

## 6. MAINTAINING NATIONAL SECURITY

A strong defense has been a primary objective of this Administration. Despite overall efforts to restrain Government spending, necessary increases for defense have been provided. From 1978 to 1981, the Administration has requested cumulative increases for defense programs of over \$100 billion in budget authority, with \$30 billion in real growth originally anticipated. This growth, however, has been eroded by higher than anticipated inflation and by congressional cuts. To take the necessary steps to strengthen our defense capabilities in 1981-85, cumulative increases in budget authority of over \$300 billion are being requested—with anticipated real growth of \$100 billion.

Major factors shaping the size and composition of the defense budget include:

- The Soviet threat. Rising Soviet military spending for many years has permitted steady increases in the size and capability of its forces. For much of this same period U.S. defense spending (apart from Vietnam) declined.
- The need to retain strategic equivalence. When this Administration took office, the U.S. ability to maintain the unambiguous strength of its strategic deterrence capability was being eroded by the massive Soviet ballistic missile buildup and its eventual threat to our land-based missile forces.
- The need to revitalize NATO defense efforts. While Soviet military resources and capability continued to grow, the defense spending of our NATO Allies remained stable in real terms. By the mid-1970's it became clear that NATO members needed to increase their defense efforts if they were to stem the trend toward Warsaw Pact Soviet military superiority in Europe.
- The need for increased confidence in and flexibility of U.S. conventional forces to meet unpredictable crises in other areas. Recent events have reinforced this concern.
- The need to acquire and retain military personnel of high quality. Sustaining the All Volunteer Force in the face of difficult recruiting markets presents a real challenge.
- Managerial emphasis to improve efficiency in defense. Savings from economies permit a greater level of defense capability at any given overall funding level.

### THE SOVIET THREAT

Soviet defense spending is believed to be significantly greater than U.S. defense spending. The Soviet Union is estimated to be using somewhere between 11 and 14% of its gross national product for defense purposes, compared with 5% for the United States.

For some years it was thought that where strategic nuclear forces are concerned, the Soviet Union would be satisfied with a well-balanced, secure, second-strike capability—that is, the capability to launch an effective attack even after absorbing an attack from an enemy. The Soviet Union, however, has gone far beyond that capability. It was also believed that as its strategic forces increased, the Soviet Union would reduce deployment of regional nuclear forces. Instead, the Soviet Union is now modernizing both its intermediate-range missiles and battlefield tactical nuclear capabilities.

At the same time, Soviet ground and tactical air forces in Eastern Europe are too large and much too offensively oriented to serve only as a counterweight to NATO capabilities. Similarly, Soviet forces in the Far East are geographically positioned, exercised, and apparently designed for offensive operations.

While some components of the increasingly modern Soviet navy are intended for the direct defense of the U.S.S.R., others are designed for strategic antisubmarine warfare, interdiction of the major sea lanes, and long-range projection of Soviet military power. The Soviet Union has consistently sought air and naval facilities overseas, and it has expanded its capability for long-range movement of forces, especially by airlift. Soviet airlift played a major role in the recent occupation of Afghanistan.

### U.S. STRATEGIC FORCES

To meet the Soviet challenge, the Administration has developed a comprehensive strategic force modernization program that will strengthen deterrence and maintain essential equivalence through the next decade and beyond. While the United States has shown its willingness to seek strategic arms limitations through negotiations with the U.S.S.R., it has also confronted the realities of increasing Soviet nuclear offensive capabilities. Programs are being implemented to: (1) significantly improve the survivability and military effectiveness of U.S. land-based and sea-based missile forces, (2) strengthen the survivability and effectiveness of U.S. airborne forces, and (3) improve the flexibility and endurance of U.S. strategic command, control and communications systems.

*Land-based ballistic missiles.*—To insure the future survivability of the land-based leg of U.S. strategic forces, the Administration, after intensive study, has chosen to begin full-scale development of

the MX missile system. The missile under development is significantly more effective than the current Minuteman missile. Its survivability will be insured by mobile basing.

Under the mobile basing plan, each MX missile will move on a transporter-erector-launcher among 23 hardened shelters. This type of basing should prevent the Soviet Union from determining which shelters are occupied at any given time. The MX system will achieve its initial operating capability in 1986.

*Sea-based ballistic missiles.*—Modernization of the operational strategic submarine force has commenced. The first Trident submarine, U.S.S. *Ohio*, was launched in 1979 and will be on patrol in 1981. The Trident has more missile tubes than a Poseidon submarine (24 versus 16), is quieter (making detection more difficult), and will be able to remain on-station longer. The Trident also allows for future force enhancement because its large missile tubes provide room for later increases in missile size.

The new Trident I ballistic missile will significantly enhance U.S. strategic force effectiveness by improving yield, accuracy, and range. The greater range of the new missile will increase the effective submarine patrol area by a factor of 10, thereby making it far more difficult for the Soviet Union to locate U.S. submarines. The Trident I missile is now being operationally deployed in Poseidon submarines. Options for a follow-on missile with even greater capabilities are being explored.

*Cruise missiles.*—A major initiative of this Administration has been the cruise missile program. Flight testing of competing designs for the air-launched cruise missile will soon be completed and missile production will begin this year, with an initial operating capability on B-52 bombers in 1982. Because of their small size and their low altitude capability, these missiles will be hard for Soviet radars to detect and track. A large force of strategic bombers with cruise missiles provides the flexibility to saturate defenses selectively, making the task of the Soviet air defense planner a very difficult one.

The B-52 will be a highly capable cruise missile carrier at least through this decade. Research and development programs are underway that will provide increased weapons delivery capability should that be necessary.

*Command, control, and communications.*—The Administration's key initiatives include acquisition of a new airborne command post; improvement of satellite and radar sensors to provide more accurate and reliable warning of attack; and development of mobile, more survivable ground stations that receive warning information from satellites.

*Strategic defensive systems.*—Adequate numbers of fighter and interceptor squadrons will continue to provide antibomber defense.

The Administration is also continuing antiballistic missile research and is developing an antisatellite system, while at the same time seeking arms control agreements that will limit the deployment of antisatellite systems. In addition, the nuclear-attack oriented civil defense program has been integrated with natural disaster and emergency related programs, under the newly created Federal Emergency Management Agency.

In summary, the U.S. strategic program is designed to maintain strategic forces adequate for the deterrence of conflict. As the Administration has demonstrated its determination to meet the Soviet strategic challenge, it has also demonstrated its willingness to cooperate with the U.S.S.R. to limit strategic forces. It is this combination of strength and negotiation that best assures the continued security of the United States and its Allies.

#### NATO DEFENSE INITIATIVES

This Administration has launched several major initiatives to strengthen NATO's deterrent and defense capabilities, which had been neglected during and after the Vietnam conflict. At the May 1977 NATO Summit in London, the United States called for a stepped-up long-term defense effort, with increased allied collaboration. At the May 1978 Summit in Washington, NATO heads of government personally endorsed a long-term defense program, backed by pledges of 3% real annual growth in defense spending. This step reflected common Allied recognition that only through greater cooperation and increased resources could NATO meet the security challenges of the 1980's.

The United States is greatly accelerating its ability to reinforce Western Europe with massive ground and air forces in a crisis. The United States is prepositioning additional equipment, but relying on our European allies to provide adequate facilities and host nation logistic support, as well as the bulk of the ground and air forces that would engage in a conflict in Europe. This "transatlantic bargain" will markedly enhance NATO's military posture—particularly its ability to respond to an attack given only short warning.

Collaborative armaments programs have received emphasis and include allied coproduction of the F-16 aircraft and U.S. purchase of the Roland low-altitude air defense system. The United States and other NATO members agreed in December 1978 on joint funding and operation of a NATO airborne early warning aircraft fleet. The Administration has also proposed an innovative concept of jointly developing "families" of new systems, with Europe taking the lead in some, the United States in others.

The Alliance has agreed to the modernization of NATO's theater nuclear forces, through a proposed force of longer range ballistic

and cruise missiles to be deployed in Europe. The Soviet Union has already undertaken a major modernization of its theater nuclear forces. In particular, it has introduced a mobile, intermediate-range ballistic missile equipped with multiple warheads, and an intermediate-range bomber.

With these new and more accurate weapons, the Soviet Union might make the mistaken judgment that it could threaten our allies without fear of retaliatory attacks on Soviet territory, especially if U.S. forces or territory were not threatened. To avoid any such error in perception, the Administration is proceeding with the development of two theater-based, longer range, mobile missiles: the Pershing II and the Ground-Launched Cruise Missile. In collaboration with our Allies, they will be deployed in Great Britain and on the European continent. By so doing, the linkage of U.S. strategic forces to the defense of Europe will be strengthened.

#### U.S. CONVENTIONAL FORCES

*Ground forces.*—The United States currently has 16 Army and 3 Marine divisions in the active forces; 8 Army and 1 Marine division in the Reserve Forces. U.S. ground forces have been augmented over the past several years. For example, since 1977 there has been a 10% increase in tank and mechanized infantry battalions. Primarily by prepositioning equipment, the capability to build up forces in Europe quickly has increased. When this program is completed, the U.S. will have the ability to more than double our ground forces and to triple our air forces in Europe within 2 weeks.

The introduction of a wide range of improved equipment—XM-1 tanks, armored personnel carriers, helicopters, and better artillery and air defense weapons—has, together with the contributions of our Allies, strengthened the U.S. ability to meet any threat.

Readiness and combat endurance have been enhanced in Reserve units. A number of Reserve units are now equipped with new equipment and selected Reserve units are structured to provide the same rapid mobilization capability as portions of our active forces.

*Air forces.*—The U.S. program will field an active Air Force of 26 fighter and attack wings and will modernize—and in some cases enlarge—the active and reserve components of Air Force, Navy, and Marine Corps tactical aviation. Over the next few years about 1,700 fighter, attack, electronic warfare, surveillance and support aircraft will be purchased by the Air Force. This constitutes the first full-scale modernization of U.S. tactical air forces since the 1960's.

To achieve greater overall capability, aircraft procurement programs have emphasized a mix of high and low cost aircraft—each possessing excellent mission performance characteristics. Procurement of lower cost A-10, F-16, and F/A-18 combat aircraft will

supplement purchase of the more sophisticated and costly F-15 and F-14 aircraft.

*Rapid deployment forces.*—The United States is systematically enhancing its ability to respond rapidly to non-NATO contingencies wherever required. These rapid deployment forces can range in size from a few ships or air squadrons to as many as 100,000 troops, including their support. Priority is given at present to the Middle East and Persian Gulf contingencies, but our forces stand ready for rapid deployment to any region where they are needed.

The Administration has already expanded the size of the U.S. naval Middle East Task Force which operates in the vicinity of the Persian Gulf, and the Navy has increased the number of ship-days it is spending in the Indian Ocean. Additional actions include the establishment of a permanent, full-time Caribbean Joint Task Force Headquarters, the expansion of military exercises in the Caribbean region, increased surveillance of Cuba, and other measures to assure that, in the President's words, "no Soviet unit in Cuba can be used as a combat force to threaten the security of the United States or any other nation in this hemisphere."

Two specific initiatives of the Administration that will facilitate the U.S. response to future crisis situations are: (1) the development and production of a new fleet of large cargo aircraft with intercontinental range; and (2) the procurement of maritime prepositioning ships that will carry heavy equipment and supplies for three Marine Corps brigades into crisis areas. These aircraft and ships will strengthen the U.S. capability to move combat forces over vast distances quickly enough to deter conflict or, failing that, to carry out assigned combat missions.

*Naval forces.*—The number of ships in the Navy will grow over the next few years. A force of about 550 ships is programmed for 1990. The 1981-85 plan calls for construction of 97 new ships. The emphasis on highly capable anti-air-warfare ships, along with the continuing production of frigates and nuclear submarines, will provide the Navy with the ships it needs to maintain U.S. maritime superiority.

A number of new naval force capabilities have been or are about to be introduced. The AEGIS destroyer will play a major role in protecting our ships from enemy aircraft and missile attacks. This ship is a key element in the Administration's plans to maintain U.S. naval superiority during the next decades. The first two AEGIS destroyers were included in the 1978 and 1980 budgets. An additional 16 AEGIS ships are planned in the 1981-85 program. New missile capabilities include the Harpoon cruise missile for attacking enemy surface ships and a ship-based missile for destroying enemy aircraft and missiles that threaten U.S. surface ships.

The F-18 aircraft, now undergoing testing, will be the backbone of Navy and Marine Corps tactical air forces over the next decade. These F-18 aircraft will be capable of performing a variety of attack and air defense missions.

*Tactical command, control and communications.*—Improvements are being made in the command and control capabilities of U.S. conventional forces. In 1978, initial deployment of the E-3A airborne warning and control system was made. Through the 1981 budget, the U.S. will have purchased 30 E-3A's. This system, which provides a major improvement in the ability to track and engage hostile aircraft, is also being purchased by our NATO Allies.

More capable and secure systems for the surveillance of hostile ground forces are being developed to allow more timely and efficient allocation of U.S. forces in battle. The capability to destroy and disrupt enemy command and control systems is also being improved.

*Combat readiness.*—Maintaining operational force units at a high state of combat proficiency is as important to the overall U.S. military posture as the acquisition of new equipment. Improving the readiness of U.S. combat forces has been a major defense initiative of this Administration. Within the Navy, this improved readiness is most visible in the materiel condition of our ships. The backlog of ships overdue for overhaul, which had been growing for several years, is now at a manageable level, and funding has been increased for other types of ship maintenance. Backlogs of aircraft, combat vehicles, and parts needing maintenance also are being reduced. All of the services are using new maintenance techniques which will permit them to obtain more useful service life from their systems. In addition to improved maintenance, inventories of spare parts for many weapons systems have been increased to enhance the initial combat capability and the combat sustainability of our forces. Unit training and individual proficiency have been enhanced by more intensive training including extensive use of simulation techniques. Combat exercises have been expanded with more joint service exercises to provide greater realism and to obtain a more effective military capability.

#### MILITARY PERSONNEL

The Administration has made significant progress in active duty and reserve military personnel programs, military pay reform, military medical programs, and equal opportunity in the armed forces.

*All Volunteer Force.*—A number of steps have been taken to insure the continued success of the All Volunteer Force (AVF). In the past 3 years, in spite of an increasingly difficult recruiting market, recruitment of high quality volunteers has remained high,

first-term attrition has declined, and retention rates at the first reenlistment point have increased. There is, however, concern about a downward trend in second-term career reenlistments, particularly in the Navy. As a result, increased attention and resources are being allocated to improve career retention rates and to sustain the experience and professionalism required in the Armed Forces. The strength of reserve forces has improved in 1979, reflecting the success of these initiatives.

In 1979, the services achieved a personnel level of 98.5% of authorized active duty strength. The 1979 percentage was surpassed in only one other year since the inception of the AVF in 1973. Quality, as measured by the percentage of enlistees with high school diplomas, remained high (73%).

Sustaining the AVF also depends on our ability to retain high quality soldiers, sailors, airmen and marines. Reenlistments must occur at levels which provide a force of experienced career military personnel—the people who are critical to the operation and maintenance of an increasingly complex military force. Service members who joined the AVF in the early years are remaining beyond their initial obligation at a satisfactory rate. First-term reenlistment rates have increased substantially from 24% in 1973 to 37% in 1979. An even greater increase in first-term retention—particularly in critical skill areas—is the keystone of our strategy to reduce the need for new recruits.

The Administration has developed and supported several other initiatives which will enhance the ability of the services to maintain the AVF at desired strength. The 1981 budget includes an increase of over \$450 million for increased enlistment and reenlistment bonuses, expanded bonus authority, improvements in pay and benefits and increased travel allowances.

*Military retirement reform.*—The Administration has submitted to the Congress legislation to reform the military retirement system by correcting inefficiencies and inequities that were highlighted in the April 1978 Report of the President's Commission on Military Compensation.

The key feature of the proposed retirement reform, drawn from the Commission's plan, would provide new career incentives by giving active-duty personnel special cash payments after 10 years of service. These payments would be charged against their future pension rights. Members completing 20 years of service would still be entitled to immediate pensions, although benefits would be reduced from current levels until age 60. Personnel leaving active duty after 10 to 20 years of service would be entitled to deferred pensions beginning at age 60. Annuities would be calculated on "high-2-years" average basic pay, rather than final basic pay, and

would be offset by benefits available under the social security system.

These proposals will result in substantial cost reductions after an extended transition period that would protect the interests of members of the current active-duty force. At the same time, they would provide major improvements over the current system in achieving greater fairness, cost effectiveness, and management flexibility.

*Reserve forces.*—Guard and Reserve forces provide trained units and individuals that can augment the active forces rapidly. Many of these units can be deployed to a theater of operations within days or weeks of mobilization. Individual reservists will be used as replacements during the initial combat phase, until a wartime draft can provide newly trained personnel.

Reserve paid-drill strength increased by over 19,000 during 1979. This is the first year since 1974 that total Selected Reserve strength experienced a net gain. None of the Reserve components declined in strength. Most of the overall strength increase was due to improved retention; however, the Naval Reserve and the Army Guard and Reserve experienced significant increases in the number of new recruits. The utilization of full-time professional recruiters assisted in this achievement, particularly for the Army Reserve, whose recruiters are now managed by the active Army recruiting command. These and other actions taken to improve both recruiting and retention are expected to produce an increase in Army Reserve strength in 1980 and 1981.

Continued increases in Guard and Reserve unit strengths are projected for 1981 and beyond. More modern equipment is being acquired for the Reserves, including new A-10 attack aircraft and a proposed new antisubmarine warfare frigate. Added emphasis is being placed on better utilization of trained personnel. More intensive and effective unit training programs are proposed to permit increased participation in major training exercises and tactical deployments to locations overseas.

The Individual Ready Reserve strength of the Army also increased by 16% in 1979. Further increases in the size of this important group are anticipated.

*Military medical programs.*—A major review of wartime medical requirements has recently been completed. Some of the study recommendations are reflected in the 1981 budget, while others are undergoing further review. One program included for 1981 establishes a civilian-military contingency hospital system to facilitate greater reliance on civilian hospital facilities in caring for the casualties of a major war. This program increases the ability to provide essential medical care without additional construction of peacetime medical facilities or use of nonmedical facilities.

In addition, the 1981 budget includes funds to upgrade combat medical support in Europe. The proposed improvements are the first increment of a multiyear program to expand wartime medical capability significantly.

Major changes are also scheduled for the Veterinary Services. Beginning in 1981, the Air Force Veterinary Corps and the Army Veterinary Corps will be consolidated; the Army will act as executive agent for all Department of Defense veterinary functions. The consolidation will be phased in over the next few years in order to minimize personnel turbulence and provide for a smooth transition of responsibilities. In addition, there will be a phased reduction of the force. These changes will provide more efficient use of the remaining veterinary personnel, at significantly reduced cost.

Finally, the Administration has developed a legislative proposal to revise military physician pay. This legislation will provide sufficient volunteers to help alleviate the current shortage. It also provides for review of physician bonuses in 1983 when the shortage is expected to be over.

*Equal Opportunity.*—The number of minority enlisted personnel in the Armed Forces has increased by over 70,000 personnel since 1926. This increase is a product of both the increasing accession rates and the higher-than-average reenlistment rates among minorities. Minorities in the officer ranks increased by 25% since 1976. They now constitute 7% of the active duty officer force.

Equally significant are minority gains in the Reserve Forces. For example, the proportion of blacks in Reserve paid-drill positions grew from 10.5% in 1976 to 16.1% in 1979. Beyond the increase in numbers, the Department has increased its efforts to assure that training, assignment, and promotion opportunities are provided equally to minorities.

*Women in the Military.*—At the end of 1979, nearly 150,000 women were members of the active force, an increase of over 36,500 from the end of 1976. The current program projects continued growth toward the 1985 objective of 254,000 women on active duty.

The Department has made major personnel policy changes to expand the role of military women. Currently, about half the female enlisted military personnel are serving in occupations which were not historically held by women—such as law enforcement, aviation mechanics, and carpentry. In addition, promotion statistics show that females are experiencing promotion rates comparable to males.

#### MANAGEMENT IMPROVEMENTS

A number of significant steps have been taken to improve managerial effectiveness in defense, including:

- Elimination, since January 1977, of approximately 31,000 civilian positions, including 5 Assistant Secretaries, a 20% reduction in the size of Departmental headquarters staffs, and closings or substantial reductions at a number of military installations.
- Strengthened policy and planning functions to insure that individual, detailed decisions on force structure and weapons will support our overall national security objectives.

Other actions include increasing emphasis on competition in the acquisition of a wide variety of goods and services. This will improve the efficiency of the procurement process because competitive purchases are less costly than noncompetitive purchases. All purchases are required to be made on a competitive basis to the maximum practicable extent. Proposed purchases are widely publicized, and sealed bids are used wherever feasible to select winning contractors. For items not suitable for price competition because of the limited number of qualified contractors, a substantial number of subsystems and spare parts are purchased competitively.

To encourage contractors to invest in cost-reducing assets, profit policy has been revised to allow increased profit levels in capital intensive contracts. Also, the Department of Defense has initiated revisions to personnel performance evaluation procedures to include an assessment of an individual's effectiveness in obtaining increased competition.

Several programs have been initiated to improve the efficiency of providing supply support to the forces. Stocks of materials are being changed to satisfy critical wartime needs and to eliminate excessive inventories. A review of the policies on excess material and inventory requirements is scheduled for completion by August 1980. These actions are expected to lead to revised policies and improvements in the effectiveness of funds invested in supply support. In the area of foreign military sales, procedures are being revised to insure recovery of full costs.

*Weapons acquisition management.*—Under new procedures, logistic and manpower planning requirements are being considered when performance objectives are established. As a result, some high-rate production decisions have been deferred until support questions have been resolved—resulting in substantial cost savings. This increased attention to support problems *before* a system is fully operational is helping avoid readiness and manning problems like those experienced during the 1960's.

In related actions, to assure the highest return for each dollar spent, special emphasis is given to wage board pay reform, improved depot-level maintenance efficiency, and increased procurement of commercial products (where these are less expensive than, and as suitable as, those built to military specifications).

*Claims settlement.*—This Administration has placed a high priority on improving the management of Naval shipbuilding programs. These efforts have been quite successful. Shipbuilder claims of almost \$3 billion dating back to the 1960's have been resolved. Shipbuilding plans now reflect better cost estimates and production schedules and will hopefully result in fewer future claims. For example, more extensive design work for new ships is being completed prior to the award of large production contracts.

*Energy conservation.*—The Administration has aggressively pursued energy conservation throughout the Defense establishment through a restructured energy management program. Since 1975, total energy use has been reduced almost 7%. To maintain combat readiness, we are making greater use of simulators and increasing the fuel efficiency of our weapons systems. In addition, new procedures have been established to assure an uninterrupted supply of fuel to our forces during any energy supply disruptions.

#### PLANNING FOR THE FUTURE

It is clear that this will be a watershed year for U.S. national security programs. Stimulated by events abroad, Americans are recognizing that our military capabilities must be strengthened if the United States is to play a more constructive and stabilizing role in the international arena. The 1981-85 5-year program has been carefully developed to strengthen U.S. defenses. Generally, the program has been designed to assure that:

- U.S. strategic nuclear forces will be essentially equivalent to those of the Soviet Union.
- The military balance between NATO and the Warsaw Pact will continue to deter the outbreak of war—conventional or nuclear—in Europe.
- Our ability to come quickly to the aid of friends and allies around the globe will be maintained.
- Our Navy will continue to be the most powerful on the seas.

Since taking office, this Administration has deliberately and steadily achieved increases in defense resources. But 3 years is not sufficient time to arrest and reverse the cumulative result of many years of intense Soviet investment in military capability. The 1981 budget and 5-year defense program will provide a real and substantial growth in defense capabilities over a sustained period. This program is necessary to maintain a strong defense for the United States—an objective the Nation cannot afford to defer.