THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

MAR 2 3 1976

Honorable John L. McClellan
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, D. C. 20510

USSR

Dear Mr. Chairman:

This responds to your request for an assessment of the implications of recent trends in the military balance between the U.S. and the Soviet Union.

Forecasting the future inevitably involves great uncertainty. This is especially the case in considering the future overall military balance between the United States and the Soviet Union, since that balance will be determined by the actions taken or not taken by both nations in the context of what is desired of their military forces. One cannot easily calculate a "crossover point," a specific point in time when an objective judgment could be made that one nation had moved unambiguously ahead in the overall military balance. The question becomes more manageable, however, if each of the key balances is considered separately.

For each of the key balances, I will summarize some of the major indications of the trends to date, and discuss their implications for the future. And since the future military balance will depend greatly on the level of resources devoted to the defense programs, and especially research and development, of the United States and the Soviet Union, I will also briefly discuss the trends in the military investment balance between the two nations.

The Strategic Balance

We seek to maintain essential parity in this most critical of the military balances. We believe such parity presently exists, and that the forces we maintain and the development and deployment programs proposed will ensure that it continues to exist.

The crucial considerations are the ability to deter the Soviet Union, preservation of our retaliatory capacity, its adequacy to inflict desired levels of damage, and the flexibility to preserve a measure of deterrence even after the onset of nuclear warfare if initial deterrence should fail.

23 Mar 76

We must respond to the increasing possibility that major asymmetries will develop between U.S. and Soviet strategic forces because of the momentum in Soviet offensive and defensive programs, and that the Soviet strategic capability could come to be viewed as superior to that of the United States. In terms of quantitative measures, the Soviets lead in numbers of delivery vehicles, megatonnage, and throw weight, while the U.S. has an advantage in number of warheads. Qualitative factors such as accuracy, reliability, survivability, and command and control probably have as much impact on overall force effectiveness as the more obvious quantitative factors.

Over the past year the Soviets have begun the deployment of three new larger ICBMs and appear ready to deploy a fourth. The new ICBMs, with accurate MIRVed warheads, will improve the capability of the Soviet Union to threaten the survivability of our existing land-based ICBM forces. The Soviets are also going to considerable lengths to protect and harden their new generation ICBMs and their launch control and communications facilities. Every new SS-17, SS-18 and SS-19 missile they deploy is going into modernized hard silos, and associated launch control facilities are in silos rather than bunkers. In SLBMs the Soviets have deployed missiles whose 4,200 nautical mile range exceeds that of any deployed U.S. SLBM. Soviet production and deployment of the Backfire heavy bomber enhances their capabilities in long-range bombers.

Meanwhile Soviet advances in technological aspects of weaponry in which the United States has customarily held a substantial lead, such as accuracy and MIRVing, threaten to erode or eliminate that lead in the future. In modernizing.our own strategic nuclear forces, we must ensure that there could be no real or fancied Soviet advantage in a first strike attack against the United States, and that no significant real or imagined asymmetry favoring the Soviet.Union exists in overall strength and capabilities.

A major possible asymmetry does'exist with respect to civil defense. The Soviets have devoted very substantial resources to a civil defense program which includes evacuation of urban populations in advance of hostilities, construction of shelters in outlying areas,, and compulsory training in civil defense for much of the Soviet population. They have energetically sought to achieve survivability in their command and control systems through dispersal, redundancy, hardening, concealment and mobility. And the military industrial base of the Soviet Union is not only expanding, it is being systematically dispersed and features unutilized capacity which constitutes a substantial "surge" capability. The cumulative impression one gains from these activities is that of a nation preparing to fight and win a nuclear war.

I have indicated where we believe the Soviets to be ahead, and where they are making gains. If present trends continue, the U.S. will become clearly inferior in strategic power at some point in the coming years, and the U.S. would likely be seen as being inferior or becoming inferior some time prior to the crossover point. My concern is that we act now to arrest

the unfavorable trends of the past decade, and to lay the base for a sustained program of increases and improvements in our own capabilities so as to prevent that crossover point from being reached, and to demonstrate clearly our determination to continue to maintain our position.

Naval Balance

Assessing the future implications of present trends is more difficult in the naval balance because historically the navies of the U.S. and USSR have had different missions--that is, each nation has, in the past, developed its naval forces for different purposes. Because of our geopolitical position, the U.S. Navy has been charged with two missions: sea control, and projection of power ashore at a distance. The Soviet Union, historically basically a land power, has charged the Soviet Navy with the missions of sea denial, and control of waters peripheral to the homeland. But recent expansion of the Soviet Navy, both qualitatively and quantitatively, indicates that the Soviets may increasingly assign missions to their navy similar to those of our Navy. It is important to keep this point in mind as we attempt to deal with the future.

Sea control and projection of power at a distance require surface ships and submarines; Sea denial requires the sinking of surface ships and submarines, and this task can be carried out in many ways, including a mix of aircraft, submarines, and surface combatants. Although we cannot predict a "crossover" point when the U.S. Navy would be unable to fulfill its missions, assuming the recent trends were not arrested, the cumulative impact of this prospect can be seen by examining a few key indicators.

The U.S. has concentrated its sea-based standoff offensive weapons in its aircraft carriers. The Soviets, on the other hand, have developed an impressive number of surface and submarine-launched anti-ship guided missile systems. The twelve-to-one advantage which the Soviet Union currently has in numbers of sea-based platforms which can deliver such weapons would be essentially eliminated by the mid-1980s if the programs we are proposing are approved.

While the Soviets will continue to expand their amphibious forces in the future, we do not expect them to eliminate the present U.S. lead in amphibious warfare. They-may, however, develop a capability to project power ashore at a distance which is very different from our own. For instance, they may choose to develop some combination of airborne assault and naval forces rather than mirror our Marine Corps and amphibious force. As the future unfolds, we will need to pay attention to the nature of their capability, and to exactly how they go about developing it.

Although there may be a degree of uncertainty regarding the Soviets' plans to develop a power projection capability, the future in the areas of sea denial and sea control seems clearer--and more ominous. Unless arrested,

the trends in surface combatants and attack submarines, when combined with the modernization of the Soviet Naval Aviation force with the Backfire bomber, suggest that by the early 1980s the Soviets will possess more than sufficient numbers of modern and capable naval units to effect sea control missions as well as sea denial missions in those ocean areas of importance to them.

In the last seven years, our active fleet has fallen from over 900 to about 490 ships, and we have gone from 23 to 14 aircraft carriers, with one additional carrier scheduled to retire from the active fleet this year. The Soviet Union currently leads the U.S. in numbers of major surface combatants--the Soviets have about 210 while the U.S. has about 175. Although this lead is small at present, a continuation of the recent trends would mean that the Soviets could increase their margin to roughly a two-to-one advantage in this area by the early 1980s. The U.S. shipbuilding program proposed in the FY 1977 Defense budget would provide for rough parity in numbers of ships of this type by the 1980s. Meanwhile, the Soviets will continue to modernize their force with newer and more anti-ship and anti-submarine capable combatants which are able to operate for extended periods at great ranges from the Soviet Union.

The trends in the area of attack submarines are more subtle. The Soviets have long maintained a larger submarine force than has the U.S.; over the last decade, they have held a greater than three-to-one advantage over the U.S. in numbers of attack submarines. The quality of their submarines has also been steadily improving. For instance, in 1965 about 10% of the Soviet attack submarine force was nuclear-powered; by 1975, about 30% of this force was nuclear-powered. Further, they have deployed a large number of anti-ship missile-equipped submarines, some of which can launch while remaining submerged. We expect the Soviets to continue to replace their older diesel submarines with new, sophisticated units in the future; and, should the recent trends continue,. we could expect them to maintain their present numerical advantage. The proposed U.S. shipbuilding program would, however, reduce their margin to a two-to-one advantage by the early 1980s.

The Central European Balance

In the Central Front the past decade has witnessed improvements in the capabilities of both NATO and the Warsaw Pact. NATO advances in the quantity and quality of tanks, anti-tank weapons and aircraft have led to a force which provides both a conventional and a nuclear deterrent. The Pact, on the other hand, has substantially increased its manpower, even considering that the addition of Soviet troops to Czechoslovakia was somewhat offset by the breakup of national Czechoslovakian forces. Most importantly, the Pact has made major improvements in the quality of its weapons and support for those weapons, markedly improving its ability to conduct Blitzkrieg war.

Forecasting the future balance between NATO and the Warsaw Pact contains many complexities. First, in the Central Front the balance involves many nations, east and west. This is especially so for NATO; where the United States contributes less than half of NATO's standing forces, whereas the Soviets contribute more than 60% of the Pact's manpower and equipment and exert, as we know, far greater influence over the rest. Second, numerical indicators--numbers of tanks, men, aircraft, etc.--do not by themselves provide a high confidence basis to evaluate the balance. History has many examples of seemingly superior forces being defeated by an adversary who used better tactics, achieved surprise, or had a plan that exploited the weaknesses of his opponent.

But in comparing the overall manpower and number of weapons, NATO and the Warsaw Pact appear currently about equal, and in the future only marginal changes should occur. The Pact has a 1.2:1 edge in troops, which should remain unless a slackening of Sino-Soviet tensions or political crises in Eastern Europe, similar to Czechoslovakia, result in Soviet soldiers being sent to the Central Front. Each side has some numerical leadership in the weapons essential to its primary missions. The Pact leads in tanks by 2.6:1 and also in artillery, both required to support a Blitzkrieg offensive. In the future it will continue to lead in these areas, but the gap will not increase substantially. A change that is expected is an increase in the number of Pact armored personnel carriers, a prerequisite for rapid combined arms warfare. NATO currently has more APCs, but this could be reversed to the Pact's favor. From NATO's perspective it leads in weapons such as anti-tank guided missiles and ground attack aircraft, which are major elements of its defensive strategy. Improvements in ATGMs will continue. The comparative'number of the close air support aircraft on both sides may change, however, as the Soviets acquire more of these aircraft while NATO's numbers remain relatively constant.

The trend in the quality of weapons is less favorable to NATO than the quantitative balance. The Soviets have, in the past decade, made great improvements in the technological quality of their equipment. They are closing a gap that has been historically a major source of NATO strength--our qualitative leadership inweaponry. The seriousness of the narrowing of this gap--or the loss of leadership in some areas--is unclear at present. In some cases NATO produces superior weapons and will continue to do so: for example, in combat aircraft, guided weapons and anti-tank missiles. In other areas the Soviets have introduced superior equipment--multiple rocket launchers and tactical air defense systems--which pose threats to our air support capabilities or will provide even greater fire-power. In the future, unless changes occur, three trends will continue to operate that are adverse to NATO's position: while the U.S. will lead in laboratory technologies, the Pact will have better weapons in the field; the Soviet force structure will increase in overall capabilities although the numbers of weapons remain unchanged; and Soviet expectations of achieving success in Blitzkrieg war will improve.

A major element of the balance which is not frequently treated is the tactical and operational aspect. This has many components--the tactical advantages accruing to the defensive or offensive role of each side, the reliability of the respective allies, the importance of mobilization and surprise, command and control, the capabilities of logistics and the quality and training of manpower. NATO has an edge in several of these--for example, our pilots are better trained and more capable, our communications systems are more advanced, and our logistics organization is more substantial. The Pact has the advantage of a more homogeneous mix of equipment and the choice as to the timing and nature of the attack. This latter advantage cannot be overstated, for the Pact, in focusing on a rapid, one-time major surge into Europe, can gain significant advantages by using surprise, and is now acquiring the type equipment designed to enable it to execute this plan. In the future the Soviets will probably be making changes in their training, logistics and doctrine to explbit their new technical advances. Their pilots, for example, are already training in ground attack roles; they are already beginning to improve their logistics support to front line forces; and their exercises have been testing more variants on war than a simple theater nuclear conflict. NATO will also be improving its forces through standardization and rationalization.

Overall, NATO and the U.S. face a number of challenging tasks in the coming years. A crucial point in the balance may occur in the 1980s when the Warsaw Pact is numerically equivalentto NATO, technically as sophisticated, and tactically proficient inlaunching and sustaining its force of attack. Whether the United States will maintain an advantage overall--one that will deter both conventional and nuclear war--will depend on whether programs are supported here and in NATO to deal decisively with these emerging Soviet capabilities.

Military Investment Balance

To a very large extent, where the U.S. stands relative to the Soviet Union in the military balance today is the resultant of decisions which were made many years ago. The future will be similarly dependent on those decisions we will now make; as well as on the decisions made and actions taken by the Soviet Union. In the most general terms, the future military balance will be a function of the overall level of investment we make in future military capabilities, represented in the present by the procurement and RDT&E portions of our overall defense program.

Over the last decade, the annual total allocation of resources to the Soviet military has increased by approximately 3% per year in real terms. During the same period, and in the same real terms, U.S. defense programs rose to a wartime peak in 1968, but have declined continuously since then at an annual rate of about 5%, falling below the 1965 level in 1973 and each year thereafter. As a result of these contrasting trend-s over the decade, the total real resources devoted annually to the Soviet military came to exceed the U.S. counterpart in 1970, and have done so in every

subsequent year; in 1975 the Soviet programs were more than 40% greater than those of the U.S.

The present pattern of the Soviet military effort outstripping that of the U.S. is reflected in practically every military mission area and resource category. Of major concern are the contrasting trends in Soviet and U.S. investments for future military capability. By approximately 1970 the Soviets' military systems procurement, facilities construction, and RDT&E had exceeded the U.S. counterparts in total, and in the major parts. Moreover, support for our forces in Southeast Asia caused our expenditures, particularly on procurement, to swell out of proportion to their effects on our present military capability. Had it not been for these expenditures, the contrasting trends would be even more apparent. As early as 1967, however, Soviet procurement of weapon systems began to grow absolutely and in relation to the U.S. counterpart, surpassing U.S. procurement by approximately 13% in 1970, and standing approximately 95% above U.S. procurement in 1975. Particularly notable in the Soviet growth have been:

-- The procurement of a new generation of Soviet ICBMs. In 1975 the estimated dollar procurement costs for Soviet ICBMs were about three and one-half times those of the U.S.

-- The procurement of new and more sophisticated Soviet aircraft at a rate which, in 1975, was about 30% higher than the U.S. counterpart;

-- The procurement of naval ships and boats which, over the 1965-1975 period, exceeded the U.S. by 70%; and by 90% in 1975.

The foregoing systems procurement trends are reflected in the mission categories which those systems are designed to support:

-- Over the 1965-1975 period as a whole, the resources devoted to the Soviet Intercontinental Attack program exceeded the U.S. counterpart by more than 50%; by 70% in the 1970s; and by 100% in 1975.

-- Soviet resources allocated to General Purpose Forces increased continuously from 1965 through 1975, while, by 1971, the U.S. counterpart had declined from its Vietnam era maximum to the level of 1965. As a result, the estimated dollar costs of Soviet General Purpose Forces surpassed the U.S. level in 1970; over the 1970s they have been 40% greater than the U.S., and 70% greater in 1975.'

All available quantitative measures indicate that Soviet investment in military and space RDT&E, however it is measured, reached the level of the corresponding U.S. RDT&E investment at least five years ago, has been growing at a consistently greater rate, and now exceeds the U.S. effort by a substantial margin. The dollar cost of the Soviet RDT&E program--a

particularly rough measure--has increased continuously in real terms over the past decade, while the U.S. RDT&E program has declined through the 1970s. As a result, the Soviet program measured in these real terms matched ours in 1970, and has exceeded ours in every year since; by roughly 65% in 1975. In more concrete terms, during the period 1970 through 1974, the Soviet Union increased the number of scientists and engineers in research and development from approximately 600,000 to 'approximately 750,000. Over the same period, our total R&D force decreased from 550,000 to 528,000. Moreover, about one-quarter of the U.S. R&D personnel are engaged in military projects, but the proportion of Soviet R&D personnel directed to military projects is estimated to be much larger, perhaps as high as 70%.

The intensive effort to advance Soviet military technology has had a dramatic impact upon the new generations of Soviet weaponry which have been fielded since the mid-1960s, and with increasing tempo in the 1970s. In all major categories--strategic missiles, aircraft, major ground force weapons, and naval vessels--the new Soviet weapons are significantly more capable than their predecessors. Indeed, one of the most'important things that has been happening is the degree to which the newer generation of Soviet weapons has closed the earlier large qualitative gap with individual U.S. weapons. Indeed, for the first time there are a few areas where Soviet weapons are distinctly better than anything available in the West. The traditional missions of the Soviet military can now be performed better, and new, more demanding missions can be undertaken.

The.ability to exploit technology has been an historic U.S. advantage. Indeed, in maintaining a military balance with the Soviet Union, the U.S. has relied upon the superiority of our military technology to offset the quantitative superiority of the Soviet forces in a number of important areas. That favorable technology lead has not yet been erased, but it is being eroded steadily. If the U.S. is to maintain the military balance over the long haul, we will need to sustain a continuing, aggressive effort in research and development. It would be exceedingly unwise to restrain ourselves from exploiting new technologies, for in the case of the U.S., to do so would be to cause us to struggle to maintain the balance without the use of one of our greatest competitive advantages:

We cannot predict with certainty how the Soviets will employ the industrial capacity which is devoted to military hardware production. Yet on the basis of DoD planning within current constraints, and our most recent intelligence estimates of Soviet procurement planning, Soviet operational deployed inventories of most major weapon systems will, over the next 18 months, increase the already substantial quantitative leads they now possess. As I have pointed out, these new Soviet weapons are not crude. They embody the results of an intensive Soviet effort to advance their military technology, and provide significant improvements in military capability over the preceding generation of Soviet weaponry. In most areas of military technology, with certain significant exceptions, the U.S. maintains the lead we have relied upon in the past to achieve a satisfactory military balance. It is true, for example, that the Soviets

cannot field an AWACS, strategic cruise missiles, or precision guided munitions of the quality available to the U.S. However, much of our technological advantages remain on the laboratory bench. Cur procurement rates for most major systems are substantially less than those of the Soviets, and procurement affords the only method of deploying technology to the operational units. Therefore, as a result of the combination of Soviet procurement momentum and technological advances, we are in danger of losing the advantage in deployed military technology in the 1980s. It would then be of small comfort to us that we possess potential superiority in military capability.

Conclusions

To say that the future is bleak would be wrong, because to do so would be prejudging the decisions and investments the U.S. will be making in the near term. On the other hand, to say that the future is rosy would also be wrong, because to do so would be to ignore the manifest fact of the trends to date. What can be said is that, in large measure, the future is ours to influence. If the future were ours to control, we would ensure an appropriate and stable military balance through the efficient mechanism of equitable arms limitation agreements, as is our goal for SALT and MBFR. But the future is uncertain, and so complex that even successful agreements will only control some factors that determine the overall military balance. Thus; it is essential that we make those decisions and investments necessary to ensure that the United States will be able to deal effectively with the Soviet Union as future uncertainties unfold.

A question which understandably lingers in the minds of many who consider the future has to do with whether the programs the President has proposed for the future are sufficient. Put another way, if the trends are of such concern, shouldn't we be taking drastic, or at least more dramatic, steps? Both the President and I, among others, agree that what the U.S. defense programs need is not some massive "shot-in-the-arm," but rather a sustained effort which will allow us to use resources efficiently and effectively and, as importantly, which will give the U.S. the flexibility to respond to the future as the major uncertainties unfold.

We now have "rough equivalence" in the military balance with the Soviet Union. I think the American people clearly have the will to maintain the balance through any foreseeable future. What the U.S. needs now is to begin to arrest the trends, and to make the commitment for the long haul.

Sincerely,

Donald Rumsfeld

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

23 October 1975

Honorable John L. McClellan
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate,
Washington, D.C. 20510

Dear Mr. Chairman:

In response to your request, I will summarize the principal trends in the defense budgets and postures of the United States and the Soviet Union. I will also indicate how these trends are affecting the key military balances between East and West and what dangers to our interests I foresee in the years ahead.

In order to assess the implications of the salient trend's, it is essential to be clear about the objectives that we seek to achieve with our defense establishment. Our fundamental goal is the deterrence of any attack on our vital interests. Our defense establishment also provides the underpinning for the conduct of diplomacy in pursuit of a wide range of foreign, policy objectives.

In order to achieve these objectives, the United States -- along with its allies -- must maintain a worldwide military balance. Any assessment of this balance, as it now stands -or may exist in the future, is bound to be affected by a number of uncertainties (which will increase as our intelligence budget declines). But since the Soviet Union is both our main potential rival and the only other superpower, an important way of gauging the equilibrium is to compare our own efforts with those of the Soviets.

Our first preference is to achieve an appropriate and stable military balance by means of equitable arms limitation agreements, and to do so through negotiations such as are underway in SALT and MBFR. But we must be prepared to maintain the balance by unilateral means if necessary. In any case, even satisfactory agreements are likely to control only some dimensions of the balance; We will still have to improve our capabilities in other dimensions so as to counterbalance improvements in the forces of potential opponents, and particularly those of the Soviet Union. It follows that, whether by mutual agreement or by our own action, we must invest the resources necessary to assure that our forces are combat-ready, and that they are competitive both qualitatively and quantitatively with those of the Soviet Union.

Unfortunately, I cannot assure the Congress that we will be able to maintain an appropriate and stable balance in the future with a severely reduced FY 1976 budget and with a continuation of the trends of the past decade in U.S. and Soviet military expenditures.

1. Defense Budgets

From FY' 1964 through FY 1975, the baseline U.S. defense budget (with incremental war costs excluded) has declined by 20 percent in real terms. To place this in context, total defense spending took 8.3 percent of GNP and 43 percent of total federal spending in FY 1964, but in FY 1976 it now seems likely to consume only 5.8 percent of GNP and less than 25 percent of total federal spending.

We estimate that over the same period, Soviet' military spending has increased by about 40 percent in real terms. The annual rate of increase in this spending has run at between 3 and 4 percent.

U.S. defense spending exceeded that of the Soviet Union by about'21 percent in FY 1964. By FY 1975, our best estimate is that Soviet military outlays had come to exceed those of the United States by about 30 percent -- with retired pay included. IF retired pay were excluded from both budgets, Soviet military expenditures might be as much as 50 percent greater than our own.

Of equal significance, a substantial redistribution of resources has taken place within the U.S. defense budget. In FY 1964, personnel costs amounted to about 43 percent of our defense outlays. By FY 1975, as a consequence of pay comparability laws and the All-Volunteer Force, personnel costs had risen to about 55 percent of outlays, even though military and civilian personnel had declined from 3.7 to 3.1 million men and women. The upshot is that resources devoted' to operations and maintenance, RDT&E, military construction,, and procurement have declined by 12 percent since FY 1964. To the best of our knowledge, no such redistribution has taken place within the Soviet military budget.

Disparities between the two budgets can obviously be tolerated for' brief periods of time without adverse effects. But we cannot maintain the necessary military balances with the Soviets -- and the detente that goes with them.--, when their military spending not only exceeds our own, but-also continues to rise while ours continues to fall . .

2. Strategic Nuclear Forces

During the past decade, the United States has cut its real expenditures on strategic nuclear forces roughly in half. Soviet outlays for. its . strategic forces -- calculated on a comparable basis -- have nearly

doubled over the decade, and have exceeded U.S. programs every year since 1966. We estimate that they were at least 60 percent higher than our own by 1975.

Despite beliefs to the contrary, the total number of launchers (bombers and missiles) deployed by the United States has remained remarkably constant over the past 20 years. The main changes have been in total megatonnage, which has declincd, and in missile accuracy, which has improved. By contrast, the total number of Soviet strategic launchers has increased dramatically and now exceeds our own. With the large amount of throw-weight at their disposal, the Soviets are already beginning a rapid expansion of their warhead inventory, and we anticipate substantial improvements in the accuracy of their ICBM's as well. Not only are the Soviets deploying MIRV's; their warheads will have much higher yields- than ours.

If these, developments continue into the 1980s, as we expect they will, the Minuteman force will be increasingly at risk. We in Defense are not advocating in the current budget the acquisition of major ground-based alternatives to Minuteman. We are identifying the growing threat, the increased vulnerability, and the need to fund appropriate R&D programs to hedge against this risk and insure that options will be available in the future to maintain a land-based missile leg in the triad.

3. General Purpose, Forces

During the past decade, U.S. military manpower for our baseline forces has declined by some 20 percent. In the same period, Soviet military manpower has increased by more than 20 percent. The Soviet military establishment is now more than twice as large as our own. Much of this increase has gone into the buildup on the Chinese border, where the Soviets now maintain about 40 divisions. But the Soviet forces facing Western Europe have also increased by more than 100,000 men, while NATO manpower has not changed significantly.

As the U.S. baseline defense budget has declined in real terms, and as our manpower and force units have also declined, we have tried to increase the sophistication and versatility of our weapons systems. Up to a point, *this* can be and has been a sensible strategy. But there are limits to the utility of trading in quantity for quality, even against relatively unsophisticated opponents.

The Soviets have been steadily improving both the quality and the quantity of the weapons in their general purpose forces. In fact, since 1964 they have increased the resources devoted to these forces by more than 33 percent. In the area facing NATO this has meant, among other developments, the introduction of self-propelled artillery into their divisions, a growth in the number of their tanks -- in which

. the Warsaw Pact outnumbers NATO by more than two-to-one -- and the dcpl oyment of advanced a ttack a i rcraf t , modern munitions; and mobi le field army air dcfenses.

Wc have been aware for some time that Soviet doctrine called for a rapid and massive attack on NATO's forward-deployed forces, with the objective in the Central Region of reaching the English Channel in less than two weeks. Until recently, however, we have felt that there was a wide gap between the doctrine and the Soviet capability to Implement it. As Soviet: modernization programs continue, the gap will, narrow.

At the present time, NATO does not have an assured non-nuclear deterrent to a bl itzkrieg, and if present trends. continue,. our weaknesses in organi ted uni *ts,* f i repower, and tactical mobility could result in declining confidence in the deterrent -- despite our deployment of, theater nuclear forces. When in the future a point of political or military peril might arrive, I cannot specify with precision. But unless we and our al 1 ier increase our efforts soon, the deterrent power of NATO must increasingly be based upon the nuclear elements of the NATO triad. This is unwise, we should be raising rather than lowering the nuclear threshold. The difficulty we are having in improving the strategic mobi l ity of our U.S.-based forces, and hence our abi . i ty to reinforce Seventh Army, does not improve the prospect.

The balance of forces in Europe is only part of our problem. As a mari time nation, not only must we be concerned, about the freedom of the seas; we must also. have the capability to deter attack on our sea, lines of communication. But here, too, our posture leaves somethi ng to be desired. During the. last seven years, our active fleet has Pal lkn f fom over 900 to around 490 ships, and we have gone from 23 to' 15 aircraft carriers, with two additional carriers scheduled for decommissioning during the current fiscal year.. Although the Congress has authorized a major 'expansion and modernization of the current fleet, our shipbui lding programs continue to be substantial ly underfunded. As a result; the Soviets now equal us in the number of surface combat-'ants, are ahead of us in attack submarines, and, substantially exceed us in deployed cruise-missi le capabi l i ty. The character of the Soviet naval ships is also changing. They are developing greater endurance at sea through larger combatants and logistics support ships. At present, they are building new submarines at a rate which is three-to-four time!?faster than our own. They al ready have two hel i copter cruisers and a VSTOL aircraft carrier.

Becáuse of our advantages in carrier aviation, ASW, underway repleni shment, and amphibious assaul t forces, we are sti l l capable of both 'projecting power ashore at great distances and keeping essential sea lanes open to our shipping. But there are seas near to the Soviet Union .

...into war if he could do not venture with impunity in wartime, and we would probably suffer heavy losses of combatants and merchant shipping in the first months of a war at sea. Within the next five years, if present trends are not reversed, the threat to our sea lines of communication will become even more ominous. I also foresee a growing effort by the USSR to develop force projection and sea control capabilities, which until recently have been almost entirely jacking.

4. Conclusions

While there are many uncertainties in an assessment of this kind, the major trends in the comparison between the military efforts of the United States and the Soviet Union are clear. By most of the available measures, American power is declining and Soviet power is rising. No one can say precisely where the peril points lie as this process unfolds. But if real expenditures by the United States remain constant or continue to fall, while real Soviet outlays continue to rise, the peril points will occur in the relatively near future.

No doubt It will be argued that the Department of Defense has been inefficient in its use of resources, and that we can reverse the trends in the competition without any real increases in the defense budget. But the argument badly misses the mark. What we are witnessing in the international arena is the development of a great power -- the Soviet Union -- dedicated to equalling and then exceeding us in all the quantitative and qualitative dimensions of military power. The motives behind this development may be in dispute; the trends are not. Neither are the implications for the protection of U.S. interests worldwide, for the cohesionof our alliances, and for the conduct of our diplomacy should we allow the Soviets substantially to exceed us.

We can observe the evolution and growth of Soviet military power admiringly and passively, or we can take the actions necessary to counteract it; and assure deterrence. I believe that we will make the latter choice with the support of the Senate Appropriations Committee under your chairmanship.

Sincerely,

James R. Schlesinger

equivalent.

Chairman McClellan. One other thing. I would like for you to prepare a chart for the, membership of this committee pointing out exactly the areas where the Soviets are ahead in military strength, where they are making gains as compared to uur strength and the best estimate you *can* give, the best calculation as to when, if the present trends continue, that this will reach its position of relegating us to a second-rate military strength in posture to Russia. I would like for it to be just primarily for this committee.

Secretary Rumsfeld. Mr. Chairman, there is no one chart that can do that.

Chairman McClellan. No one chart?

Secretary Rumsfeld. No, sir.

Chairman McClellan. Well, can you write it out, a short concise, succinct statement as near as you can to give us that information? I would like for you to prepare a statement the best you can make on it.

Secretary Rumsfeld. We will do that.

Chairman McClellan. I would like to have it and let that be in confidence for the committee and I would like for each member of the committee to have it and let us study it and let us think about it.

Secretary Rumsfeld. What I would do is prepare a series of indications.

Chairman McClellan. Whatever you think.

Secretary Rumsfeld. And relationships.

'Chairman McClellan. Whatever you think will sustain and make clear and succinct the viewpoints you have- expressed here and the conclusions; you have reached.

Thank you very much.. .

Now, Senator Young, I want to yield‘to you folks now. I apologize for taking so much time.

Senator Young. I won't be lony. I would like to follow through on what the Chairman bad to say and General Brown about the growing power of Russian influence, This Cuban situation is 'a good example. The Russians are there able to influence **Cubans** to send them thousands of very good troops to Africa. Only Last week Mr. Chu Du visited Cuba and ranked Castro as one of the great men'of the world., It is amazing that their input has stretched that far. If they had that much influence with all Latin America, we would be in bad shape.

Secretary Rumsfeld. Yes, sir. This is a map of Africa and it is from the period 1971 to 1975. What those different symbols represent are Soviet military advisors, Cuban military advisors;‘ Soviet military aid, Cuban military aid and Soviet economic aid. It comes to a total military aid of about $2.2 billion.in Africa, not just Angola but in the countries . which indicated total economic aid of about. $765 million, or something in the neighborhood of $3 billion .

MEMORANDUM

OFFICE OF THE SECRETARY

2/24

ANDY MARSHALL

When are we on the "short, concise, succinct statement" SECDEF promised Sen McClellan "as to when, if the present trends continue, we will reach a position ... as a "second-rate military posture relative to Russia"? See pp 1-53 and 1-54 of SAC closed hrgs of 2/2/76.

Steve

OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

DIRECTOR OF NET ASSESSMENT

19 February 1976

MEMORANDUM FOR Admiral Holcomb

SUBJECT: Draft SecDef Response to Senator McClellan

In considering a proposed SecDef response to Senator McClellan's questions about present trends and their future implications, it seems to me that it might be worthwhile to incorporate the, new CIA dollar estimates of US/USSR resource allocations into the piece. We expect to have the new data in draft form sometime next week. The CIA has agreed to allow us to have early access to these data under the proviso that we coordinate the arrival of the Secretary's letter to Senator McClellan with the provision of a CIA paper to the Hill. Thus, incorporating these data would mean that the answer to the Senator would not go out until the first week in March. I believe that there is much for the Secretary to gain by incorporating the new information in the response, and would, therefore, recommend delaying the response accordingly.

The advantages of waiting are:

-- we would be able to put any implications of the new data into context with the trends in. the key balances;

-- if we go early, we would have to use the old data which will essentially be superceded by the new information a week after the response is delivered to the Chairman;

-- we understand that major changes in the dollar model estimates will be in the procurement category, and our draft response will specifically address the "investment balance" (i.e., R&D and resource allocation); therefore, it would seem useful to incorporate the new data.

The disadvantages of waiting are:

-- the response would be delayed a week to a week and a half;

-- the new estimates would be discussed in context with the trends in a letter to a committee Chairman rather than in formal testimony.

I recommend we wait to incorporate the new Agency dollar estimates, and provide the Secretary a draft response to Senator McClellan not later than 1 March.

Do you agree, or should we discuss it further?

Agree. I will hold 'em well for the more perfect statement.

ANDREW W. MARSHALL