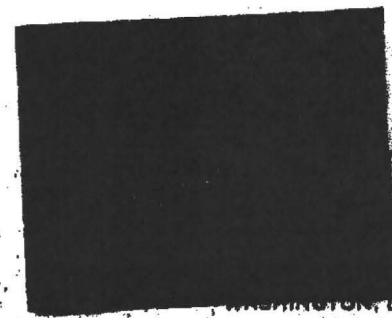


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Ch. I 5



DEPARTMENT OF DEFENSE

January 15, 1970

WASHINGTON, D. C. 20301

Office of the Secretary of Defense
Chief, RBD, ESD, WHS

5USC 552

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
DIRECTORS OF DEFENSE AGENCIES

Authority: EO 13526
Declassify: 26 JAN 2012
Deny in Full: X

Declassify in Part: Reason: MDR: (2-M-047)

SUBJECT: FY 72-76 Fiscal Guidance Memorandum

I am forwarding herewith tentative fiscal guidance for the FY 72 Planning-Programming-Budgeting (PPB) cycle. Please submit your comments within four weeks. This will enable Mr. Laird and me to review and discuss them with you before issuing the final Fiscal Guidance Memorandum (FGM) on March 4.

The total TOA figures for FY 72 through FY 76 are in FY 70 dollars which will allow you to cost your forces at current prices.

The total figures for DOD have been given careful consideration in view of the probable economic resources of the country over the FY 72-76 period, the non-DOD demands on the Federal budget, and, given the attitude of the Congress and the general public, the likelihood that funding at these levels can be obtained. It is important to recognize that unless there is some change in the international situation it is unrealistic to plan on higher levels of funding than those given in this guidance.

The final FGM should establish, subject only to minor changes, the division of funds between strategic and general purpose forces; the levels of funding for Research and Development, Intelligence, and Support to Other Nations; and the division of funds among the four Services. In arriving at the final fiscal guidance, it will be necessary to address such major force level questions as the number of divisions, tactical wings, and carriers, and the major new strategic force systems. You should therefore concentrate your review, analysis, and comment on these major questions, leaving the detailed allocation of funds to subsequent phases of the FY 72-76 PPB cycle.

In your comments, please be guided by the following:

- (1) The strategy guidance.

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(2) If you recommend an increase in one category, you should identify reductions in other categories in order to stay within the overall fiscal totals. Any change recommended by a Service Secretary which would affect the total for another Service should be provided to the Secretary of that Service in time for him to include comments on the proposal in his submission to me.

(3) Any recommended changes should be consistent with the Southeast Asia planning assumptions included in the Fiscal Guidance Tables. Appropriate adjustments to these assumptions will be made only as specific decisions concerning Southeast Asia deployments are announced.

I would like to call your attention to the fact that the fiscal guidance assumes that we can make substantial reductions in General Support costs (Base and Individual Support, Training, Command, and Logistics). With our new strategy and the assumed Southeast Asia redeployments, I believe reductions of this magnitude are feasible. If we cannot make such reductions, we will be forced to make deeper cuts in force. In view of this, the General Support area should receive your careful attention. You should nonetheless ensure that adequate war reserve stocks of ammunition and other expendables, unit training, and so forth, are maintained in balance with the planned forces.

Again, let me emphasize, in preparing your comments please keep in mind that actual out-year totals are unlikely to be greater than those shown, and may be smaller.

Enclosed are: (1) the tentative Fiscal Guidance Tables for FY 72-76; (2) comparable data for FY 70 and 71 for reference; (3) the assumptions concerning deployments to Southeast Asia on which the fiscal guidance will be based.

The tentative Logistic Guidance Memorandum will be issued separately. Your review of it should be an integral part of your review of the fiscal guidance. Please provide your comments on the logistic guidance along with your comments on the fiscal guidance.

For your information, the data used in drafting the tentative fiscal guidance are available from my staff.

Ann D. B. B.

Enclosure

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Tentative
 Fiscal Guidance

JAN 26 2012

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January 15, 1970

TABLE 8 -- FORCES AND ACTIVITY LEVELS FOR SOUTHEAST ASIA
 (U.S. Force of 260,000 Men at End FY 71)

	End FY 71	End FY 72	End FY 73
U.S. MILITARY FORCES			
<u>Army</u>			
Maneuver Battalions	27	13	-
Artillery Battalions	41	23	-
Helicopter Companies	77	42	-
<u>Navy</u>			
Attack Carriers (CVAs)	2	1	-
Tactical Air Sorties/Month	3,600	1,800	-
Offshore Combat Ships	60	29	-
Support and Coastal Ships	113	55	-
<u>Air Force</u>			
B-52 Sorties/Month	1,200	600	-
Tactical Air Sorties/Month	10,000	5,000	-
Fighter/Attack Squadrons ^{a/}	21	11	-
Gunships: Unit Equipment (UE)	41	41	-
Reconnaissance Aircraft: UE	74	36	-
SOF Aircraft: UE ^{b/}	85	47	-
SEATACS/TEWS: UE ^{c/}	531	261	-
U.S. MILITARY PERSONNEL (Thousands)			
<u>In South Vietnam</u>			
Army	205.0	115.0	25.0
Navy/Marine Corps/Coast Guard	10.4	6.6	1.9
Air Force	44.6	23.6	2.6
Total in South Vietnam	260.0	145.2	29.5 ^{d/}
<u>In Thailand ^{e/}</u>			
Army	9.0	6.8	2.5
Air Force	24.6	13.3	2.0
<u>Offshore (Navy)</u>			
	32.3	16.3	-
<u>Addition to Baseline Forces ^{f/}</u>			
Army	316.0	140.0	-
Navy/Marine Corps/Coast Guard	27.0	11.2	-
Air Force	109.1	67.0	-
Total Addition to Baseline Forces	452.1	218.2	-
VIETNAMESE ARMED FORCES (VNAF) AND FREE WORLD FORCES			
Tactical Air Sorties/Month	5,560	5,560	5,560

- ^{a/} Includes F-4, F-100, F-105, B-57, A-1, and A-37 squadrons; some of the A-1 and A-37 squadrons are from the Special Operations Force (SOF).
- ^{b/} Does not include any A-1 or A-37 squadrons (see footnote a); nor does it include gunships which are shown separately.
- ^{c/} Southeast Asia Tactical Air Control System/Tactical Electronic Warfare System.
- ^{d/} Approximates the 24,200 Termination-Day (T-Day) force approved by the Joint Chiefs of Staff (JCS) on November 13, 1969.
- ^{e/} Includes only forces related to the Vietnam-Laotian hostilities and does not include Military Assistance Advisory Group (MAAG) forces for the Thais.
- ^{f/} Includes those in-country, Continental United States (CONUS) support, and pipeline forces not included in the baseline program.

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TABLE 9 -- INCREMENTAL BUDGETARY COSTS FOR ALTERNATIVE SOUTHEAST ASIA PLANS
(In FY 70 \$ Millions)

	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>
ILLUSTRATIVE FORCES						
<u>U.S. Forces</u>						
<u>Army</u>						
Ground Ordnance	\$ 660	\$ 370	\$ 50	\$ -	\$ -	\$ -
Military Personnel	2,320	1,470	490	-	-	-
Other Costs	2,600	1,580	690	-	-	-
<u>Navy/Marine Corps</u>						
Air Ordnance	330	110	-	-	-	-
Ground Ordnance	90	-	-	-	-	-
Military Personnel	740	190	80	-	-	-
Other Costs	710	100	30	-	-	-
<u>Air Force</u>						
Air Ordnance	800	260	30	-	-	-
Military Personnel	1,280	870	340	-	-	-
Other Costs	640	600	260	-	-	-
<u>MAP/MASF</u>						
Army	1,520	1,640	1,370	880	660	660
Navy/Marine Corps	100	40	40	30	20	20
Air Force	260	320	280	180	160	140
Defense Agencies a/	- 10	-310	-310	-130	-130	-130
TOTAL ILLUSTRATIVE FORCES	\$12,040b/	\$7,250c/	\$3,350	\$960	\$710	\$690

- a/ If there were no war, it is assumed that there would be a MAP to improve allied forces in Southeast Asia. Thus, the MASF costs attributed to the war should be offset by these MAP costs; this is done here by reducing the estimated Service expenditures for MASF by \$310 million each year in FY 71-73 and by \$130 million each year in FY 74-76. In FY 71, there is a special appropriation of \$300 million for Southeast Asia combat readiness; this appropriation is reflected in Defense Agencies for FY 71.
- b/ This total includes funding for all expected ordnance consumption in Southeast Asia. Office of the Secretary of Defense (OSD) projections of ordnance consumption indicate that the FY 71 Service budgets will result in an inventory drawdown of about \$750 million. Thus, the Services included a total of only \$11.29 billion for the war in the FY 71 budget.
- c/ Detail does not add to total because of rounding.

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