

Defense

Nat'l Security

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I. WHAT WE FOUND JANUARY 1961:

The trumpet's sound was uncertain. Our Nation's defense was weak and inflexible - it could fairly be described as chaotic:

- This country was alarmingly weak in our combat-ready ground and air forces to meet the challenge of less than all out war. Although all signs pointed to continued communist aggression and particularly the rise of communist-inspired wars of subversion in the 1960s, the Republican Administration had permitted our conventional forces to wither. By placing almost sole reliance on "massive retaliation," our hands were tied in case of limited or conventional war. It was as if we were a fire department that could put out a fire only by blowing up the house.
- Our strategic forces were excessively vulnerable and therefore less credible. To protect our retaliatory capacity we needed, but lacked, hardened and dispersed bases, sufficient numbers of bombers on air alert, and improved warning systems.
- The Republican policy was first to decide our fiscal requirements and then to trim our defense to meet them, rather than to allow our dangers to decide our defense requirements and then fit our fiscal policies to meet them. Strategy under the prior Administration had become the hopeless offspring of an arbitrary budget ceiling.
- Each military department went its own separate, often incompatible, way in planning and budgeting. For the Army, the Republicans foresaw a long war and stockpiled some supplies for two years, while for the Air Force, they saw a short war, and gave it supplies for only a few days.

II. WHAT WE PLEDGED:

In 1960, we pledged to the American people that:

"The new Democratic Administration will recast our military capacity in order to provide forces and weapons of a diversity, balance, and mobility sufficient in quantity and quality to deter both limited and general aggression."

We have kept that pledge. In addition, we have brought sound management and rational perspective to this Nation's defense establishment.

In his Inaugural address, President Kennedy set a goal for our new defense policy:

"Only when our arms are sufficient beyond doubt can we be certain beyond doubt that they never will be employed."

In his first State of the Union message, three years later, President Johnson re-affirmed this goal:

"We must be strong enough to win any war, and we must be wise enough to prevent one."

III. WHAT WE DID:

In translating our pledge into practice, we followed these basic guidelines -- first, develop the force structure necessary to meet our military requirements without regard to arbitrary or pre-determined budget ceilings; and second, procure that force at the lowest possible cost.

Under these guidelines we have:

Built the world's most powerful strategic missile force.

Strengthened and revitalized our limited war forces.

Initiated research programs to develop the weapons necessary to maintain our superiority in the years ahead.

Reshaped our air and missile defenses to meet the changing threats, and embarked on the first really comprehensive civil defense program ever undertaken by the Nation.

Improved the diversity, flexibility, mobility, and control of our military forces.

To purchase and maintain the defense force that now provides us with ever increasing military superiority, the Administration has invested a total of \$30 billion more for Fiscal Years 1962-1965, than would have been spent if we continued at the Fiscal Year 1961 Republican level:

	<u>Fiscal Year</u>	<u>Amount (Billions)</u>	
The Republican Defense Budget	1961	\$43	
	<u>Fiscal Year</u>	<u>Amount (Billions)</u>	<u>Amount above Republicans (Billions)</u>
The Kennedy-Johnson Defense Budgets	1962	\$49	\$ 6
	1963	51	8
	1964	51	8
	1965	51	<u>8</u>
Kennedy-Johnson increase over Republican level			\$30

2. Missiles

We now have more than 800 fully armed, dependable ICBMs deployed on launchers (almost all in hardened and dispersed silos), about 30 times the number we had in January 1961, and four times the number presently in operation by the Soviets.

Today, the Navy has 256 POLARIS missiles deployed in sixteen submarines compared to the thirty-two missiles available in two submarines in January 1961. Six more POLARIS submarines now in commission are capable of carrying 96 additional missiles and 19 additional submarines are under construction. In contrast, the Soviet submarine-launched ballistic missile force is small and ineffective.

Each of our POLARIS missiles is carried in a nuclear powered submarine - but only a small percentage of the Soviet missile carrying submarines are nuclear powered. Each of our POLARIS missiles can be launched from below the surface - but none of the operational Soviet missiles has that capability. Each of our missiles has a range of 1500 miles or more - but the range of the Soviet missiles is less than one-third as much.

B. Our Limited War Forces

This Nation now has a balanced limited war military force which will permit a response graded to the intensity of any threat of aggressive force. One of the greatest contributions of Presidents Kennedy and Johnson has been the reconstitution and restoration of the United States' non-nuclear strength. The President is no longer faced with only the alternatives of retreat or general war, but instead has available to him appropriate and flexible forces to meet each and every challenge across the entire spectrum of military conflict.

During this Administration, we have increased the regular strength of the Army by 100,000 men and the number of combat-ready Army divisions from 11 to 16, or 45%.

For the Air Force, we have raised the number of tactical fighter squadrons from 55 in Fiscal Year 1961 to 79 in July 1964, an increase of 44%. Moreover, funds for airlift aircraft in the Fiscal Years 1962-64 period averaged 230% higher than for Fiscal Year 1961, and actual airlift capacity has been raised 75%. In a few years it will be four to five times the Fiscal Year 1961 level.

The Navy's active fleet has been increased from 817 proposed in the last Republican budget to 883 now planned for the end of Fiscal Year 1965. Over-all there has been a 100% increase in the funds for general ship construction and conversion.

There has also been an 800% increase in the special forces trained for counterinsurgency. Over 100,000 officers have received special training in this field; the Army has six Special Action Forces each skilled in the languages and problems of a specific world area; and Air Force and Navy's anti-guerilla forces have been greatly expanded. We now have 344 mobile training teams at work in 49 countries assisting local military forces. Hundreds of new items of anti-guerilla warfare equipment have been developed.

C. The NATO Alliance

The military strength and readiness of NATO has steadily increased to keep Western Europe and the Atlantic Community secure against Communist aggression.

Between the end of 1960 and the present time, NATO's combat-ready ground forces in the European heartland have been increased by more than 50%. Today, there are available for the M-Day defense of the NATO area more than 40 divisions contributed by our Allies. Since January 1961, the defense spending of NATO's European members has increased by more than 25%. By the end of 1964, this increase will be 35% in comparison to 1960.

There has been a 60% increase in our tactical nuclear weapons deployed in Western Europe during the past three and one-half years. Much of this increase has been in weapons deployed for the support of NATO forces.

During the past three and one-half years, our own forces in Europe have been provided with new and improved missiles, such as the PERSHING, SERGEANT, MACE, and HAWK; with new and improved planes, such as the F-104; and new and improved ground equipment, such as the 175mm self-propelled Howitzer.

V. WHAT WE ARE DOING TO STAY AHEAD:

A. Military Research and Development

The military technology of the United States is second to none and in many of the critical areas -- such as solid fuel ballistic missiles, nuclear powered submarines and surface ships, tactical and transport aircraft -- is far superior to our closest competitor. This Administration will continue to carry forward new research projects that promise to add substantially to our strength. As President Johnson recently said:

"I can assure the American people that the United States is, and will remain, first in the use of science and technology for the protection of its people."

We have, in fact, increased by 50% the funds expended for military research and development over the level prevailing during the last four years of the previous Administration. We have initiated 208 major new research and development projects, including 77 costing \$10 million or more each. Among the important projects and new weapons systems initiated or carried forward to completion during this Administration are:

- the MINUTEMAN II intercontinental ballistic missile, which will be more than eight times as effective against military targets as the MINUTEMAN I developed under the previous Administration.
- the SR-71, a long-range, high altitude, manned supersonic strategic military reconnaissance aircraft, which employs the most advanced observation equipment in the world and flies at over 2,000 miles per hour and over 80,000 feet.
- the new NIKE-X, which will give us the option to deploy -- if the national security requires it -- the best anti-ballistic missile yet conceived by any nation.

- the revolutionary variable sweep winged F-111 fighter-bomber, a supersonic aircraft which has double the range and several times the payload previously available in fighter-bomber aircraft.
- the new A7A aircraft, which will give the Navy superior attack capability at more than double the range of the A4E that it will replace.
- the LANCE surface-to-surface tactical missile, which will replace the HONEST JOHN with a five-fold improvement in accuracy, giving us an effective high explosive as well as a nuclear capability at that range for the first time.
- the new Main Battle Tank, under joint development with West Germany, which will provide our forces with better cross-country maneuver capability, weigh less, and incorporate greater firepower with a higher first-round hit probability than the M-60.
- the SEA HAWK, a new surface ship for anti-submarine warfare that can be operational in the 1970's and will incorporate greatly improved sonar, propulsion, and data-processing capability.
- the EX-10, a heavy, new type of torpedo for use against deep diving, fast, nuclear submarines, which will replace the MARK 37-1.
- the WALLEYE air-to-surface guided missile, designed to hit targets at ranges up to 25 miles away from the launching aircraft with an accuracy of a few feet -- a vast improvement over current weapons.
- the TOW heavy assault weapon -- a wire-guided advanced anti-tank missile system accurate both at short and very long ranges and suitable for infantry use will be much more effective than the anti-tank weapons now in inventory.
- new hardware items for counterinsurgency, largely ignored by the previous Administration, are now measured in the hundreds. A simple measure of progress in this field is the fact that funding in this area has increased from less than \$10 million per year in 1960 to the \$103.4 million requested for Fiscal Year 1965.

Also of critical importance is the major research and development effort designed to assure that our strategic missiles can penetrate any possible enemy defense. One of the most significant actions taken by the Administration in this regard has been a massive development effort in penetration aids, such as decoys and multiple warheads. More than \$1 billion has been provided for this work from 1961 through Fiscal Year 1965.

B. Our Military Space Program

What this Administration has undertaken in the last several years is a truly national space effort that draws together both civilian-scientific and military interest in a fully coordinated program. It represents without question the largest scientific and technological effort ever undertaken by the American

people. It will influence the course of science as well as our national security programs for decades to come.

We shall continue to spend about \$1.5 billion per year for the strictly military aspects of the space program, in addition to the \$5 billion plus a year spent by NASA on the civilian space program. This may be compared to the Republican Administration expenditures for the entire space program, which as late as Fiscal Year 1961 totaled only about \$1.5 billion. Some of the more important examples of the military space activities of this Administration are:

- A new major program, the MANNED ORBITAL LABORATORY (MOL), designed to explore the military utility of man in space.
- Development of the TITAN III, a new space booster, which will provide a threefold increase in the payload which can be put in orbit by existing boosters.
- Production of a variety of earth satellite systems for military use -- navigations, communications, detection of nuclear tests, and others.
- Work on a number of other space vehicles, large solid propellant motors, re-entry and recovery vehicles, and space guidance equipment.
- Development and operations of a system for identifying and tracking all objects in space.

It is the policy of this Administration to explore every potential use of space for the defense of the Nation.

VI. WE HAVE ACCOMPLISHED ALL THIS WITH THE INSISTENCE ON A DOLLAR'S WORTH OF VALUE FOR EVERY DOLLAR SPENT:

A. Stable and Rational Defense Planning

This Administration has eliminated the haphazard Defense planning which characterized the previous Administration by instituting an integrated cycle of planning, programming, and budgeting projected on a continuing five-year basis. This provides us with a blueprint for the future, projecting not only the military force structure we will need, but also the men, equipment, weapons, supplies, installations, and budget dollars required to support them over the next five years.

No such long-term planning has ever previously existed in the Defense establishment.

The entire Defense effort is now planned as a unified whole and is directly related to the principal missions and tasks of the Defense Department, rather than the traditional organizational entities of the four military Services. By so doing, we bridged the gap between military planning and budgeting. Strategy, force structure, war plans and budgets are thus all aspects of the same basic decisions.

This planning - programming - budgeting system, with its supporting analytical techniques, provides us with a solid basis for making rational choices among a range of alternatives with respect to our future forces, weapons, and strategy. It eliminates wasteful duplication; it weeds out programs which have lost their original promise, and frees resources for more profitable application in other areas. It has provided this nation with a balanced, flexible force capable of meeting any challenge. It is by no means a substitute for military judgement but rather takes such judgements fully into account. As General Lemnitzer, former Chairman of the Joint Chiefs of Staff during this Administration, said:

" . . . all of us who make up the Joint Chiefs of Staff have had ample opportunity to make our views fully known, and I have personal knowledge that those views have always been thoroughly and most carefully considered."

Similarly, in June 1963, General Taylor, the immediate past Chairman of the Joint Chiefs of Staff, stated:

"The voice of the American soldier is entitled to a serious hearing in our national councils -- and I am happy to report that today he receives that hearing."

B. Cost Reduction Program

Our program of action for achieving the required military strength at the lowest possible cost has three aspects:

- Buying only what we need.
- Buying at the lowest sound price.
- Reducing operating costs through termination of unnecessary operations, standardization, and consolidation.

Under this program, and while increasing our military strength and combat readiness, we saved \$2.5 billion during Fiscal Year 1964. We expect to achieve savings of \$4.6 billion a year by Fiscal Year 1968 and each year thereafter. If these savings had not been realized, defense spending would have increased correspondingly.

Two of the important areas of our cost reduction program are:

Termination of Unnecessary Operations

About three years ago we began a carefully phased program to identify those installations which could be consolidated, reduced in scope, or closed to increase our military readiness. Through June 30, 1964, as a result of this program:

- 697,000 acres of land - over 1,000 square miles - were released to the private sector of our economy as the result of 556 separate decisions. Land which had been tax consuming has now become tax

producing. With the assistance of the Department of Defense Office of Economic Adjustment, created in our Administration, many of the communities involved are well on the way to developing a stronger and more diversified economy.

--- \$568 million in annual operating savings were realized.

Improvement in Procurement Practices

In 1961 we established specific objectives aimed at lowering procurement costs through incentives to increase the efficiency of defense production. We sought:

1. More competitive procurement of military items.
2. Fewer cost-plus-fixed-fee contracts.

As a result of our efforts:

- In Fiscal Year 1964 we shifted contracts totaling \$1.4 billion from non-competitive to competitive procurement. For every dollar shifted, we averaged a net price savings of 25¢. In Fiscal Year 1964, we saved over \$350 million as a result of these shifts.
- In Fiscal Year 1964 we shifted contracts totaling \$5.5 billion from cost plus fixed fee to fixed price and price incentive formulas. At a minimum, analyses indicate that 10¢ is saved for each dollar so shifted. Such shifts are saving at least \$550 million.

Even more encouraging than the fact that the Defense Department's \$2.5 billion savings in Fiscal Year 1964 exceeded its estimates by \$1 billion, is that literally thousands of people contributed to this program. As a result of our emphasis on economy in government, cost consciousness pervades the Defense Department at all levels.

In his appraisal of the Defense Department's Cost Reduction Program, President Johnson said this, in July 1964:

"The line has been held on spending. It is still being held today and nowhere was that challenge more difficult than here in your Defense Department. Nowhere has that challenge been met more effectively or more responsibly."



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