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POLICY

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THE UNDER SECRETARY OF DEFENSE SECRETARY OF DEFENSE

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WASHINGTON, D.C. 20301

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Chief, Records & Declass Div, WNS  
Date: AUG 13 2018

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Report on Allied Commitments to Defense Spending - ACTION MEMORANDUM

(U) Attached for your signature are letters to the chairmen of the appropriate Congressional committees and Senator Levin forwarding your report on Allied Commitment to Defense Spending due to Congress on 1 March in accordance with Section 1006(c) of Public Law 96-342 of the 1981 Defense Authorization Act (Levin Amendment).

(S/NOFORN) This report compares US and allied contributions to defense and presents methods of weighing various indices of defense efforts. It also traces US efforts to assure equity in defense burdensharing and discusses initiatives currently under way. Allied performance under both the Long-Term Defense Program (LTDP) and the 3% real annual increase goal are discussed in some detail. Detailed national data are contained in the 15 (NATO allies plus Japan) country annexes to the report.

(S/NOFORN) The report notes that no single measure of burdensharing is adequate and develops a collage of measurements that gives a comprehensive view of allied contribution to the common defense. Briefly, the report indicates that the allied share of NATO's security burden has been increasing steadily and now stands at some 45% of the outlay total. With the addition of non-quantifiable contributions (e.g., Berlin costs, host nation support, conscripted manpower, and economic assistance); our NATO allies as a whole seem to be carrying a fair share of the burden. Within this total, however, there is wide variation, with some (UK, Turkey, Portugal and Greece) doing much more than their fair share, others (Canada, Denmark and Luxembourg) far less and the rest a fair share or slightly below it. Japan, the only non-NATO ally Congress asked us to address, lags badly and clearly fails to carry anywhere near its fair share by any method of measurement.

(U) This report is designed to be read in conjunction with the 1981 DoD reports on Rationalization/Standardization within NATO and on the Readiness Status of NATO's Military Forces, both sent to the Congress in January. These reports describe efforts being taken to improve the efficiency with which resources are utilized and how the allies are utilizing the additional resources being devoted to defense.

(U) International Security Affairs prepared this report with the able assistance of PASE. Other DoD offices and agencies provided inputs under the auspices of the DoD R/S Steering Group, as did our Embassies in allied countries studied.

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At our request the State Department has reviewed the report and its comments have been incorporated. We are limiting the number of copies being distributed to Congress and within the Department of Defense due to the sensitivity of some of our sources on allied performance.

(U) Recommend you sign the attached letters of transmittal.

*Franklin D. Kramer*  
Franklin D. Kramer  
Under Secretary of Defense  
For Policy (Acting)

Attachments  
a/s

*This, obviously, is a quite important report and one whose conclusions deserve your and Frank Cohen's close attention before we present it to the Congress.*

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