



UNITED STATES MISSION
TO THE
NORTH ATLANTIC TREATY ORGANIZATION
(USNATO)

DECLASSIFIED IN FULL
AUTHORITY: EO 13526
CLASS. AUTHORITY & Declass Div, WHS
DATE: NOV 02 2018

Office of the Secretary of Defense

Chief, RDD, ESD, WHS

Date: 12 NOV 2018 Authority: EO 13526 + 5 U.S.C. 552

Declassify: X - Deny in Full: _____

Declassify in Part: _____

Reason: _____

MDR: 1B 34 7035

AFU New York 09657

18 December 1973

The Honorable James R. Schlesinger
Secretary of Defense
The Pentagon
Washington, D.C. 20301

My dear Mr. Secretary:

I am writing to offer some personal observations on the recent IPC and to call your attention to one problem on which I feel we need new direction from Washington.

When Secretary General Hans Chrobak told that the IPC Meeting of December 7 was the best he had observed in 21 years, I think he gave an appraisal which reflected the views of all here at NATO with whom I have discussed this meeting. The stimulating discussion of important substantive matters that took place during the rescheduled morning session at the IPC was a striking contrast to the day-long dreary reading of prepared statements that used up most of the time spent here by the foreign ministers on the following Monday. I believe that the reform you brought about in the format of the IPC is so generally recognized as an improvement that it will be followed in all future meetings of the Defense Ministers.

Besides the successful inauguration of a new format, progress toward several objectives stated by the United States was achieved at this IPC. The need for intensified effort in the acquisition of anti-tank weapons, in building up reserve stocks, and in constructing aircraft shelters was recognized, and steps were taken to establish a timetable for these force improvements. I also personally judged on the relative strength of NATO and Warsaw

R2

18-M-2035

Pact forces was subscribed to, and studies are getting underway in the Military Committee to provide an assessment of relative force capabilities in line with assumptions favored by the United States, including counting all forces of NATO nations likely to be available in the event of conflict. Progress was registered also in the steps approved by the Defense Ministers toward the establishment of a single air commander in the Central Region. Finally, a real study of the possibilities of rationalization and specialization was authorized. All of these things give some reason for satisfaction with the performance of Defense Ministers at their most recent meeting, and some at least reflect speedier movement than NATO is generally able to achieve.

On two subjects, I feel the Meeting was non-productive or produced less than might have been hoped for.

First, there is the matter of military manpower in NATO. Our Defense Department indicated at one point that it would seek to start the ball rolling toward manpower reductions in NATO military headquarters. It was decided not to push for this objective at this meeting, and, in the course of discussions you had over here, you were exposed to several arguments against such reductions. I am less pessimistic than others about the desirability and possibility of achieving some reductions in NATO headquarters staffs — military and civilian. It may be that some overstaffing is a price that must be paid in order to have the Alliance, but this is not a valid argument against any reduction.

I believe, however, that headquarters staffs ought not to be our major concern. There undoubtedly is wasteful utilization of manpower in headquarters establishments, but this is only a tiny part of a much bigger problem, touching only 20,000 of the 5 3/4 million men in the active military forces of the fourteen NATO nations that maintain armed forces. The number of men that the NATO nations have in their armed forces and the high percentage of the military budgets of the NATO nations that is devoted to personnel expenditures suggest to me that attention should be centered on more effective utilization of manpower as a means of strengthening the defense capability of the Alliance.

Here in Brussels a considerable amount of attention is given to the weapons and the equipment of the military forces of NATO (on which 16% of the collective defense budgets is spent), but I am not aware of any study or other effort here looking toward efficiency in manpower utilization (on which 40% of the collective military budgets is spent). It might be wise to launch a study of this kind as a means of getting maximum defense capability out of NATO's human and financial resources.

The second subject on which the recent Defense Ministers meeting achieved less than might have been hoped for is burdensharing. In the minds of members of the International Staff and of some national delegations here, there is confusion about what the United States wants NATO to do. Some, perhaps inspired by wishful thinking, interpret your remarks on the subject as providing a kind of dispensation of the requirements of the Jackson-Nunn Amendment. They are asking whether force improvements can take the place of offsets to the U.S. military balance of payments deficit.

It seems to me that since Jackson-Nunn is on the statute books, it must be complied with. I hope that the determinations made by the Secretary of Commerce in the interpretation of Jackson-Nunn will reduce the amount of U.S. BOP expenditure that must be offset substantially below the figure of \$2.5 billion which we have given to our Allies as their target. If the items of U.S. expenditure to be offset are limited to those resulting from the stationing of our forces in Europe (as, I believe, Jackson-Nunn intends), this figure should be whittled down, eliminating such things as the Harrier purchase, retirement benefits for U.S. military personnel residing in Europe, etc. I also think that a loose constructionist view could be taken on the matter of the receipts which will be recognized as acceptable offsets to our BOP expenditures. And I hope that the Administration will exert strenuous effort to prevent the reenactment of Jackson-Nunn next year so that we will not again become involved in the kind of numbers game that irks our Allies and makes us look foolish.

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: NOV 02 2010

[REDACTED]

- 4 -

Our immediate problem here is what to tell our Allies we expect of them under the rubric of burden-sharing. I suggest the points we should make with them are the following:

- (1) Emphasize, as the President has done and as you did at the DPC, that improvement of European forces is the most important form of burdensharing.
- (2) Point out that the requirements of the Jackson-Nunn Amendment must, however, be met if U.S. force levels are not to be reduced.
- (3) Continue to seek a reduction of the U.S. cost share in the military, civil and infrastructure budgets and in the CEPS deficit, as well as assumption under the Infrastructure Program of certain construction costs which the United States would otherwise bear alone.

(These measures would reduce our BOP expenditures by something like \$50 to \$70 million.)

- (4) Await the decisions of the Secretary of Commerce as to the expenditures to be offset and the types of receipts to be recognized as acceptable offsets under Jackson-Nunn.
- (5) Establish either within NATO or the U.S. Government responsibility for keeping track of the payments which constitute offsets under Jackson-Nunn.
- (6) Unless there is Congressional pressure for speedier action, hold off until the end of the fiscal year effort to achieve agreement in NATO on a program of measures to comply with the Jackson-Nunn requirements. At that time, we can determine exactly how much expenditure remains to be offset, we will know what types of offset payments are to be counted, and we will have a clearer picture of the impact of the economic problems caused by the oil crisis, which may have a bearing on what we would want to ask of the NATO Allies.

[REDACTED]

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: NOV 02 2018

[REDACTED]

- 5 -

It was a pleasure for me to have had an association with you at the time of the IPC. I think you did a great deal to rouse NATO from its lethargic pattern of behavior in a way that will have some lasting benefits.

Sincerely,

William B. Prendergast
Defense Advisor

cc: Mr. Harry E. Bergold, Jr.
DASD (European & NATO Affairs)(ISA)

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: NOV 02 2019

[REDACTED]