we have an aircraft that has been designed specifically for the destruction of enemy ground power, including armor.

During its development program, the A-10 has demonstrated that it has all the necessary attributes of an excellent combat air support system, including extended loiter time, a

lethal weapons load, survivability, and responsiveness to ground commanders' needs. The A-10 can operate from forward, austere bases, and can do so with a large, versatile, ordnance load, including the new 30mm GAU-8 gun that can defeat even heavy armor. Because it is highly maneuverable, it is effective even under low clouds and in poor visibility, conditions that are often encountered in Central Europe.

We expect to complete the initial tactical evaluation of the A-10 in October 1975. The 22 aircraft being procured with FY 1975 funds will be used for operational test and aircrew training. In this year's budget we are requesting \$361 million for 61 aircraft. Our request takes into account the effects of increased inflation, as well as Congressionally directed changes in the FY 1975 program, and thus we now project a unit flyaway cost of \$3 million.

Airborne Warning and Control System (AWACS). The effectiveness of both the F-15 and the A-10, as well as our other tactical systems, can be greatly increased by better surveillance, warning, and control. We learned in Southeast Asia that with fast, relatively long-range jet aircraft, a commander needs an improved ability to monitor and direct large scale air operations. In Central Europe the difficulties are much greater because there the environment would be one of high aircraft density and variety. Moreover, there has long been a need for more effective integration of the operations of the various national air forces in NATO.

The E-3A AWACS is able to provide this improved surveillance and control capability. With its exceptionally capable radar, the AWACS can detect hundreds of aircraft at all altitudes over all kinds of terrain and over water. It is the only system which can detect aircraft flying at very low levels. It also will be configured to detect and track ships at sea. At its normal operating altitude near 30,000 feet, it can detect aircraft hundreds of miles away.

The AWACS radar is highly resistant to ECM. An independent review panel under the chairmanship of Dr. H. P. Smith, Jr. concluded that AWACS is "an impressive technical accomplishment that has met its design goals and in so doing is less susceptible to ECM than ground surveillance radars now employed in Europe." This characteristic, plus its IFF sensor and substantial surveillance capability to monitor the activities of enemy aircraft, make AWACS operationally effective even in the presence of ECM.

Finally, the AWACS can be deployed to any region of the world, and immediately begin its mission of surveillance, warning, or direction of air-to-air or air-to-surface combat operations. The inherent mobility of the E-3A, coupled with its long range radar, will enable it to perform its mission while remaining outside the threat area of enemy surface-to-air missiles or fighter aircraft. However, should the need arise, AWACS can issue precise directions to friendly surface-to-air missiles or fighters to act in its defense.

All of these factors make AWACS far more survivable than current ground systems.

The AWACS would greatly increase the effectiveness of our forces in a variety of situations. It has been demonstrated in Europe and has generated considerable enthusiasm there. A multinational study group is investigating the feasibility and cost of several AWACS variants for the European mission. Of course, any NATO AWACS program will depend upon continuation of U.S. procurement.

In December 1974 we completed a successful Systems Integration Demonstration which verified that the AWACS concept is technically and operationally suitable for tactical and air defense operations. In FY 1976 we plan to complete work on the second and third Development Test and Evaluation aircraft. We are continuing work on the six operational aircraft funded last year and are requesting \$431 million in FY 1976 to procure six aircraft and \$199 million to continue development and testing.

Advanced Airborne Command Post (AABNCP). With advances in command, control, and communications (C³) equipment, we have been trying to get the most effective and survivable command post possible for the National Command Authorities (NCA) and the SAC Commander. The Advanced Airborne Command Post will provide the greatly increased capability required by the NCA to assess damage, monitor status of forces, evaluate enemy intentions, and allow selection of a controlled

response. The AABNCP utilizes the larger Boeing 747, designated the E-4, to replace the presently used EC-135 aircraft. The basic 747 aircraft presents little technical risk, and our major development effort has concentrated on the advanced C³ equipment. In FY 1976, we are requesting \$42 million in research and development funds to continue C³ development efforts. Also in FY 1976, we plan to accept and initiate modification of the test bed aircraft for the advanced C³ package, and to begin testing of that package in a ground mockup.

Three production aircraft were funded in previous years. In fiscal quarter 7T, we are requesting \$175 million to procure three additional aircraft. This will allow us to exercise a firm, fixed-price option in the present aircraft contract before it expires in July 1976.

Tactical Missiles. To exploit fully the capabilities of our tactical aircraft, we are developing better missiles for both the strike and air-to-air missions. The TV-guided MAVERICK continues to demonstrate excellent effectiveness, against both moving targets like tanks and reinforced stationary targets such as bunkers. With this missile we have not only a very high probability of hitting the target, but also a launch and leave capability that decreases exposure of our aircraft to enemy fire. We are working with the Navy to expand MAVERICK's usefulness with a modular warhead and Imaging Infrared guidance. We also are cooperating with both the Navy and the

Army on a tri-service laser-seeker option. Our request includes \$144 million for 6,000 missiles, \$33 million of which is advance procurement for FY 1977. Additionally, we are asking for \$46 million to purchase 1,318 SHRIKE missiles for use against electronic emitters, such as air defense radars.

In two other joint programs with the Navy, we have been developing improved missiles for air-to-air combat. We have completed a successful development program, characterized by a very extensive testing effort, on the improved SPARROW, or AIM-7F, radar-guided missile. Our requested FY 1976 procurement is 620 SPARROWS for \$80 million. We also are working on an improved version of the SIDEWINDER, or AIM-9L, heat-seeking missile. We are now in the final stages of testing and anticipate a decision regarding production in a few months. If the decision is favorable, planned initial procurement would be 710 missiles at a cost of \$40 million.

Aircraft Spare Parts. A key aspect of Air Force readiness is the availability of aircraft spare parts. While our operating requirements generally are consistent with those of the past few years, this year's request includes \$332 million to acquire War Reserve Materiel spares, the previous procurement of which has been delayed. This is especially true of strategic airlift requirements. Further deferral of these requirements could place in jeopardy our capability to perform assigned wartime missions. In the case of our new weapon systems, such as the F-15, A-10, and AWACS, our request

for investment spares represents the minimum acquisition of those items necessary to bring these aircraft systems to operational status.

Reducing Modernization Costs. In both our RDT&E and procurement programs, we are employing methodologies specifically aimed at reducing costs -- both initial acquisition cost and the cost of ownership. We are placing greater emphasis on design-to-cost concepts and have established specific goals for our new major programs. We are taking into account total life cycle costs -- that is, operating and maintenance costs, as well as acquisition costs. The life cycle perspective helps to ensure that we buy neither a cheaper product that soon breaks down nor one that is so complex that maintaining it would be prohibitively expensive. These considerations are applied throughout the design and development phases of a new system to help us make necessary tradeoffs between cost and performance. We have used them in such major programs as the A-10 and, most recently, the Air Combat Fighter. Our objective is to merge them into a design-to-overall cost concept.

In the Air Combat Fighter program we have focused the contractor's attention on the cost of ownership by incorporating an award fee incentive approach to both the development and production phases. Additionally, rather than relying on logistics performance promises, we have

contractually structured forms of warranties for demonstrated logistic performance in the operational environment.

The Air Combat Fighter program also illustrates two other cost controls. As I mentioned earlier, the F-16 will permit us to operate the required number of fighter aircraft at a cost effective balance and, hopefully, it will be a means of establishing standardization with our allies. If effective standardization is achieved, each user would realize substantial savings, not only in acquisition costs, but also in total operating and support costs. Moreover, operational effectiveness could be improved.

In our on-going pursuit of increased reliability, maintainability, and standardization, as well as reduced life-cycle costs, we have initiated several modifications designed specifically to achieve these objectives. As an example, installation of the ARC-164 UHF radio in most of our aircraft will result in savings of \$9 million per year when fully implemented.

V. SOCIETAL RESPONSIBILITIES

Although the primary missions of the Air Force are deterrence and defense, we also realize our further responsibilities for energy conservation, humanitarian assistance, and environmental improvements.

Energy Conservation. Energy conservation is not a new topic with the Air Force. However, rising costs, especially of petroleum products, have provided new significance to that objective.

In FY 1976, we anticipate the purchase of approximately 111 million barrels of petroleum products -- a figure 28% less than the amount purchased in FY 1973. However, the cost of this diminished amount will exceed the FY 1973 total by more than \$1 billion.

To achieve the interrelated purposes of conservation and cost reduction, we have instituted a number of promising measures. The retirement of 400 reciprocating engine support aircraft should provide an overall cost avoidance of \$75 million in FY 1976 and reduce our fuel consumption by over 1.5 million barrels annually.

The Department of Defense has asked all branches of the armed forces to strive for a 25% reduction in flying hours by 1981. One of the major actions we are taking toward that goal is significantly increased use of flight simulators. We anticipate an investment of more than \$1 billion over the next six years for modern, state-of-the-art equipment.

The results of this effort are being felt already. Flying training has been completely eliminated for Electronic Warfare Officer (EWO) and navigator-bombardier students. Recent acquisition and use of our only modern, visual-display simulators have resulted in a 20% reduction in programmed flying hours for C-5 and C-141 initial qualification and upgrade training.

Obviously, all flight training cannot be accomplished through simulation, but our investment in this area should

pay extensive dividends in terms of energy conservation and cost avoidance. The resultant annual savings could build to 300,000 flying hours, 9.5 million barrels of fuel, and 270 million in constant FY 1975 dollars by the middle of the next decade.

The Air Force also has accomplished a significant reduction in the consumption of energy for operation of our facilities. Using consumption levels in FY 1973 as a base, the President's goal of 15% reduction was exceeded (17.2%) during the first three quarters of CY 1974, with an estimated cost avoidance of \$50 million. In new construction, we are incorporating energy-saving features as a primary design parameter for all new Air Force facilities. Existing facilities will be upgraded for increased energy effectiveness using military construction funds requested in this year's budget for the DoD Energy Investment Program.

Humanitarian Assistance. Another responsibility that we in the Air Force readily accept involves humanitarian assistance. Air Force people in the United States and throughout the world are deeply involved in programs that create a better life for their fellow men and women.

Probably most familiar is the airlift of food, medicine, and other supplies to disaster victims in many foreign countries -- the floods in Bolivia, Chile, Burma, Bangladesh, and the Philippines; the landslides in Colombia; the hurricane in Honduras; the cyclone in Darwin, Australia; and

the drought in the Sahel region of Africa. Altogether, Air Force C-5s, C-141s, and C-130s, including Guard and Reserve participation, airlifted nearly 20 million pounds of relief supplies in CY 1974 to alleviate human suffering.

Here in the United States, our Aerospace Rescue and Recovery Service participates in the joint Military Assistance to Safety and Traffic (MAST) program, which provides emergency medical evacuation for civilian victims of serious illnesses or accidents. The Air Force Rescue Coordination Center established in 1974 at Scott Air Force Base, Illinois, coordinates the use of military and civilian resources for both military and domestic rescue requirements here in the continental U.S. The Alaskan Air Command Rescue Coordination Center at Elmendorf Air Force Base performs that same function for Alaska. Civilian pilots working with the Civil Air Patrol, an official Air Force auxiliary, also contribute significantly to rescue operations. The Air Force, in conjunction with the U.S. Forest Service, has developed an Airborne Fire Fighting System specially designed for use by C-130 cargo aircraft. The method is proving invaluable in containing forest fire damage in situations where civilian fire-fighting capability is inadequate.

Air Force people stationed here in the U.S. also are involved in a vast variety of community service projects. The programs range from vocational education to youth summer encampments, but all indicate the desire of Air Force people to be good neighbors and responsible citizens.

Environmental Protection. Environmental protection is also a subject of Air Force emphasis. Since 1967 and including the program envisioned for FY 1976, we have allocated \$190 million for pollution control to insure our installations meet federal, state, and local standards.

We are working with other federal agencies on a variety of projects that seek to reduce environmental pollution. For example, a cooperative effort is being conducted with the Environmental Protection Agency to evaluate a flue gas desulfurization system. In Hampton Bay, Virginia, we are working with the city government, other nearby communities, and NASA to develop a total energy system which will burn trash to provide heat and power. This project not only will conserve fuel but also will end the use of valuable land for waste disposal.

The Air Force's environmental protection efforts actually began in 1949; however, guided by the National Environmental Policy Act of 1969, we have further modified a number of operations to support the national concern for environmental enhancement. Last year alone, some 1,000 environmental assessments were accomplished to examine the impact of proposed projects at the earliest possible moment in the planning process. Moreover, Air Force civil engineers have established an Environmental Planning Division to control more carefully the impact of Air Force activities on the environment.

The Air Installation Compatible Use Zone (AICUZ) Program is proceeding at all major flying installations within the United States. The program emphasizes cooperation with local and state governments to encourage compatible use by the civilian community of land adjacent to our bases.

Wherever possible, we are permitting public use of recreational areas on Air Force installations. Currently, 18 of our bases are involved and some three million recreational visits were reported in FY 1974. About 60% of the visits were by civilians. Eglin Air Force Base, along the Gulf Coast of Florida, is a good example. Some 510,000 recreational visits were made there in FY 1974 -- about 75% from the civilian community.

VI. CONCLUSION

We are determined to maintain a powerful Air Force despite the challenge of inflation, but we need support. The nation must not attempt to pay for today's efficiency by jeopardizing tomorrow's effectiveness; both economic operation and modernization are essential. Our development programs must keep pace with a world characterized by technological advance and political and economic uncertainty. The Chief of Staff, General Jones, will discuss management initiatives that are reducing Air Force operating costs.

I assure you that the Air Force is ready and capable of carrying out its mission to protect this nation's security interests. With your help and the support of the American people, in the form of resolve and resources, our future strength will match our vital responsibilities.

TABLE I

Total Obligational Authority
(Millions of \$)

	<u>FY 75</u>	<u>FY 76</u>	<u>FY 7T</u>
RDT&E	\$3,298.9M	\$3,903.2M	\$1,034.0M
Procurement			
Aircraft	3,060.0	4,575.5	1,087.1
Missile	1,542.7	1,791.4	277.4
Other	1,656.0	2,342.8	383.6
Military Construction	444.9	703.6	14.0
Military Personnel	7,500.0	7,400.6	1,816.3
Operations & Maint.	7,327.7	7,956.3	2,020.3
Reserve & Guard	<u>1,371.2</u>	<u>1,522.2</u>	<u>391.1</u>
Total (TOA)	\$26,201.4M	\$30,195.6M*	\$7,023.8M

*The OSD contingency line (\$397.1M is USAF portion) for October 1975 military and civilian pay raises and military travel pay increases is not included.

TABLE II

Personnel End Strengths
(Thousands)

	<u>FY 75</u>	<u>FY 76</u>	<u>FY 7T</u>
Active-Duty Military	612	590	590
Civilian			
Direct Hire	266	256	258
Indirect Hire	15	15	15
Selected Reserve			
AFR	52	53	54
ANG	96	95	95

Personnel Costs
(Millions of \$)

	<u>FY 75</u>	<u>FY 76</u>	<u>FY 7T</u>
Active-Duty Military	\$7,500M	\$7,401M	\$1,816M
Civilian	3,768	3,805M	938
Selected Reserve			
AFR*	(25) 148*	(24) 161*	(6) 51*
ANG	<u>205</u>	<u>213</u>	<u>61</u>
Total (TOA)	\$11,621M	\$11,580M	\$2,866M
% of Budget**	44.4	38.3	40.8

*Parentheses indicate funds included for ROTC and Health Professions Scholarship programs.

**When the Air Force portions of the OSD accounts (funded by OSD and not included in the Air Force budget request) for family housing and retired pay are added, personnel and related costs are 49.1% of FY 1975 costs and 44.2% of FY 1976 costs.

	<u>FY 75</u>	<u>FY 76</u>
Family Housing	330	340
Retired Pay	2,138	2,495
		354 (FY 76 Pay Raise)
Personnel Subtotal	\$14,089M	\$14,769M

TABLE III

Research and Development By Category
(Millions of \$; funds in parentheses
show funding for selected major systems)

	<u>FY 75</u>	<u>FY 76</u>	<u>FY 7T</u>
<u>AIRCRAFT</u>	<u>\$1,097.5M</u>	<u>\$1,430.2M</u>	<u>\$ 362.5M</u>
B-1	(445.0)	(672.2)	(168.3)
YF-16 (ACF)	(32.0)	(273.0)	(82.5)
AMST Prototype	(55.8)	(85.0)	(11.4)
A-10	(81.4)	(51.9)	(1.0)
F-15	(182.6)	(39.9)	-0-
Adv Tanker/Cargo	(2.0)	(5.2)	(1.4)
<u>MISSILES</u>	<u>370.5</u>	<u>358.3</u>	<u>107.9</u>
MINUTEMAN III	(123.9)	(122.7)	(34.0)
ABRES	(111.8)	(101.0)	(29.2)
ALCM	(66.5)	(51.0)	(13.0)
Adv ICBM Technology	(37.3)	(41.2)	(15.3)
<u>ASTRONAUTICS</u>	<u>453.7</u>	<u>560.5</u>	<u>133.7</u>
NAVSTAR GPS	(23.9)	(74.6)	(13.2)
Space Shuttle	(10.0)	(22.7)	(8.2)
<u>ORDNANCE & COMBAT VEHICLES</u>	<u>149.4</u>	<u>188.7</u>	<u>57.6</u>
<u>OTHER EQUIPMENT</u>	<u>633.7</u>	<u>719.9</u>	<u>204.7</u>
AWACS	(202.0)	(199.2)	(54.5)
AABNCP	(62.7)	(42.2)	7.8)
<u>MILITARY SCIENCES</u>	<u>132.2</u>	<u>143.6</u>	<u>38.3</u>
<u>MANAGEMENT & SUPPORT</u>	<u>462.0</u>	<u>502.0</u>	<u>129.3</u>
TOA	\$3,298.9M	\$3,903.2M	\$1,034.0M

TABLE IV

Missile Procurement

(Number of missiles in parentheses; millions of \$)

	<u>FY 75</u>		<u>FY 76</u>		<u>FY 7T</u>
MINUTEMAN III	(61) \$298.4M		(50) \$265.8M		
MINUTEMAN FORCE MODERNIZATION	298.9		387.7		70.5
MAVERICK	(5600) 72.7		(6000) 144.0		(1200) 25.0
SHRIKE	(270) 11.1		(1318) 45.9		(300) 9.6
SPARROW	(300) 43.3		(620) 89.1		
SIDEWINDER (AIM 9L)			(710) 39.5		
SIDEWINDER (AIM 9H)			(800) 22.7		
MODIFICATIONS	40.9		49.1		0.3
SPARES	43.3		86.6		6.2
OTHER	<u>734.1</u>		<u>670.0</u>		<u>165.8</u>
TOA	\$1,542.7M		\$1,791.4M		\$277.4M

TABLE V

Aircraft Procurement

(Number of aircraft in parentheses; millions of \$)

	<u>FY 75</u>	<u>FY 76</u>	<u>FY 7T</u>
F-15	(72) \$756.9M	(108) \$1,437.8M	(27) \$319.5M
A-10	(22) 166.9	(61) 360.7	(33) 87.0
AWACS	(6) 370.7	(6) 430.5	30.0
AABNCP			(3) 175.0
B-1		77.0	31.0
C-12*		(16) 11.8	
A-7**	70.5		
F-111***	82.6		
F-5	(71) 69.2		
MODIFICATIONS	525.8	660.7	126.3
SPARES	726.2	1,101.7	190.1
OTHER	<u>291.2</u>	<u>495.3</u>	<u>128.2</u>
TOA	\$3,060.0M	\$4,575.5M	\$1,087.1M
Acft for USAF	(171)	(175)	(63)

* For DAO/MAAG use

** \$29.6M impounded

*** \$122.9M impounded

TABLE 1
 FY 1976 Department of Defense Budget
 FINANCIAL SUMMARY

By Program, Component and Budget Title
 (Total Obligational Authority - In Millions of Dollars)

	FY 1974	FY 1975	FY 1976	FY 1977
<u>DoD Program</u>				
Strategic Forces	6,835	7,394	7,721	2,100
General Purpose Forces	27,535	28,207	35,851	7,251
Intelligence and Communications	5,891	6,375	7,272	1,692
Airlift and Sealift	778	921	1,597	348
Guard and Reserve Forces	4,308	4,853	5,579	1,517
Research and Development	6,850	7,674	9,365	2,457
Central Supply and Maintenance	8,537	8,985	9,896	2,642
Training, Medical, Other Gen Per Act	18,203	19,919	21,717	5,445
Administration and Assoc Activities	1,772	2,095	2,426	616
Support of Other Nations	4,283	2,570	3,261	574
Total Direct Program (TOA)	84,992	88,993	104,684	24,642
<u>DoD Component</u>				
Department of the Army	21,584	21,663	25,098	6,328
Department of the Navy	26,860	28,136	34,093	7,590
Department of the Air Force	24,682	26,201	30,593	7,167
Defense Agencies, OSD and JCS	2,134	3,061	3,513	848
Defense-Wide	6,339	7,513	8,598	2,177
Defense Civil Preparedness Agency	80	87	88	20
Military Assistance Program	3,314	2,331	2,701	513
Total Direct Program (TOA)	84,992	88,993	104,684	24,642
<u>DoD Budget Title</u>				
Military Personnel	24,104	24,975 *	25,913	6,731
Retired Pay	5,137	6,276	6,936	1,870
Operation and Maintenance	23,862	26,259 *	29,846	7,861
Procurement	17,467	17,356	24,720	4,578
Research, Development, Test, Evaluation	8,195	8,616	10,294	2,704
Special Foreign Currency Program	3	3	3	
Military Construction	1,695	1,914	2,901	76
Family Housing and Homeowners Asst Prog	1,136	1,176	1,282	290
Civil Defense	80	87	88	20
Military Assistance Program	3,314	2,331	2,701	513
Total Direct Program (TOA)	84,992	88,993	104,684	24,642

Note: In the FY 1976 and FY 1977 columns, amounts for military and civilian pay increases, military retired pay reform and other proposed legislation are distributed.

* Reflects proposed legislation.
 Details may not add to totals due to rounding.

OASD (COMPTROLLER)
 February 3, 1975

TABLE 2

FY 1976 DEPARTMENT OF DEFENSE BUDGET

TOTAL OBLIGATION AUTHORITY, BUDGET AUTHORITY, AND OUTLAYS

(MILLIONS OF DOLLARS)	DIRECT BUDGET PLAN (TOA)				BUDGET AUTHORITY (BA)				OUTLAYS			
	FUNCTIONAL CLASSIFICATION	FY 1974	FY 1975	FY 1976 TRANSITION	FY 1974	FY 1975	FY 1976 TRANSITION	FY 1974	FY 1975	FY 1976 TRANSITION		
MILITARY PERSONNEL												
ACTIVE FORCES	22,428	23,195	23,278	5,861	22,466	23,195	23,278	5,861	22,150	23,301	23,227	5,794
RESERVE FORCES	1,675	1,797	1,800	592	1,702	1,805	1,800	592	1,579	1,749	1,775	659
TOTAL - MILITARY PERSONNEL	24,104	24,992	25,078	6,453	24,167	25,000	25,078	6,453	23,728	25,050	25,002	6,453
RETIRED MILITARY PERSONNEL	5,137	6,276	6,885	1,775	5,151	6,276	6,885	1,775	5,128	6,281	6,884	1,789
OPERATION AND MAINTENANCE	23,862	26,241	29,300	7,629	23,955	26,225	29,300	7,629	22,478	25,657	28,325	8,092
PROCUREMENT	17,467	17,356	24,420	4,578	17,028	16,729	24,420	4,578	15,241	14,785	16,510	4,700
RESEARCH, DEVELOPMENT TEST + EVAL	8,195	8,616	10,237	2,683	8,176	8,572	10,179	2,683	8,582	8,650	9,610	2,250
MILITARY CONSTRUCTION	1,695	1,914	2,901	76	1,563	1,927	2,887	76	1,407	1,457	1,703	579
FAMILY HOUSING	1,136	1,176	1,276	287	1,099	1,161	1,222	283	884	1,090	1,260	375
CIVIL DEFENSE	80	87	88	20	82	82	88	20	75	90	88	16
SPECIAL FOREIGN CURRENCY PROGRAM	3	3	3	-	3	2	3	-	4	3	5	1
PROPOSED LEGISLATION	-	1	122	53	-	1	122	53	-	-2	66	10
INVENTORY REPLENISHMENT	-	-	300	-	-	-	300	-	-	-	90	36
REVOLVING AND MANAGEMENT FUNDS	-	-	-	-	-	76	477	-	268	144	-492	38
OFFSETTING RECEIPTS	-	-	-	-	-153	-144	-116	-31	-153	-144	-116	-31
NAVAL PETROLEUM RESERVE, RECEIPTS	-	-	-	-	-	-112	-469	-110	-	-112	-469	-110
PAY INCREASE/RETIRED PAY REFORM	-	-	1,374	577	-	-	1,374	577	-	-	1,335	603
TRUST FUNDS	-	-	-	-	7	7	7	2	-11	35	5	1
INTRAGOVERNMENTAL TRANSACTIONS	-	-	-	-	-7	-6	-6	-1	-7	-6	-6	-1
TOTAL - MILITARY FUNCTIONS	81,679	86,662	101,983	24,130	81,073	85,795	101,749	23,986	77,625	82,978	89,800	24,800
MILITARY ASSISTANCE												
MILITARY ASSISTANCE - GEN. ACCTS.	3,314	2,331	2,701	513	3,370	2,302	2,673	507	1,421	2,248	3,013	658
MAP OFFSETTING RECEIPTS - FED. FUNDS	-	-	-	-	-109	-147	-213	-58	-109	-147	-213	-58
MAP TRUST FUNDS	-	-	-	-	7,731	6,700	6,800	1,700	2,675	3,613	4,869	1,276
MAP OFFSETTING RECTS - TRUST FUNDS	-	-	-	-	-3,167	-3,892	-4,669	-1,276	-3,167	-3,892	-4,669	-1,276
TOTAL - MILITARY ASSISTANCE	3,314	2,331	2,701	513	7,825	4,963	4,591	873	819	1,822	3,000	600
GRAND TOTAL - DEPT. OF DEFENSE	84,992	88,993	104,684	24,642	88,898	90,758	106,340	24,859	78,445	84,800	92,800	25,400
DEPARTMENT OF THE ARMY	21,584	21,663	24,620	6,153	21,262	21,395	24,657	6,142	21,395	21,331	22,740	5,995
DEPARTMENT OF THE NAVY	26,860	28,136	33,688	7,442	26,679	27,800	33,179	7,321	23,984	26,139	27,723	7,787
DEPARTMENT OF THE AIR FORCE	24,682	26,201	30,196	7,024	24,670	25,883	30,246	7,016	23,928	24,755	26,554	7,369
DEFENSE AGENCIES/OSD	2,134	3,061	3,476	835	2,070	3,139	3,719	835	2,178	3,216	3,046	808
DEFENSE-WIDE	6,339	7,513	8,242	2,079	6,310	7,497	8,187	2,076	6,065	7,447	8,225	2,185
CIVIL DEFENSE	80	87	88	20	82	82	88	20	75	90	88	16
PAY INCREASE/RETIRED PAY REFORM	-	-	1,374	577	-	-	1,374	577	-	-	1,335	603
INVENTORY REPLENISHMENT	-	-	300	-	-	-	300	-	-	-	90	36
MILITARY ASSISTANCE	3,314	2,331	2,701	513	7,825	4,963	4,591	873	819	1,822	3,000	600
TOTAL - DEPARTMENT OF DEFENSE	84,992	88,993	104,684	24,642	88,898	90,758	106,340	24,859	78,445	84,800	92,800	25,400

DEPT. OF THE AIR FORCE				DEF. AGS/OSD/OCD/MAP/UNDIST			
FY 1974	FY 1975	FY 1976	TRANSITION	FY 1974	FY 1975	FY 1976	TRANSITION
7,479	7,500	7,401	1,816	-	-	-	-
308	355	374	112	-	-	-	-
7,787	7,855	7,775	1,929	-	-	-	-
-	-	-	-	5,137	6,276	6,885	1,775
7,672	8,295	9,024	2,297	1,621	2,458	2,648	671
2,824	3,060	4,576	1,087	-	-	-	-
1,416	1,543	1,791	277	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
375	260	505	38	-	-	-	-
294	366	626	54	-	-	-	-
972	1,030	1,212	292	66	98	128	21
5,881	6,259	8,710	1,748	66	98	128	21
129	132	144	38	54	56	63	16
1,115	1,097	1,430	363	-	-	-	-
238	370	358	108	69	69	75	19
521	454	561	134	-	-	-	-
-	-	-	-	-	-	-	-
112	149	189	58	-	-	-	-
479	634	720	205	322	348	441	114
467	462	502	129	16	18	19	5
-	-	-	-	25	25	29	7
3,062	3,299	3,903	1,034	486	516	626	160
280	496	785	16	25	47	152	1
-	-	-	-	1,136	1,176	1,276	287
-	-	-	-	80	87	88	20
-	-	-	-	3	3	3	-
-	-2	-	-	-	-	-	-
-	-	-	-	-	-	300	-
-	-	-	-	-	-	1,374	577
24,682	26,201	30,196	7,024	8,553	10,661	13,480	3,511
-	-	-	-	3,314	2,331	2,701	513
24,682	26,201	30,196	7,024	11,867	12,992	16,181	4,023
14	-244	82	-	7	9	157	-9
-26	-74	-32	-8	4,413	2,678	1,920	366
24,670	25,883	30,246	7,016	16,287	15,680	18,259	4,381
23,928	24,755	26,554	7,369	9,138	12,574	15,783	4,248

OASD (COMPTROLLER)
February 3, 1975

TABLE 4

FY 1976 Department of Defense Budget

FY 1975 Supplementals and Amendment
(\$ Millions)

<u>Purpose</u>	
Military and Civilian Pay Increases 1 October 1974	1,131
Retired Pay Cost of Living Increases 1 January 1975 @ 7.2%	235
Wage Board Pay Increases	405
Increased Subsistence Costs	46
Naval Petroleum Reserve	18
Military Assistance	<u>522</u>
Total	2,357
<u>Title</u>	
Military Personnel	829
Retired Pay	235
Operation and Maintenance	684
Research, Dev., Test and Evaluation	59
Family Housing	10
Naval Petroleum Reserve	18
Military Assistance	<u>522</u>
Total	2,357
<u>Component</u>	
Army	644
Navy	456
Air Force	439
Defense Agencies	51
Defense-Wide	245
Military Assistance	<u>522</u>
Total	2,357

OASD (COMPTROLLER)
February 3, 1975

TABLE 5.

FY 1976 Department of Defense Budget

Chronology of the FY 1975 Budget Estimates
(\$ Millions)

	TOA			OUTLAYS
	Transmitted to Congress	Contingencies	Total	
FY 1975 Budget (February 1974)	90,337	2,242	92,579	85,800
Amendments Submitted During CY 1974	+1,757	-438	+1,319	+952
Total Estimate for FY 1975	92,094	1,804	93,898	86,752
Congressional Action	-5,201	-----	-5,201	-3,097
Status After Congressional Action	86,893	1,804	88,697	83,655
Proposed Supplementals:				
Southeast Asia	+522	-----	+522	+275
Pay and petroleum reserves	+1,835	-1,804	+31	-6
Proposed Rescissions and Savings	-296	-----	-296	-132
All Other Changes	+39	-----	+39	+1,008
Total Changes Since Congressional Action	+2,100	-1,804	+296	+1,145
Current FY 1975 Estimate	88,993	-----	88,993	84,800

OASD (COMPTROLLER)
February 3, 1975

TABLE 6

FY 1976 Department of Defense Budget
Scheduling of FY 1976 Budget Requests
(TOA, \$ Millions)

Appropriations (TOA) Requested with Budget Transmitted in January 1975		103,010
Appropriations to be Requested at a later date, but included in Defense Budget Estimate:		
October 1, 1975 military & civilian pay raise	(1,170)	
FY 1976 wage board raises	(62)	
Proposed legislation:		
Retired pay	(43)	
Other	(99)	
Inventory replenishment	<u>(300)</u>	
Total appropriations to be requested later	(1,674)	<u>1,674</u>
Total FY 1976 budget estimate		104,684

OASD (COMPTROLLER)
February 3, 1975

TABLE 7

FY 1976 Department of Defense Budget

DEFENSE EMPLOYMENT OUTLOOK

(End Year - In Thousands)

	FY 1964	FY 1968	FY 1974	FY 1975	FY 1976	Change FY 75-76
<u>Military</u>						
Army	972	1,570	783	785	785	0
Navy	667	765	546	536	529	-7
Marine Corps	190	307	189	196	196	0
Air Force	856	905	644	612	590	-22
Total Military	2,685	3,547	2,161	2,129	2,100	-29
<u>Civil Service</u>						
Army	360	462	342	337	334	-3
Navy	332	419	324	318	322	+4
Air Force	305	331	274	266	256	-10
Defense Agencies/OSD	38	75	75	74	73	-1
Total Civil Service	1,035	1,287	1,014	995	985	-10
Total - Military and Civil Service	3,720	4,834	3,175	3,123	3,085	-38
Defense Related Industry	2,280	3,173	1,665	1,494	1,469	-25
Total Defense Manpower	6,000	8,007	4,840	4,617	4,554	-63

OASD (COMPTROLLER)
February 3, 1975

TABLE 8

FY 1976 Department of Defense Budget
SUMMARY OF SELECTED ACTIVE MILITARY FORCES

	Actual June 30, 1964	Actual June 30, 1974	Estimated	
			June 30, 1975	June 30, 1976
<u>Strategic Forces:</u>				
Intercontinental Ballistic Missiles:				
MINUTEMAN	600	1,000	1,000	1,000
TITAN II	108	54	54	54
POLARIS-POSEIDON Missiles	336	656	656	656
Strategic Bomber Squadrons	78	28	27*	26*
Manned Fighter Interceptor Squadrons	40	7	6	6
Army Air Defense Firing Batteries	107	21	0	0
<u>General Purpose Forces:</u>				
Land Forces:				
Army Divisions	16 1/3	13	14	16
Marine Corps Divisions	3	3	3	3
Tactical Air Forces:				
Air Force Wings	21	22	22	22
Navy Attack Wings	15	14	14	13
Marine Corps Wings	3	3	3	3
Naval Forces:				
Attack & Antisubmarine Carriers	24	14	15	13
Nuclear Attack Submarines	19	61	64	68
Other Warships	370	187	189	185
Amphibious Assault Ships	133	65	64	63
<u>Airlift and Sealift Forces:</u>				
Strategic Airlift Squadrons:				
C-5A	0	4	4	4
C-141	0	13	13	13
Troopships, Cargo Ships and Tankers	100	37	40	43

*Reflects reorganization; total number of strategic bombers remains unchanged from FY 1974.

OASD (COMPTROLLER)
February 3, 1975

TABLE 9
 FY 1976 Department of Defense Budget
 DEFENSE BUDGET, FEDERAL BUDGET, AND GNP FOR SELECTED YEARS

(Billions of Dollars)

Fiscal Year		Federal Budget Outlays					DoD Outlays as % of	
		GNP	Net Total	Dept of Defense	Other	Offsets _{a/}	GNP	Federal Budget
1950	Lowest year since World War II <u>b/</u>	\$ 263.3	\$ 43.1	\$ 12.0	\$ 32.8	-1.7	4.5%	26.8%
1953	Korea peak	358.9	76.8	47.5	31.3	-2.0	13.3%	60.3%
1964	Last prewar year	612.2	118.6	50.8	70.7	-2.9	8.3%	41.8%
1968	SEA peak <u>b/</u>	826.1	178.8	78.0	105.3	-4.5	9.4%	42.5%
1974	Last actual year	1,348.9	268.4	78.4	199.9	-9.9	5.8%	28.2%
1975	Current estimate	1,434.1	313.4	84.8	240.4	-11.8	5.9%	26.1%
1976	Budget estimate	1,595.6	349.4	92.8	268.8	-12.2	5.8%	25.7%

a/ These amounts are undistributed intragovernmental transactions deducted from Government-wide totals. These include Government contribution for employee retirement and interest received by trust funds.

b/ In constant prices, and as a percentage of GNP. Until FY 1975, this was also the low year for Defense as a share of the Federal Budget.

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 February 3, 1975

TABLE 10

FY 1976 Department of Defense Budget
PAY INCREASES AND PAY AND PRICE INDICES SINCE 1945

Military and civilian pay increase			Pay & purchase price indices (FY 1964=100)			
Effective Date	Regular Military a/ Compensation	Classified Civilian Salaries	Fiscal Year	Regular Military a/ Compensation	Classified Civilian Salaries	Purchase Price b/
Jul. 1, 1945	-	15.9%	1946	-	50.2	
Jul. 1, 1946	23.7% c/	14.2%	1947	61.4	57.4	
Jul. 1, 1948	-	11.0%	1948	61.4	57.4	
Oct. 1, 1949	21.6%	-	1949	61.4	63.7	78.2
Oct. 28, 1949	-	4.1%	1950	73.0	65.4	76.2
Jul. 1, 1951	-	10.0%	1951	76.2	66.3	83.2
May 1, 1952	10.9%	-	1952	77.5	72.9	83.1
Mar. 1, 1955	-	7.5%	1953	84.4	72.9	82.4
Apr. 1, 1955	2.8%	-	1954	84.4	72.9	80.9
Jan. 1, 1958	-	10.0%	1955	84.8	74.8	85.5
Jun. 1, 1958	6.3%	-	1956	86.1	78.4	88.8
Jul. 1, 1960	-	7.7%	1957	86.1	78.4	94.8
Oct. 14, 1962	-	5.5%	1958	86.5	82.3	96.2
Oct. 1, 1963	8.4%	-	1959	91.0	86.2	98.1
Jan. 5, 1964	-	4.1%	1960	91.0	86.2	97.6
Jul. 1, 1964	-	4.2%	1961	91.0	92.9	99.3
Sep. 1, 1964	1.4%	-	1962	91.0	92.9	98.8
Sep. 1, 1965	6.4%	-	1963	92.8	96.5	99.4
Oct. 1, 1965	-	3.6%	1964	100.0	100.0	100.0
Jul. 1, 1966	2.8%	2.9%	1965	102.1	106.3	102.3
Oct. 1, 1967	4.5%	4.5%	1966	107.8	109.2	104.2
Jul. 1, 1968	4.9%	4.9%	1967	112.0	113.2	106.8
Jul. 1, 1969	9.1%	9.1%	1968	116.7	117.1	109.7
Jan. 1, 1970	6.0%	6.0%	1969	124.2	124.2	113.7
Jan. 1, 1971	6.0%	6.0%	1970	140.1	139.6	119.3
Nov. 14, 1971	13.1%	-	1971	148.5	148.0	126.3
Jan. 1, 1972	5.5%	5.5%	1972	173.3	156.5	131.0
Jan. 1, 1973	5.1%	5.1%	1973	193.2	164.8	136.6
Oct. 1, 1973	4.8%	4.8%	1974	208.4	174.9	152.2
Oct. 1, 1974	5.5%	5.5%	1975	222.6	184.3	184.5
Oct. 1, 1975	5.0%	5.0%	1976	234.1	193.7	212.2

a/ Regular military compensation is the sum of basic pay, quarters allowance, subsistence allowance, and the tax advantage on these allowances (which are not subject to income tax).

b/ Non-compensation component of the deflator for federal purchases of goods and services. Source: 1949-74, Dept. of Commerce. FY 1975 & FY 1976 estimated by DoD.

c/ This was a 23.7% increase in basic pay. The equivalent in RMC terms has not been computed.

OASD (COMPTROLLER)
February 3, 1975

TABLE 11

FY 1976 Department of Defense Budget

MAJOR PROCUREMENT ITEM QUANTITIES
FY 1974, 1975 and 1976 Programs

	FY 1974 Program	FY 1975 Program	FY 1976 Program
<u>Aircraft</u>			
Army	-	6	120
Navy and Marine Corps	297	212	338
Air Force	369	171	191
Total - Aircraft	666	389	649
Helicopters	238	21	138
Fixed Wing Aircraft	428	368	511
<u>Missiles</u>			
Army	26,107	38,924	43,633
Navy and Marine Corps	8,028	10,105	9,935
Air Force	4,344	6,231	9,498
Total - Missiles	38,479	55,260	63,066
<u>Ships - Navy</u>			
New Construction	14	22	23
Conversions	5	4	-
Total - Ships	19	26	23
<u>Tracked Combat Vehicles</u>			
Army	594	950	2,412
Marine Corps	120	172	169
Total - Tracked Combat Vehicles	714	1,122	2,581
<u>Torpedoes - Navy</u>			
	500	425	175
<u>Other Weapons</u>			
Army	29,842	8,409	1,022
Navy and Marine Corps	8,000	2	6
Total - Other Weapons	37,842	8,411	1,028

OASD (COMPTROLLER)
February 3, 1975

Members of Congress For Peace Through Law

201 MASSACHUSETTS AVENUE, NE, SUITE 316
WASHINGTON, D. C. 20002 202 / 544-4250

June 24, 1976.

Mr. Steve Stark
Carter Campaign Headquarters
P.O. Box 1976
Atlanta , Georgia 30301

Dear Mr. Stark,

Enclosed is a carefully written report on the FY1977 defense budget by a group of Congressional staffers and outside experts under my direction. I am sending it to you with the thought that it might be helpful to Governor Carter in reviewing the defense budget.

I understand that Gov. Carter has called for \$5 to \$7 billion cuts in the Pentagon budget annually. This report points out where \$8.5 billion might be safely cut without endangering the national security. Would you be good enough to look it over and forward it to Gov. Carter through appropriate channels before he delivers his position paper on defense?

Thank you for your attention to this report.

Sincerely,



Barry Schneider
MCPL Staff Consultant
Arms Control & Military Affairs

MCPL DEFENSE POSTURE STATEMENT

by
The MCPL Defense Task Force

In October 1975 a joint meeting of the MCPL Military Affairs Committee and MCPL Arms Control Committee produced a decision to produce an MCPL Defense Posture Statement as an alternative to the FY 1977 Defense Department Posture Statement. This is that document which has been produced with the help of numerous offices within MCPL, with the outside criticism and advice of numerous defense experts, and under the direction of the MCPL staff consultant. It was entered into the Congressional Record on May 19th by Senator Dick Clark, Chairman of MCPL. This is essentially an options paper and should be regarded as such. It is not meant to be representative of the views of each and every Member of MCPL. Indeed, MCPL as an organization does not take block positions. Rather, this is a report of the MCPL Defense Task Force to the MCPL Military Affairs Committee and the MCPL Arms Control Committee for their consideration.

The report does three things:

FIRST, The report identifies \$8.538 billion in defense "softspots" that could be eliminated from the FY1977 Defense Department budget without harming the essential military capability of the United States. In this ECONOMY DEFENSE BUDGET \$8.5 billion would be saved the taxpayers at no appreciable loss of military strength. These savings would take the form of the following cuts:

Recommended: The following changes from current defense programs or requests.

1. Strategic forces: Suggested cuts in questionable programs
(In millions)

	Savings
a. B-1 bomber program.....	\$1,049
b. MX missile program.....	84
c. MK-12A warhead program.....	99
d. Trident submarine funding (suspension awaiting study).....	1,114
e. Sea-Launched cruise missile (SLCM).....	369
f. Minuteman III missile add-ons.....	261
	3,061

2. Seapower: General purpose force suggested cuts in programs
(In millions)

a. New Nimitz carrier procurement funds (Long Lead-time items in FY 1977).....	\$350
--	-------

3. Defense manpower: Suggested cuts in questionable programs
(In millions)

	Savings
a. Redress the balance between officers and enlisted personnel by not replacing 6,000 officer slots.....	\$150
b. Improving the combat-to-support ratios.....	188
c. Transfer 50,000 naval reservists to the Individual Ready Reserves.....	36
d. Eliminate "double dippers" who draw two salaries.....	60
e. Increase average tour of duty from 14 to 18 mos.....	260
f. Increase student/teacher ratio from 1.5 to 1 to 2 to 1.....	520
g. Decrease average training period by 1 week from 67 days to 60 days.....	1
h. Cap retirement annuities at 6 percent increase per year.....	200
i. Remove the 1 percent kicker for retirees.....	90
j. Do not approve recomputation for retirees—this would add some \$550 million in fiscal year 1977.....	--
k. Reduce civilian manpower by 1.5 percent in an efficiency incentive cut of 41,000 spaces (15,000 more than projected by the DoD).....	580
l. Institute a 5 percent pay cap on all payroll increases for all DoD people in fiscal year 1977.....	2,200
	4,687

4. Tactical airpower: Suggested cuts in questionable programs
(In millions)

a. Advanced attack helicopter program (AAH).....	\$112.1
b. A-7 Corsair program.....	235.4
c. A-4 Skyhawk program.....	102.4
	449.9

Total fiscal year 1977 savings. 8,537.9

SECOND, the report provides a second option, an EFFICIENCY DEFENSE BUDGET, which would still eliminate the \$8.538 billion worth of programs listed in option #1 (the ECONOMY DEFENSE BUDGET) but would reinvest the money in other defense programs that make more sense than the present DoD proposals for FY1977. In this "fat into swords" approach, the United States would invest in more worthwhile military programs such as:

VSS mini-aircraft carriers	improved satellite verification
VSTOL aircraft R&D	command and control improvements
additional TOW anti-tank weapons	precision-guided munitions R&D
advanced surface effect ships	laser research
armoured personnel carriers	remotely piloted vehicles R&D
NATO standardization costs	tank forces if cost effective
additional A-10 aircraft	additional F-18 aircraft
additional cargo aircraft	improved nuclear weapons security
prepositioned NATO supplies	NAVSTAR navigation satellite R&D
new carrier alternatives study	improved ASW systems R&D
improved ship maintenance	Captor Mines
improved aircraft maintenance	new SSBN alternatives study
improved ship readiness	improved TACAIR readiness
improved anti-tank weapons	improved anti-air weapons

The investment in this kind of military program rather than those that would be deleted under options 1 and 2 would provide more military muscle for the defense dollar invested and would improve the military capability of the United States.

THIRD, the report identifies four major foreign policy stances that the United States might adopt, along with the kind of defense forces needed to support them, and the defense price tag on each alternative policy. U.S. defense costs would vary in the following ways depending upon the foreign policy selected and whether an "Efficiency" or an "Economy" defense budget were adopted.

FY 1977 Defense Expenditures

<u>Foreign Policy Adopted</u>	<u>Efficiency Budget</u>	<u>Economy Budget</u>
1. Present U.S. Policy	1. \$116.4 Billion (\$114.2B+ 2.2B in payroll added)	1. \$107.86 Billion (\$8.538 Billion saved)
2. Pax Americana Policy	2. \$220.0 Billion (rough estimate) (Extra Cost: \$104 Billion)	2. Not Applicable (All kinds of extra forces purchased as hedges against all contingencies)
3. Pacific Pullback/ Europe-First Policy	3. \$107.3 Billion (foreign policy cuts alone) (Savings: \$9.1 Billion)	3. \$98.8 Billion (foreign policy + economy cuts) (Savings: \$17.6 Billion)
4. General Retrenchment Policy	4. \$93.5 Billion (foreign policy cuts alone) (Savings: \$22.9 Billion)	4. \$85.0 billion (foreign policy + economy cuts) (Savings: \$31.4 Billion)

Questions about this MCPL Defense Posture Statement should be directed to Barry Schneider, MCPL Staff Consultant for Military Affairs and Arms Control, MCPL, Suite 316, 201 Massachusetts Avenue, N.E., Washington, D.C. 20002. Telephone: 202-544-4250. Extra copies are available on request and the original may be found in the Congressional Record, May 24, 1976, beginning on page S7507.