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POLICY REVIEW COMMITTEE MEETING

December 2, 1980

Time and Place: 2:00-3:00 p.m.; White House Situation Room

Subject: Defense Budget

Participants

State

Secretary Edmund Muskie
Reginald Bartholomew, Director,
Bureau of Politico-Military Affairs

ACDA

Spurgeon Keeny, Deputy
William Ashworth, Asst. Dir.,
Weapons Evaluation and
Control Bureau

OSD

Secretary Harold Brown (Chairman)
Dep. Sec. W. Graham Claytor, Jr.
Amb Robert Komer

OSTP

Benjamin Huberman
John Marcum

Under Secretary for Policy
Russell Murray, Asst. Sec. for
Program Analysis and Evaluation

White House

Dr. Zbigniew Brzezinski

JCS

General David Jones

NSC

General Jasper Welch
General William Odom
Victor Utgoff

DCI

Admiral Stansfield Turner
John Koehler, Dep. to the Director
for Resource Management

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OMB

James McIntyre
Edward Sanders, Assoc. Dir. for
National Security and
International Affairs

SUMMARY OF CONCLUSIONS

Harold Brown, as Chairman, asked that the group comment on the Defense paper that provided an estimate of the size and scope of the collective Defense program facing the free world and the United States, as its leader, if current national security guidance is to be followed and its goals achieved. Brown explained that the purpose of the paper was to set the context for consideration of the Defense budget. (e)

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~~Review December 2, 2000~~

~~Extended by J. Brzezinski~~

~~Reason for Extension: NSC 1.15(e)~~

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The paper developed estimates of what it will take in ground, air, and naval forces of the U.S. and allies to produce various force level ratios between them and the Pact in critical geographical and functional areas. This also describes what these forces will cost the U.S. and its allies in money and manpower to implement current national security policy. The quantitative estimates are developed for two levels of assurance that the free world's forces are adequate; for two dates, 1987 and 1995, for achieving either level of assurance; and for two levels of contributions by the rest of the free world - one reflecting more equitable sharing of burdens by all nations, and an alternative where other nations continue on their current course. He noted that the alternatives which seemed most realistic to him in resource terms do not provide for simultaneous conflicts in Europe and SWA at force ratios that would give us confidence (let alone for an additional conflict in Korea). (C)

Brown first asked Stan Turner for an estimate of Soviet reactions to the various free world build-ups presented. Turner replied specifically with regard to the chart on strategic balance indicators that showed a steady and substantial Soviet advantage from '75 to '81, followed by a significant erosion of that Soviet advantage from '81 to '87. (The indicator in question presented the ratio of residual forces following a Soviet first-strike counterforce and a U.S. retaliation counterforce.) Turner noted that this particular indicator showed a much earlier and more dramatic erosion of the Soviet advantage than other analyses with which he was more familiar. Others agreed with this observation. (C) ✓

Brown replied that this particular indicator is merely one measure. It emphasizes the effects of U.S. advantages, particularly in cruise missiles and SLBMs, and perhaps overemphasizes them. Turner then said that such an erosion of the Soviet advantage would encourage the Soviets to respond, although he thought that they would also look to the results of a U.S. first-strike. Brown noted that a U.S. first-strike case would not show such a dramatic erosion of Soviet advantages since cruise missiles could not be counted upon in that case. Turner replied that in any event the growing U.S. capability to attack Soviet silo-based missiles would encourage the Soviets to rebase their missiles to a mobil mode and to attempt defenses or other counters against the U.S. cruise missile program. (C) ✓

General Jones thought the paper useful as a whole but thought that it understated our difficulties in the strategic balance. In particular he thought that looking only at ratios of residual strategic force obscured the heavier weight of the Soviet attack in megatons, assumed away current deficiencies in C³, and assumed that the U.S. five-year program would continue to schedule contrary to what has happened in the past. Russ Murray said that some monies were added in the financial accounting to cover C³ improvements and other modernization, and that needed readiness improvements were funded before force structure growth. General Jones replied that in his view the analysis underestimated the resources needed to correct C³ deficiencies and readiness shortfalls. (C) ✓

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Harold Brown and Jim McIntyre both noted that difficulties in increasing U.S. military manpower will eventually constrain force structure increases. Russ Murray indicated that the analysis recognized this difficulty and chose programs which minimized the need for additional military manpower. Much of the increase in armored division equivalents, for example, was obtained through modernization rather than increases in numbers of divisions per se. Brown and McIntyre expressed skepticism as to whether further increases in pay could attract commensurate increases in recruits. (U) ✓

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In Brown's opinion the key issue raised by the paper is the role of the other free world countries -- what can we expect they will do, how should we proceed to encourage them to do more, and what should we do if they fail to respond as we would want them to. Ed Muskie agreed, seeing little hope for major increases even if the Soviets invade Poland. Turner added that intelligence reports do not lead to an expectation of much outrage in Western Europe over an invasion of Poland. Komer was in some disagreement and thought that there was the distinct possibility of a right-wing coalition developing, particularly in the FRG. (S)

Jim McIntyre thought the FRG was more apt to react in a way best calculated to protect its East European trade. Brzezinski agreed on this point but added that the FRG could well find that an increase in their defense budget would be a necessary part of that strategy because the FRG would also have to maintain good trade relations with France and the United Kingdom. France and the UK might well stop trade with the Eastern bloc and increase their defense budgets in reaction to a Soviet invasion of Poland. (S)

Muskie then asked what we were to do if the Allies in fact do not make an increased contribution. Brown replied that was indeed the crucial question and that in his judgment we should let the NATO theater absorb the shortfall in capability, which is what we have told them we would do. In Komer's view the Allies will eventually react when they see we are serious and when other external factors threatening their security occur as they surely will. Brown continued, proposing that we maintain our budget as if the Allies were doing their share but that we reallocate our forces away from NATO and towards Southwest Asia since only we can effectively shore up that theater. The Allies will not do more if we do less, and we cannot get to a point where Western European military security from the Soviets is a greater concern for us than it is for the Western Europeans. (S)

There was agreement by all that we should continue to press the Allies, that their reluctance to increase their defense budget is due in large part to the current economic situation, but that if the Allies do not make larger increases, Brown's proposal is the proper one (that is, let the shortfall occur in NATO and re-allocate U.S. forces away from NATO). (S) ✓

Brown then turned to specific issues, first the binary chemical weapons plant. Turner predicted that there would be opposition in Europe to deployment of binary chemical weapons simply because it is a change. Brown replied that if so, we should adopt a course which breaks the decision into small steps and put off the question of deployment until we had stocks in being. Komer agreed that the plant decision should not hinge on prior approval for forward deployment; the advantages of the new weapons would accrue in large measure even without peacetime forward deployment. (S)

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Brzezinski asked how long would it take to deploy the weapons in a crisis (Answer: two weeks or so by sea, a few days by air), and would special construction be needed to receive them (Answer: No). Bartholomew stated that we could manage allied reactions with a proper approach, the elements of which included emphasizing the safety of the new weapons and assuring our Allies that we were proposing no new doctrine on chemical warfare nor anticipating any greater dependence on chemical warfare than at present. (S)

Brown proposed that we adopt a course as follows: Accept the Congressional adds for the binary facility for FY-81, which are expected to fund initial plant construction and the initial tranche of equipment, but announce that no further decisions will be taken for some time. If any minor FY-82 monies are needed, we would treat as part of the decision to accept the FY-81 Congressional adds. Brzezinski agreed with this approach and no others expressed opposition. Bartholomew added that a program which emphasized aerial-delivered bombs rather than the current emphasis on artillery shells would facilitate management of Allied reaction. General Jones expressed support for a program that included both. (S)

Brown then turned to the Nuclear Land Attack Tomahawk program. There is concern that moving to procurement in this program in FY-82 could complicate implementation of NATO's LRTNF program. Brown proposed that by retaining \$3-4 million in RDT&E we could protect a FY-84 IOC and minimize any potential difficulty. This was agreed by all. (S)

Brown raised the question of the proper level of military construction in Southwest Asia for FY-82. Bartholomew voiced concern that the currently proposed levels are systematically below those that we have previously announced to Oman, Somalia, Kenya, and to the United Kingdom for Diego Garcia. Brown replied that the levels proposed were chosen in light of a judgment that the Congress would finance only a limited amount of military construction in Southwest Asia and the reductions from previous goals elsewhere were needed to fund the Ras Banas construction in Egypt. Bartholomew, in response to a question from Brown, expressed confidence that we could have an access agreement for Ras Banas with Egypt in time for Congressional action in the spring. Welch expressed concern that there was disconnect between what was needed in facilities and what appeared feasible to get Congress to fund. Brown agreed but said we cannot get out of the game and must proceed as best we can. (S)

Brown raised the general issue of funding for joint programs with our European allies, the problem being that we will not be able to provide funds for these programs as expected in all cases. In particular, for Poland he proposed that we request only \$65 million in FY-82 vice the \$355 million planned and defer the rest of the

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planned program into the out years. It appears as though the FRG may also fall out of the Poland program due to the need to finance cost growth in the Toronado fighter bomber. This proposal was accepted. (S)

Brown pointed out that POMCUS set 7 was being delayed because of a lack of sufficient equipment and that the siting of set 6 was not yet firm, raising the possibility of a delay in that set also. Brown asked whether State was agreeable to defer POMCUS set (pre-positioned Army unit equipment) 7. Bartholomew agreed, stating that that was consistent with the general decision to let capability shortfalls appear in NATO. (S)

With respect to the security assistance enhancement package for Southwestern Asia previously recommended by the SCC, it was noted that State has filed its formal support with OMB. McIntyre suggested that OMB chair an inter-agency group to review this issue in detail prior to the scheduled 8 December meeting with the President on the defense and foreign affairs budget. This was agreed. (S)

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