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Before the Committee on Appropriations

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Part 2 **DEPARTMENT OF THE ARMY**

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1976

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING JUNE 30, 1976, AND FOR OTHER PURPOSES

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1976

WEDNESDAY, MARCH 12, 1975

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. John L. McClellan (chairman) presiding.

Present: Senators McClellan, Pastore, Inouye, Young, Fong, and Schweiker.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

STATEMENT OF HON. HOWARD H. CALLAWAY, SECRETARY OF THE ARMY

ACCOMPANIED BY:
GENERAL FRED C. WEYAND, U.S. ARMY, ARMY CHIEF OF STAFF
MAJOR GENERAL R. L. WEST, DIRECTOR OF ARMY BUDGET, OFFICE OF THE COMPTROLLER OF THE ARMY

BUDGET REQUEST

Chairman MCCLELLAN. The subcommittee will come to order.

This morning we will receive testimony from the Secretary of the Army, Hon. Howard H. Callaway, and the Chief of Staff of the Army, Gen. Fred C. Weyand, in support of fiscal year 1976 budget request for the Department of the Army.

Mr. Secretary, you may proceed.

Secretary CALLAWAY. Mr. Chairman and members of the committee, General Weyand and I are delighted to have the opportunity of appearing before you.

PREPARED STATEMENTS

With your permission, Mr. Chairman, we would like to submit our formal statements for the record, and open with brief oral statements so that we can devote the maximum amount of time to your questions.

Chairman MCCLELLAN. The formal statements of each of you, the Secretary and Chief of Staff, and the Director of the Army budget, may be printed in the record in full.

[The statements follow:]

STATEMENT OF HONORABLE HOWARD H. CALLAWAY

Mr. Chairman and Members of the Committee:

I am delighted to have an opportunity to appear before this committee again. Last year I told you I was proud to be Secretary of the Army because the Army's mission was of such great importance to our country and because the Army was comprised of such fine people. Today, that mission is more important than ever, and I'm pleased to report that the people are better than ever.

The story of the Army in the past year is a story of success. It is something all America can be proud of. Last year at this time we were struggling to recruit enough qualified men and women; today everyone in the Army is there because he or she asked to be, and there are so many applicants that we have raised our quality standards significantly. A year ago we were wondering whether we could get enough combat soldiers to man 13 combat divisions; today we see our way clear to field even more. Last year we set the affiliation of the Active Army and the Reserve Components as a goal; today we can report great strides toward making an integrated Total Force a reality.

But our purpose for being here is not to review past accomplishments; it is to outline future challenges and goals. The Army cannot stand still -- and it will not.

In all our planning, we have remained keenly aware of the country's troubled economic conditions. This factor, so important to the Nation's well-being, also affects our position in the world. But it is not our only challenge, nor is it necessarily our most pressing one. We also face the threat of the use of force, which, if not counterbalanced, often leads to political crisis or to war itself.

The economic challenge makes me particularly aware of the Army's responsibility to use the resources allocated to us in the most effective way possible. The second challenge -- the threat of coercion --

makes me conscious of our responsibility to tell you as clearly and completely as possible what the Army needs to carry out its mission. There is a direct relationship between a capable and confident American Army and a favorable course of political events in the world, and, ultimately, the rationale for our programs rests on that relationship.

When we talk of the threats to be countered, we are not discussing vague, hypothetical possibilities; unfortunately, we are dealing with some most unpleasant realities. I know that many critics of national preparedness are quick to say, "It must be budget time again! There goes the Pentagon over to Congress with scare stories of how big and bad the Russians are." I have two comments in response to that. First, intelligence reports and appraisals are made year-round, year after year. I have been Secretary of the Army for nearly two years now, and interested Members of Congress have been getting updated intelligence briefings all of that time. That has been our practice for years. My second observation is that it is our duty to inform Congress of enemy military capabilities. It is not a gratuitous act on our part. You need the information as you wrestle with the difficult problems of providing for the common defense. Obviously, it is incumbent upon us not to cry "wolf." That is detrimental to the Nation's best interest. But, on the other hand, it would be sheer dereliction of responsibility to suggest "sheep" when the creature outside has prominent fangs and seems to have force of breath enough to blow the door in.

I am deeply concerned with the modern and powerful military establishment of the Soviet Union. The USSR is the only nation on earth, for now and into the foreseeable future, with the capability of ending our way of life. Previous witnesses have described the overall growth of Soviet power, especially in strategic forces. Those sobering facts need no elaboration at this time. But I would like to emphasize another facet of Soviet military expansion. Soviet efforts in strategic arms have been more than matched by a determined drive to upgrade their general purpose

forces. Their modernization program has been across the board, with the emphasis on developing highly mobile and sophisticated conventional ground forces. And they have been successful. There is reason for concern.

The extent of that buildup can be seen by looking at the gross numbers. Much of the Soviet defense budget is hidden, but we believe they spent more for defense last year than we did. Their monies, however, came out of a much smaller gross national product. Our Army cost about 1.4 percent of our gross national product; whatever theirs consumed, it was much more than that. Our Army had 785,000 men and women; theirs had 1.8 million. Their inventory includes some 45,000 tanks; we don't have a quarter of that number. They have increased the number of their army divisions in recent years; our total has declined. So, while our remarks today are oriented on describing the posture we recommend for the American Army, the backdrop to those recommendations is unavoidably the size and strength of the Soviet Army.

In presenting the Army's program, General Weyand and I are more concerned with defining basic security needs and describing the required directions of change than with recounting the details of our recommendations. In that vein, then, we will focus on two points; the Army's requirement to achieve increased combat power and readiness; and its need for stability in funding and manning.

ARMY GOALS.

We have set three major goals to guide our efforts. Briefly, they are:

.. Continue to upgrade the quality of our soldiers while maintaining our momentum in recruiting and retention.

.. Obtain the maximum benefit from all resources. Because the Nation entrusts the Army with so large a share of its human and material resources, we must miss no opportunity to eradicate wasteful procedures.

.. Shape the Army for the future. The requirements of national security in the coming years will place new demands on the Army.

In a larger sense, the first two goals -- recruiting and efficiency -- are included in the third one. They must be achieved before we can adequately shape the Army for the future. So our remarks today will be oriented primarily on that new Army. Its foundation is a force of 16 Active divisions and 8 Reserve Component divisions, which we refer to as the Total Force. General Weyand will discuss why that 16-and-8 division force is necessary and how it will be deployed; I'll cover its composition and how we plan to achieve it.

DESIGNING THE FORCE.

Last year, we initiated actions aimed at reaching the 16-and-8 division goal in FY 1976. That is an increase of nearly three Active divisions from the level of FY 1975. It represents a radical departure from recent structure. Prior to the Vietnam war, in 1964, the Active Army manned 16 divisions, but it had some 200,000 more men than it does today. Our plan to field 16 Active divisions within a steady strength of 785,000 will give the country the essential security it needs at a cost it can afford. It will be the most efficient peacetime Army the United States has ever had.

In many ways the 16-and-8 division force will be quite different from the one we have now. It will be no larger, but it will be more capable and flexible, a better amalgam of Active and Reserve Components. It will provide our national decision makers a greater choice of options. It will be leaner, with more teeth and less tail. It will be more efficient, with only essential headquarters and activities and organizations. It will have better equipment and revamped doctrine. It will be more carefully balanced between its capabilities and possible missions, between its deployments and rotational base, between present requirements

and future needs. It will be an Army keyed to the future rather than one tied to the past.

It is difficult to prove with mathematical precision the absolute need for any specific number of divisions. There are too many uncertainties -- uncertainties in enemy strengths and weaknesses, in the capabilities of allies, in our own ability to see into the future. But I know we can achieve the 16-and-8 division force within the manpower levels recommended, and that we will then have a better posture to face the kind of threats foreseen in the next 10 or 15 years. I do know that this manpower level is near the lowest point we've had in 25 years; and I also know that the Soviet Union has been increasing its ground elements while we have been reducing ours. Our conventional forces can no longer abide inadequacies, because our strategic forces no longer enjoy that superiority which used to compensate for conventional weakness. I cannot measure the exact risk we are presently running with an Army of only 13 Active divisions, but I believe it manifests itself in every negotiation our country enters and in every crisis that arises. Thus, although I can't assure you that 16 will be enough, all indicators I know of say we should increase our combat power and improve our ability to use it quickly.

But we are not requesting an increase in the size of the Army; we are only asking to be stabilized where we are and for your support in building the 16-and-8 division force.

If Congress supports our program, the new divisions will be: the 7th Infantry at Fort Ord, California; the 24th Infantry at Fort Stewart, Georgia; and the 5th Mechanized Infantry at Fort Polk, Louisiana. Each of them will initially have a round-out brigade from the Reserve Components. This arrangement involves a close association between the brigade and its parent division. They will plan and train together and, should it be necessary, fight together. The use of affiliation goes farther still. There are 5 other brigades and 13 separate battalions

currently linked to Active Army divisions. This is the integrated Total Force posture I mentioned earlier. We think this relationship is healthy. It improves training and readiness, promotes understanding and unity, and makes the most efficient use of our facilities and equipment. Moreover, it is necessary. We cannot meet the challenges of today's world without leaning heavily on the Reserve Components. For one thing, as we remove support structure from the Active force, and replace it with added combat capability, we have to look to the Reserve Components for more and more of our supporting elements.

The 16-and-8 division force is founded on the basic assumption that the Army will be able to rely on the prompt mobilization of Reserve Component units in an emergency. We count them as part of our force-in-being. They constitute 8 of our 24 divisions, significant portions of the other 16, and much of the supporting strength. Given the very real restraints we must operate under, there is no other option. I cannot state too strongly the need for authority to deploy selected Reserve Component units as an integrated part of our Total Force. The cost of achieving this early deployment capability in any other way is prohibitive.

We also plan to increase our combat power in Europe by about 12,000 troops, or roughly 2/3 of a division. A brigade from the 2d Armored Division at Fort Hood, Texas, will begin moving to Germany in March of this year, and additional combat power will deploy next year. That represents no increase of soldiers in Europe, for the new combat elements will replace support elements being withdrawn. In the meantime, the 2d Armored, after sending the brigade to NATO, will organize an additional brigade in the United States. Thus, the division will have one brigade in Germany and three here, providing the basis for a unit rotational plan. Only the brigade headquarters and a support element will be permanently stationed in Europe; the maneuver and artillery battalions, as well as some smaller elements, will rotate from Fort Hood, without dependents, for periods of less than six months. This rotational augmentation is

an innovative method of maintaining part of the force in Europe; we hope it will eventually provide some monetary savings even as it eases our balance-of-payments deficit.

The obvious question is, how are we going to do all of this? Where will we get the resources to build the 16-and-8 division force, especially within a manpower ceiling of 785,000 and with only modest real increases in appropriations? The answer is that we propose to reconfigure the Army across the board.

That reshaping has already begun. The first step was a reorganization of the command structure in the United States in mid-1973. That gave us the framework for further changes aimed at increasing the percentage of the force assigned to combat elements, which in turn made the 16-and-8 division force a feasible goal. We began right away to reduce the size and number of headquarters, to cut back support units, and to eliminate activities of marginal utility. These actions are producing the manpower spaces needed for the three new divisions. But it wasn't easy, especially at first. Experience warned that anything cut was lost for good and would have to be rebuilt from scratch when the next emergency occurred. Those charged with keeping America's Army strong were naturally reluctant to accept changes which might result in further weakening an already dangerously weakened force. The positive attitude of Congress and the Secretary of Defense helped. When it was learned that Congress and the Department of Defense would allow us to invest our efficiencies back into the Army in order to strengthen its fighting potential, the movement gained momentum. Everyone saw that the result of the reconfiguration would be a stronger Army rather than an emasculated one.

I have been delighted with the imaginative and vigorous way commanders around the world set out to make the most of their resources

in order to build a new Army. Their attitude has been selfless -- and contagious. Let me just cite a few illustrative examples:

.. At Fort Leavenworth, Kansas, we were operating a fully instrumented airfield 16 hours a day, 7 days a week, but the actual number of instrument landings was small. By coordinating with Kansas City International Airport to handle those instrument landings, Fort Leavenworth was able to drop their instrumentation requirements at a reduction of seven military spaces.

.. We had a ship which had been converted to handle aircraft maintenance. It had been valuable in the Vietnam war, but was no longer essential. By deactivating it, we generated over 200 people and about $1.3 million annually in OMA funds, which could be more effectively used.

.. By eliminating, consolidating, or reducing the length or frequency of dozens of training courses, we expect to reallocate about $5.5 million in FY 76.

.. Burning waste oil with coal is a technique being used at certain locations to extend the amount of energy obtained from the coal. Each 200 gallons of waste oil generates about as much heat as one ton of coal, reducing our coal bill by tens of thousands of dollars.

.. By increasing the number of operating hours between oil changes on our generators we hope to save annually at least 500,000 gallons of oil, and perhaps as much as 670,000 gallons.

Taken individually, few of these or similar actions are dramatic, but in the aggregate they comprise a major reallocation of resources. Nothing is too small to look at; we are even checking to see if we can reuse computer paper by printing on the reverse side.

Steps such as these constitute better management, but it's more than just that. We are not engaged in a simple trimming of fat. The move to

reshape the Army represents a fundamental change in policy regarding the kind of Army we need. Some difficult decisions were made; in order to create more immediate combat power, we are sacrificing a degree of staying power. General Weyand will pursue this point further in his statement.

We are very much aware that the Army can't achieve its goals alone. Congress, of course, has the ultimate responsibility to raise and support the Army, and we are eager to work with you to assure that our country gets the best Army possible. Actually, our needs are simple. We don't seek more people, or even a major increase in funds over last year's request, except as necessary to overcome the erosion of inflation. Basically, we need and request only stability. A constant strength authorization to build upon is essential. Incremental cuts -- even small ones -- play havoc with our ability to manage the Army and to shape it into a more useful instrument of national power. Large and unplanned changes -- both up and down -- in manpower and budgets have been a way of life for the Army for many years, and it is in a very real sense a costly way to live. Changes in size mean changes in organization, transfer of personnel, costly retraining, loss of morale throughout the force, and inability to plan coherently. In short, it means less effectiveness from the resources we are allocated. On the positive side, if we can have reasonable assurance that our strength will remain relatively fixed and that our budget will stay about where it is now in purchasing power, we can deliver a stronger, more efficient Army.

In spite of our continuing efforts at improved management, I am sure in your budget reviews you will find areas where we have overlooked opportunities for increased efficiency or are using people for activities you consider marginal. Where you do, I urge that you give us the opportunity to convert those military spaces to increase our combat power.

All sorts of advantages come from having a stable and predictable strength authorization. Take recruiting, for instance. A constant goal

makes our task simpler and magnifies the chances of getting the numbers and quality we are seeking. It is just easier to hit a stationary target than a moving one. Plans and programs can be established for the long haul; they will be more efficient because we won't have to be tinkering with them repeatedly to meet year-to-year fluctuations. We'll do a better job at less cost by being able to plan ahead with confidence. And that is true of every other activity we are engaged in. Thus, the very first step toward making the Army more efficient is to stabilize its size where it is now, at 785,000 men and women. Our ability to increase the relative size and readiness of the combat elements of the Army is dependent upon a stable resource base. The ultimate beneficiary of this stability will be the taxpayer himself.

MANNING THE FORCE.

When we first began considering the possibilities of moving to the 16-and-8 division force, the largest hurdle appeared to be the problem of manning it. In addition to the 785,000 men and women required for the Active Army, we saw the need for over 600,000 in the Reserve Components. That's a Total Force of some 1,400,000 -- a remarkable level to maintain without the draft. No nation has ever done it before, so you can understand why there was some concern. Fortunately, young people in increasing numbers have found service in the Army to be attractive. We are confident we can man the force. As a matter of fact, adding three more Active divisions broadens our recruiting base. Similarly, the expanded affiliation of Active and Reserve Component units should prove to be a boost to Reserve Component recruiting.

Our somewhat rosy view is predicated largely on actual results achieved in Active Army recruiting through January 1975. They are most encouraging. Overall, we stand at 102 percent of our recruiting objective. The number of men signing up for the first time is nearly 98 percent of prescribed

goals, while the share of women who similarly recognize the opportunities of Army service stands at 121 percent. Most heartening of all, though, is the large number of good soldiers who reenlist or who come back in after getting out. They have tried the Army and they like it. They are registering their satisfaction in the most expressive way they can -- by staying on. In the first 6 months of FY 75, more than 35,000 men and women reenlisted, which is nearly 12,000 more than in the same period a year earlier. Significantly, first term reenlistments account for the bulk of that great overall increase.

We are placing emphasis on selectivity so that the quality of our new men and women also rises. Quality is measured in terms of four factors: aptitude for the service, motivation, moral background, and physical condition. Aptitude for the service is largely, though by no means completely, a function of education and mental category. We want to raise our standards in those areas. Among our FY 76 objectives for the Active enlisted force are:

.. Increase the proportion who are high school graduates to 80 percent.

.. Achieve a level of about 10 percent who have one or more years of college.

.. Raise from 53 percent to 60 percent the share of those entering the Army from the top half of the population according to mental category ranking. At the same time, cut the share of those in the lowest acceptable category to 15 percent or less.

That is not to say we do not have good quality now -- we just want to get even better. Let me make a few quick comparisons of a profile of the Army with a cross-section of that part of our population of military age. For comparing mental quality, we group people into five mental categories. Nine percent of our national population falls into the bottom category; the Army takes none at all from that group. The one next to the bottom encompasses 21 percent of Americans of military

age; only 17 percent of our enlisted force is from that group. And while 70 percent of our citizens of military age are in the top three categories, 83 percent of the enlisted force is taken from that part of the population.

But quality is not our only aim; we also want a representative Army. What we seek, and need, are quality soldiers -- men and women -- who are representative of the overall population. Ideally, we would like to have at least one person from every block in every city, one from every rural delivery route, and one from every street in every small town. Our obligation to the American people is to strive to field an Army which is both representative of them and acceptable to them.

Our soldiers are drawn from families throughout the land. They are typical young citizens, with aspirations and talents and preferences that don't change just because they are serving their country in uniform. Our programs and policies must be predicated on that fact. For the long run, how we treat our soldiers will be one of the primary factors determining how well the Army performs its various missions. In this country, we have always been sensitive to the morale and welfare of men and women in uniform. Today, that tradition is more necessary than ever before. While our commanders must insist on proud, disciplined, and professional performance, they can never forget the importance of taking care of their people. Nor can we forget that taking care of our people includes taking care of the circumstances under which they live and work. Military ghettoes and second-class citizenship are relics of the past which are no longer acceptable. They have no place in Today's Army. We have to treat our soldiers as what they are -- young citizens serving their country; valuable resources the Nation is fortunate to have, not cheap labor to be used for a while and then replaced.

Our new men and women are full-fledged members of the Army team -- and we must start treating them that way. During the decades of the

draft, we gradually came to look upon a citizen's initial years of service as a period of sacrifice he owed to his country. That perception was reflected in the way the Army managed its people. I think it's a fair criticism to say that we did not handle our soldiers or their problems as well as we could have and should have. Legislation also reflected the frame of mind that service was supposed to be a sacrifice. Our first termers drew poverty wages; they had no allowances for family travel benefits; the government would not sponsor their dependents at overseas posts. All of this was done because it was generally felt that a draftee should serve an obligation, without regard to his own wishes or needs. This attitude may be acceptable during a war, but it is clearly an inappropriate policy for attracting volunteers to enlist for a longer time during a period of peace.

In addition to equity and fairness in treatment, there are several major programs which must be continued and emphasized if we are to develop the force in the most efficient way. Among them are:

.. Train and use every soldier in the skill for which he or she is recruited.

.. Provide opportunity for growth, both professional and personal.

.. Apply management procedures uniformly, fairly, and without prejudice.

.. Seek greater tour stability at all levels to reduce turbulence.

.. Organize so as to attain a higher degree of individual and group productivity.

Perhaps it might be worth noting, in light of the unemployment problems afflicting our country today, that the Army provides full-time work for well over a million men and women, including more than 330,000 civilian members. And that doesn't count those employed by industries engaged in equipping and supporting us. Many of our members are young people, that part of our population which has historically faced a tight job market. While they are in the Army, they are productive members of the work force. They are serving their country and learning a trade or getting themselves

better educated at the same time. When and if they leave us to enter the job market they will be more mature and better able to compete.

Working side-by-side with our soldiers are the civilians who help get the Army's job done. The civilian work force is an integral part of the Total Force. For instance, civilians comprise the bulk of the people employed in our research and development, supply, maintenance, and base operations activities. Their role will be most important to the achieving and operating of the 16-and-8 division force.

One subject related to manning the force is the ratio of officer to enlisted strength. I mention this because there has been so much wrong information spread about in recent years. The current ratio is about 1 officer to every 6.5 enlisted members, and the trend is down. We have a target in FY 76 of 1 to 7, and may even do better than that. Apparently, what alarmed some observers was the fact that the ratio rose during the massive reductions following the Vietnam war. That is normal. Officers could not be released as rapidly as enlisted men, many of whom were draftees. Most of the draftees wanted out, while many of the officers did not. Lowering the officer strength took more time and in some cases was dependent on special legislation. So the ratio climbed temporarily even as the total number of officers has been dropping precipitously. In 1969 we had over 172,000 officers; right now we have about 103,000. Between 1969 and today we have cut 66 generals, about 1,700 colonels, and some 5,700 lieutenant colonels. And we have requested legislation to permit us to slice even deeper. To demonstrate that we have not been padding the rolls with surplus senior officers, let me cite a significant statistic. Based on the Officer Grade Limitation Act, the Army is authorized to have over 5,100 colonels this fiscal year; we actually have nearly 400 fewer. That is typical of other senior grades. We have been working to keep our totals low -- and we shall continue to do so. I might add that the movement to the 16-and-8 division force will help hold grades down, for the new combat units will be comprised mostly of enlisted men. They will

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have relatively few officers, and only a handful of senior officers. Many of the units being phased out, on the other hand, are structured just the other way around.

EQUIPPING THE FORCE.

As the new units are activated we will have to coordinate the availability of arms with the arrival of people. That's the first step in equipping the force. The second is to continue our overall modernization program, which must be done for the Total Force, not just for the three new divisions.

The first step is comparatively easy and relatively inexpensive. The rotational augmentation forces going to Europe, for instance, will pick up equipment already stored there, while elements being organized here will take over the equipment left behind. Meanwhile, a large proportion of the newly activated units in the United States will be infantry, requiring relatively few tanks and other heavy equipment. We hope to see those Reserve Component units that are affiliated with Active Army units reach all prescribed logistics readiness objectives by the end of FY 77. However, the readiness increase of most other Reserve Component forces will be slowed somewhat, partly because of the reorganization and inflation, but mainly as a result of the impact of foreign sales. When urgent, unprogramed deliveries are made from Army inventories, we cannot fail to feel the pinch somewhere. We have been hurt by recent diversions, especially of tanks, but not so much that we must delay our move to achieve the 16-and-8 division force.

Perhaps I should add that foreign sales don't impinge significantly upon our budget, because recent changes in the system require that the price of items sold must be established in consideration of the replacement costs. It is primarily the delay in getting the new item that sometimes hurts us.

Although equipping the new force is not the major hurdle it might at first appear to be, modernizing the Army is another matter. Modernization is affected by research and development programs, procurement policies, maintenance of the country's technological base, diversion of equipment to other nations, and, inevitably, inflation. If we are to have a general purpose force that is anywhere near a match in quality with that of the Soviets, we must reverse the steep downward trend in our research and development programs and in our procurement activities.

Let me emphasize how deeply inflation has eroded our modernization efforts. We estimate that prices of Army items, in general, climbed well over 11 percent in FY 74. In FY 75, we anticipate further price hikes ranging from 12 percent to over 27 percent. Current estimates are that all these price increases will add about $600 million to our FY 76 procurement and R&D costs. Most of these inflation costs are included in our procurement and budget requests. Therefore, while the totals for these appropriations requests may appear high in relation to FY 75, the dollars themselves will buy significantly less than they would even today. The Army is doing everything it can to cope with inflation. We are attempting to limit cost escalation, to improve technology, to increase automation, and to do anything else which will help hold procurement costs at the lowest possible level.

Despite the need for all of our programed systems, the cost of some is becoming an increasingly larger element in the decisions we make to retain or drop them -- to the possible detriment, I might add, of readiness. This is an area where we need the sympathetic support of the Congress in fully funding those items the Army needs to perform its mission in the years ahead. Our R&D strategy also requires that we strive to preserve a reasoned balance between quantity and quality of equipment. Although we seek quality weapons systems, we cannot sacrifice numbers to oversophistication. Additionally, we are continuing to try to

tap other sources by searching for potentially adaptable arms developed by our allies.

Overall, this has been an exceptionally good year for most of our individual weapons systems. I'm happy to report satisfactory progress since last year in virtually every instance. This is not to say that there have not been problems, for in any R&D program there will always be some setbacks. That is in the nature of things. But, all in all, we are pleased. Let me briefly review some of the programs, starting with what we call our "Big Five."

XM-1 Tank: The main battle tank for the 1980's. Just past the halfway point in the program's competitive validation phase, both contractors, Chrysler and General Motors, are progressing well in the transition from paper concepts to test hardware. FY 76 will be a very significant period for the XM-1 program. Contractors will submit models for Army test and evaluation beginning next February. The winner of this competition will be awarded the contract for the continuation of the program.

SAM-D: The advanced air defense missile system for the field army of the 1980's. We restructured this program last year, holding it at an austere plateau until completion of a series of guided flights designed to prove or disprove the soundness of the missile guidance principle. We hope to resume full scale development after FY 76.

AAH: The Advanced Attack Helicopter. The lessons of the 1973 Mideast war added a note of urgency to our development of the attack helicopter. Designed primarily as a tank killer, its role appears to be more necessary than ever. This year the contractors plan to conduct extended ground tests and to make the first flights.

UTTAS: The Utility Tactical Transport Aircraft System, or squad assault helicopter. During the past year both contractors successfully flew their prototypes. In FY 76 we will begin competitive tests.

MICV: The Mechanized Infantry Combat Vehicle. This vehicle is in the engineering development phase now. We plan to begin field tests in August 1975.

Right behind the "Big Five" in priority is another weapons system which is vital to our modernization program: the product improvement of the M60 tank series. By this summer we will have completed the first phase of this program, which will give the M60 series tank added reliability, mobility, firepower, and flexibility. In FY 76 we plan to initiate the second phase, which will provide the tanks a better night fighting capability and will further improve the crew's fighting effectiveness.

Weapons systems are not our only area of emphasis. We have several other priority projects in the broad area of equipment modernization, many of which we are accelerating as a result of lessons learned from the last clash in the Middle East. For example, we are working hard to improve our chemical defenses, and we are striving to field a new family of telecommunications devices to provide commanders better means of combat command and control. We are also seeking ways to expand our capabilities in the complex area of electronic warfare.

At this point I should mention the status of the Army's ballistic missile defense efforts. The SAFEGUARD system achieved its equipment readiness date in early October of last year. The Site Defense effort has been redirected in accordance with congressional guidance, and we are maintaining our BMD technology lead with a vigorous advanced development program. All of these efforts are, of course, directly related to the U.S. resolve to maintain strategic parity with the Soviets.

Shifting now to procurement, let me start with a discussion of our procurement objectives for FY 76. There are three. First, we seek to gain and maintain materiel readiness for the 16 Active divisions and to improve the readiness of support forces and of the 8 Reserve Component

divisions. This includes obtaining adequate stocks to replace combat losses in the new battlefield environment -- where such losses are anticipated to be significantly greater than in the past. Second, we will continue to modernize our conventional ammunition production base. Third, we will continue to assess our weapon system procurements to strike a realistic balance between quality and quantity.

Our procurement success depends in great measure on the responsiveness of the Nation's industrial base. Once we referred proudly to American industry as the "arsenal of democracy." However, recent changes, mainly economic, have eroded the ability of our industrial base to respond in timely fashion. By way of example, look at tank procurement, a very critical matter just now. We are trying to increase our output of M60 series tanks -- our Reserve Forces units need them, our war reserve stocks are short, and our allies are pressing for them. Yet, because industry's capacity to cast turrets and hulls is currently so limited, we are literally years behind in production. Ammunition production is another area in which we have very little slack. We are examining the entire planning process with industry to learn where other weaknesses might lie and to determine the validity of existing planning agreements.

We are also looking more closely at the possibilities of purchasing weapons developed by our allies. The technological progress of many of our allies makes the prospects appear promising. A commonality of equipment assists both us and our allies economically by reducing development expenses and by lowering unit costs through increasing the quantity of items produced. Combat effectiveness of combined forces would also be improved, as would their logistical support. It can be a two-way street of mutual benefit. The selection of the European ROLAND II to fulfill the Army's requirement for an all weather, short range, air defense system is the most recent example of this method of materiel acquisition.

A highlight of FY 75 was the revision of the Army's basic system for acquisition of materiel. This new look resulted from the reorgani-

zation of Department of the Army headquarters and a comprehensive examination of our acquisition philosophies, policies, and procedures. The objectives of the changes are to ensure that the equipment we buy is good and that its costs are minimized. In short, to get the most for our money.

STATIONING THE FORCE.

I have already mentioned the major posts in the United States that are slated to become the homes of the three new divisions -- Fort Ord, Fort Polk, and Fort Stewart. Foremost among the considerations in making these stationing assignments were the elements of available maneuver room and existing facilities. We had to select areas where the new divisions could live and train.

No part of our program to reshape the Army can succeed without the support of Congress. The stationing aspects will be particularly sensitive because they will impact on so many localities about the land. Several activities will lose military population while others will experience an increase in the number of military men and families moving in. Some new construction will be required -- primarily, we will have to improve and expand our troop billeting and family housing facilities.

In many ways, but especially in terms of its organization and physical disposition in the United States, today's Army is largely the result of steady evolution from the position it found itself in at the end of World War II. Not surprisingly, then, we do not find ourselves in the ideal posture to meet today's requirements, particularly in a period of severe economic restraints. Our base simply must be made more efficient. We must eliminate all marginal or redundant facilities and activities. In the long run we believe we will significantly increase efficiency, but that doesn't mean there will not be short-run costs involved in the changeover. A reconfigured Army requires a retailored real estate base, a more efficient way of doing

business, and a realignment of the organizational structure. We have been working to do all of that.

Following the major reorganization of the Army Staff last summer came a major shift in our worldwide command structure. Seven major headquarters, five overseas and two in the United States, have been eliminated this fiscal year. In February a year ago we announced the implementation of a long-range base utilization and stationing plan aimed at improving Army readiness while providing the most efficient disposition of forces for the foreseeable future. These realignments, largely in sustaining elements, were required to allow us to achieve the goal of severely paring the supporting establishment to the austere level planned for the new force. Many realignment steps were initiated. Then, on 22 November 1974, we announced several further actions -- closings, consolidations, and other modifications. When completed, these actions will place us nearer our ultimate goal.

As with everything else we attempt to do nowadays, inflation must be taken into account. Our closures and consolidations are an effort to cut costs. The money conserved should be reinvested. New construction, for example, is needed, and that construction should not be put off. To do so would be false economy. The work has to be done, and it is not likely to become cheaper in the years ahead.

MAINTAINING THE FORCE.

I have saved for last the area that most troubles me. No matter how well we do everything else, the Army will be impotent unless it is properly operated and adequately maintained. Whatever the composition of the Army, it is of little value unless it is supported by adequate appropriations for our operating accounts.

The one-two punch of spiralling inflation and constant underfunding has the Army nearly on the ropes. We aren't about to throw in the towel,

but something has to change before long. We have not been disbursing plenty, we have been distributing scarcity.

Let me give a couple of illustrations under the operations and maintenance appropriation. First, everyone knows what has happened to oil prices recently. We have been diligently conserving; our consumption this fiscal year will have decreased by 18 percent from the pre-embargo period. Yet, we will be paying over 75 percent more to purchase that lesser amount. There is just no way our internal economies can balance the jump in prices. Of course, gasoline prices are a problem we all share. Consider, then, something that is on a much smaller scale and is peculiar to the Army -- track pads, the rubber blocks for the tracks of tanks and other armored vehicles. The price of replacing worn out track pads rose by around 100 percent in 1974, which added about $20 million to our O&M bill.

Of great concern to me is that this request for FY 1976 only provides for inflation which has already occurred -- it does not provide for inflation that will occur. Our operation and maintenance accounts are stated in prices prevailing at the time of submission. This means that the fiscal 1976 budget is based on prices as we knew them in the middle of calendar 1974. You know how substantial inflation has been since then. By the time the budget year begins, we will be 12 months of inflation beyond the price levels cranked into the original planning. Additionally, we will have to cope with whatever rise occurs during the 12 months of execution of the fiscal year. All of this on top of a program already seriously damaged by inflation.

Inflation has plagued us almost to the point of reversing the progress we have been making. Considerable funds have been generated recently through efforts to realign, consolidate, improve management, and to make other internal economies, but price rises tend to wipe these funds away as fast as we identify them. This is a vicious treadmill -- the harder we run, the more painful the lack of progress becomes.

Unfortunately, in our efforts to cope with the cancer of inflation we are not starting from a healthy position. Our FY 1975 funding shortages will cause us to begin FY 1976 at a disadvantage, while inflation will almost surely strain our capabilities even further.

As for maintenance, we will enter FY 1976 with a huge backlog of equipment to be overhauled. If we get the funds we have asked for, we will make major inroads into this backlog in FY 1976, with a reasonable prospect of achieving a manageable level before the end of FY 1977.

The condition of our real property is even more critical. The annual shortfall in resources for upkeep and repair of facilities continues to be a source of grave concern. The backlog keeps getting worse. Efforts to reduce it are constantly thwarted by escalating prices and reductions in funds requested. It is expected to be on the order of $500 million at the end of FY 75. The recommended level of funding for FY 76 is designed to arrest the backlog's growth and to effect a modest reduction in it of nearly 10 percent.

Much of our maintenance workload is handled by civilians, both direct and indirect hire. Our program for FY 1976 will increase the number of civilians working to lower the backlog of equipment maintenance and to provide Reserve Component technicians so necessary for increasing readiness. Also, in order to replace support units with combat units in Europe, some essential support functions will be picked up by foreign civilians there.

So far, I have talked about the serious impact of inflation on OMA. But the same problem exists in the Military Personnel, Army appropriation. We are all well aware of the increased costs of food and the higher prices for gasoline and commercial transportation for our individual families. The Army is affected in the same manner. For example, our daily ration rates for this fiscal year have increased by 31¢ a person each day. We are making every effort to absorb such

increased costs through internal reprograming actions and by reducing PCS moves and costs, but, still, that loss to inflation represents resources we aren't able to apply to making the Army better.

There is another important program that falls into the broad category of maintenance and operations, the environmental program. Current laws and Executive Orders enjoin each Federal agency to comply with environmental standards and criteria in the design, construction, management, operation, and maintenance of its facilities. The Army's environmental objective is to conduct all actions in a manner so as to minimize adverse effects on the quality of the human environment without impairment to the Army mission. To this end, we have developed a program designed to guide our operations toward full compliance with published standards as well as to help the Army provide leadership in the Nation's effort to protect and enhance the environment. Because our involvement spans the same spectrum of pollution control requirements that face the rest of the Nation, the program requires substantial funding. This cannot be avoided if we are to comply with the laws and the mandates given us by the President and the Congress.

All in all, we have much hard work to do if we are going to stay afloat in the critical area of operating and maintaining the force. We are braced to have to tighten our belts even more. But there is a limit to how far internal economies alone will go -- and we aren't too far from that limit right now.

SUMMARY.

All that I have said can be summarized very briefly. The Army is striving to provide the Nation the combat-effective force it needs. And we need your help to do it in the most efficient way possible. We believe moving toward the 16-and-8 division force is the proper direction for the Army to take. Further, we plan to build that force without asking for any more soldiers and within a relatively steady level of appropriations. Our basic request is just for the essential ingredient of stability.

STATEMENT OF GENERAL FRED C. WEYAND

Mr. Chairman and Members of the Committee:

I am very pleased to have the opportunity to discuss your Army. I am convinced that our aims are identical -- to protect our country from coercion and to insure its continued freedom of action. The Army is fully aware that it shares with the Congress a responsibility for our Nation's security and well-being. I am also keenly aware that every citizen of this country spends 3¢ each day to insure that the soldiers who defend us have the equipment they need to survive and prevail on the battlefield. The Army will do its best to maximize the capabilities provided by this budget.

I appreciate the fact that you have some very hard decisions to make in the coming months and I hope I can help clarify some of the issues you will encounter. I believe deeply that the security of this Nation is measured by its military force in combination with the strength of our economy, our political cohesiveness, our technological capacity, our national will and, above all, our credibility as an international power. The military is, thus, not the only measure of our national security but it is an important part of the equation. And the Army is a vital subelement that I will address with you today.

Basically, I come to you today seeking two things: (1) A stable Army strength of 785,000 men and women; and (2) your concurrence in continuing the program of developing added combat strength without an increase in manpower.

The major thrust of my remarks will be to explain our need for stability and what we will do with our current resources to meet the security needs of the Nation. I will discuss the Army's changing role in a changing world, the strategy needed to achieve

our national aims, and finally describe the structure and requirements needed to accomplish that strategy.

First, the Army's basic mission -- In conjunction with the other Armed Forces - to preserve the peace and security and provide for the defense of the United States of America. As a derivative from this mission, our most important goal is to deter war; and, should deterrence fail, to see to it that the United States survives as a free and viable nation.

The role of the Army in today's world.

The Army must be configured to cope with the demands of national policy in a world that is indeed changing. Many manifestations of this change bear heavily on our military planning:

.. Thermonuclear parity and nuclear proliferation - and the resultant increase in the importance of conventional forces to maintain the highest possible nuclear threshold.

.. The steady improvements in Soviet military capability - and the disturbing downward trend in U.S. conventional military strength.

.. The advent of detente and negotiations - and the need to continue the strength that made them possible.

.. The splintering into multipolarity of the old bipolar system - and the need to recognize the sterility of the "cold war" response to the pressures that beset us.

.. Economic stress in the industrial countries - and the need to guarantee unrestricted development and equal access to the world's energy sources.

.. Widespread resource distribution imbalances - and the need to maintain freedom of trade and communications between nations.

.. The growing interdependence of nations - and the recognition that our security is contingent upon the security of our allies.

No one can say exactly where all of those changes are leading, but they pose challenges and a threat that we can't ignore.

By whatever measure we apply, the Army's capacity for response is not commensurate with the contingencies we face. Our nuclear superiority has been overtaken by nuclear parity. Our dependence upon others has removed the option of going it alone. Our principal adversary continues to add to his already massive armed forces. While our hopes for continued detente remain high, the military equilibrium that fosters it is gradually eroding. International tensions and conflicts are numerous and ominous. All in all, we are living in a very dangerous world. Secretary Schlesinger, in his Report to the Congress, has comprehensively addressed these elements of the challenges we face. I find his assessment to be rather sobering. Since 1968, while we have cut our Army in half the Soviets have added 20 more combat divisions. In the face of that evidence, it would be ill-advised for our Nation to resume the pattern of progressive end strength reductions that have brought the Army to the lowest force level it has had since 1950. The current 13 division Army compares with the 16 divisions in the pre-Vietnam war period. There is an urgent requirement at a minimum to regain that pre-war posture.

The overall conclusion I draw from a review of the world situation -- which I think is more uncertain and dangerous than it has been in my lifetime -- is that strong general purpose forces are more necessary than ever to keep the peace. This includes the deterrence of potential enemies from attacking us directly, but it also includes the function

of deterring conflicts which could involve us indirectly. Peace is maintained by strength; conversely, weakness encourages adventurism and possible war. To deny this is to ignore the lessons of history.

The second need for strong general purpose forces springs from the first; if war erupts despite all our efforts, we must have the capacity by rapid, forceful response to limit the conflict in size, area, and intensity, and the strength to keep it at non-nuclear levels and to foster a negotiated settlement on terms acceptable to us.

Military strategy.

With this in mind, the Army's primary thrust is to build a viable, usable force to deter conventional war. In a sense, our strategy is "readiness." There are several essential ingredients to this strategy:

.. We must have adequate conventional power, both Active Army and Reserve Components, to limit or contain any conflict that should erupt. Conventional weakness can lead to nuclear war.

.. We must have strong, visible, and usable ground forces in being. Anything less would not be a credible deterrent to conventional war. Nor would our mobilization capacity have more than a limited impact on the outcome of the critical first engagements.

.. We must rely upon allies and they in turn must have a degree of self-sufficiency. The United States cannot serve as the world's policeman. Our friends must be strong enough to be counted, and our alliances must be firmly established and supported by credible U.S. commitment.

Said another way, the key elements of our conventional military strategy consist of: capable and credible combat forces stationed in

areas where the maintenance of peace is a matter of vital importance to our Nation; a strong and visible strategic reserve ready in the United States for rapid commitment to bolster those overseas forces or to protect our essential interests elsewhere; and, assistance to other nations in their efforts to develop and defend themselves.

As the first step in arresting and reversing the erosion of our conventional force capability, the Congress last year stabilized the Army strength at the level of 785,000 personnel. We in the Army appreciate the opportunity which that stability affords us and we strongly solicit your support for the maintenance of our strength at that level for the next several years in order that we may now take those next essential steps necessary to derive from these manpower resources the most effective possible balance of combat power and sustaining capability. There is no question in my mind that through prudent husbanding of these resources we can provide a combat ready Army with a core strength of 16 divisions.

There is nothing magic about 16 divisions other than that they provide a significantly lower risk security than does our current force and at a price which the Nation can afford. I recognize that to ask you in the Congress to maintain the level of Army strength at 785,000 and to permit us to use this stable force to give you more value for your investment, you must first be convinced of the need for a credible deterrence and, secondly, you must be convinced that we in the Army intend to use those resources in a manner totally consistent with the competing demands of other high priority national programs in this time of severe economic stress. So let me give you now our rationale for the structure of the Army.

The Structure of the Army.

To have a very high assurance of being able to implement the national military strategy without resorting to nuclear weapons, the best considered military judgment has established a current requirement for 30 Army divisions. That figure represents the closest approximation of a very low-risk force level.

I believe we need and should have a 30 division Army. But that is not an attainable goal in light of competing priorities. On the other hand, our current structure of 13 active and 8 reserve divisions is only marginally adequate to meet the demands placed upon it by foreseeable national requirements. And it does not represent the full combat power potential which we can give our nation without adding to the Army's overall size. Given a steady strength of 785,000 men and women, we can in a reasonable period of time build up to a combat force of 16 Active divisions. With our 8 Reserve Component divisions, this force will provide for the Commander in Chief and the Congress a more flexible range of security options that provide:

.. An Army better able to fight with resources at hand and to help avoid forcing a premature decision to mobilize.

.. A better chance of winning that critical first battle which may well be decisive on the much more lethal modern battlefield.

.. A significantly extended conventional combat capability thereby raising the nuclear threshold.

.. Bolstered initial combat strength in Europe in concert with a responsive central reserve in the United States.

.. Increased capability to meet our treaty commitments and to deter threats to our unilateral interests elsewhere.

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We have been greatly encouraged and motivated by the increased effectiveness and efficiency we gain in having a stable force. We have made real progress in cutting waste, improving management and building usable strength, as we began to realize dividends from actions initiated in 1973 and continuing through the present.

The Army Reorganization of 1973 restructured CONUS headquarters, eliminating in the process Combat Developments Command and Third Army, and freed up 7,500 military spaces. Later on in that same year, we developed a long range stationing plan for the Army which postulated additional manpower savings through various management actions. Our basic plan was to streamline our stationing basis in CONUS by consolidating the Army on large multimission posts and closing as many small, single mission posts as possible.

In 1974 the Army undertook a reorganization of its remaining major headquarters, adopted "one-station" training, closed three air defense-related installations (Forts Lawton, Hancock, Tilden), closed Brooklyn Army Terminal, and relocated or consolidated a number of other activities (such as the MP School, Defense Language Institute, and the Signal School). These actions yielded more than 6,000 additional spaces. The reorganization of the Army Staff in Washington alone yielded 400 spaces.

Now we are eliminating or reducing headquarters overseas -- in Alaska, Panama, Hawaii, and Europe. We are streamlining the entire support structure in the Pacific, and we are continuing our efforts within the continental United States to close unneeded activities and run those we need more efficiently. Altogether we will have reallocated about 60,000 military spaces, and converted some 7,000 spaces from officer to enlisted to improve the grade structure by 1976.

We will make other hard judgments required to strike the most effective balance between those units in the Active Army and the Reserve Components which contribute to our initial combat capability and those which are essential to a sustained capability. Some of these decisions will challenge the traditional way of doing business, the established doctrine, but they are needed and they will be made.

Under the program of maximizing combat power, the Army, in the two-year period of FY 1975 and FY 1976, is adding 48 battalions of combat capability to its force structure with no increase in Army strength. It is from a portion of this added combat strength that we plan to organize three additional divisions by providing the appropriate headquarters and support structure.

Requirements of the force.

In structuring the FY 1976 budget request, the Army set six objectives that would assure a lean, combat ready Army and one that the Nation could afford. Each decision to apply resources was then weighed and constrained in terms of the accomplishment of these objectives. Our objectives were:

.. support a stable end strength of 785,000 military men and women.

.. improve the readiness of our forces.

.. continue our program of adding additional combat power to the Army by conversion of less essential headquarters and support activities.

.. assure continued funding for maintenance of the volunteer force.

.. provide for the increased modernization of our equipment inventory.

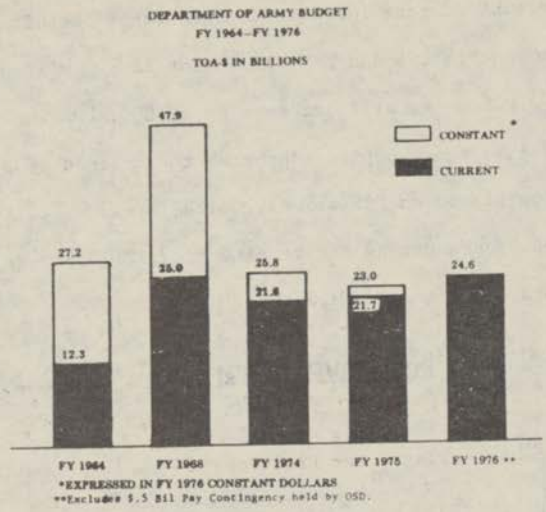
.. assure an active research and development program to meet the needs of the Army in future years.

The request before the Committee will provide us the means for progress toward the achievement of these objectives.

To give you a better idea of what is in the FY 1976 budget, I would like to describe some of the major items, by appropriation, in our request.

The total Army budget request for FY 1976 is $24.6 billion. In terms of constant dollars, our FY 1976 request is $2.6 billion less than in the pre-Vietnam War Year of 1964. In assessing the difference between this budget and FY 1975 (which was already depressed by about $1.2 billion because of pricing guidelines), $1.3 billion of the increase is a direct result of the impact of inflation and the annualization of pay raises. Increases in FY 1976 purchasing power (or increase in program) are approximately $1.6 billion. This includes an increase of about $.35 billion in the operating accounts, and approximately $1.25 billion in the combined investment accounts.

The following chart shows the long term impact of pay raises and cost growth over the past decade. The shaded portion of the chart shows the actual Total Obligational Authority (TOA) for each year, but the upper portion of each bar reflects the amount that would be required to accomplish that same program at FY 1976 price levels.



Military Personnel.

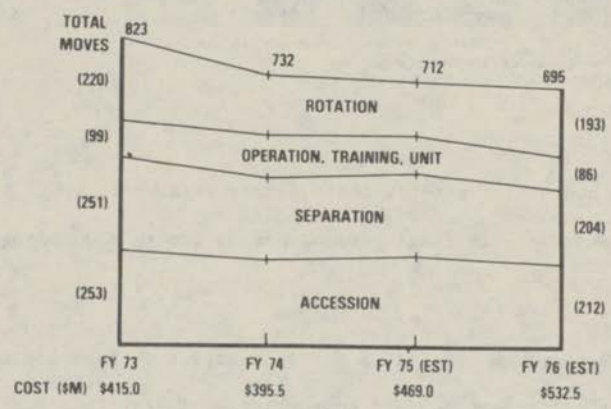
Our FY 1976 budget request for the Military Personnel, Army is $8.3 billion, and supports funding requirements for an end strength of 785,000.

We plan to accomplish our 1976 force initiatives without additional end strength, so the increase in this appropriation is not attributable to the improvements in our combat capabilities. The major increases result from the annualization of pay raises, readjustment payments for the programed reduction in force of 2,200 officers and increases in subsistence and enlisted pay and allowances. These increases were partially offset by initiatives that result from decreases in officer man years, the elimination or reduction in reenlistment bonuses, specialty pay, superior performance pay and lump sum terminal leave payments.

Costs associated with permanent change of station (PCS) moves have caused some real problems. We have taken steps to stabilize personnel by reducing the number of PCS moves, but costs are steadily

increasing because of rate increases attributable to inflation. Cost increases between FY 1975 and FY 1976 amount to $63 million even though planned PCS moves will decrease by 17,000. On the following chart, the FY 1975 moves depict a program constrained by a $469 million ceiling placed on PCS travel, which forced us to involuntarily extend overseas tours during the remainder of FY 1975. We should not perpetuate this kind of mismanagement.

PCS MOVES (000's)



Operations and Maintenance.

The Operation and Maintenance appropriation impacts on every Army activity. It sets the standard of living of the Army and is the appropriation with the most direct impact on Army morale and effectiveness. Funds in this appropriation support the attainment of readiness goals for Active Army divisions and their supporting units; provide for the training of both military and civilian personnel, the operation of the Army's logistical system, the overhaul of major items of equipment, and medical care; and finance the entire spectrum of command, administrative and support services from Department of the Army headquarters down through installation level.

The FY 1976 OMA request of $7.4 billion is $828 million higher than the revised FY 1975 program as shown on the following chart.

FY 1976 OPERATION & MAINTENANCE, ARMY
($ MILLION - TOA)

PROGRAM		REVISED FY 75	REQUESTED FY 76
1	STRATEGIC FORCES	89	85
2	GENERAL PURPOSE FORCES	1,974	2,309
3	INTELLIGENCE & COMMUNICATIONS	412	439
7-S	CENTRAL SUPPLY	1,363	1,488
7-M	DEPOT MAINTENANCE	529	696
8	TRAINING & OTHER PERS ACTIVITIES	1,127	1,192
8-M	MEDICAL	506	582
9	ADMINISTRATION & ASSOCIATED ACTIVITIES	474	498
10	SUPPORT OF OTHER NATIONS	50	63
11	BASE OPERATIONS	(2,028)	(2,266)
	TOTAL	6,524	7,352

I am most concerned about the effects of continuing inflation on the operating costs of maintaining the Army. The unprogramed inflation we are experiencing this year is causing severe limitations on what we should be doing to train our soldiers and maintain the combat capability of our units. Major commanders are identifying serious shortfalls due to operations and maintenance funding limitations, and the erosion of existing funding due to constantly increasing prices, particularly for repair parts and utilities. Some examples will emphasize the inflation problems.

.. Unit prices of gun tubes for the M60 tank have increased from $4,671 to $7,124 in the last 18 months with most of the increase occurring since July.

.. Unit prices on batteries have increased from $23 to $34, with more than two-thirds of the increase occurring since July.

.. Unit prices for natural gas have increased 54 percent in the last 18 months, with over half of the increase occurring since July.

Just these three items cause annual increased cost in Operation and Maintenance of over $15 million. These examples are not isolated instances, but are representative of price increases occurring for virtually all repair parts, general supplies, and utilities.

And it is not just the commanders who view the erosion of support with concern. As I visit our units -- a recent trip to Fort Knox, for example -- I am hard put to explain to the tank driver trainee why his proficiency training is restricted to less than 10 miles of actual tank driving and maneuver; or to justify to the tank crew the limitation of 10 rounds of service ammunition which prevents their executing the full series of training and qualification firing tables; or to convey to the squad leader why even toilet paper supplies are inadequate to meet the needs of his men.

This erosion of OMA funding, already at an austere level, has required reductions in civilian personnel, deferred replenishment of stocks of repair parts, increased backlog of unserviceable equipment in installation and depot maintenance shops, reductions in installation support activities. The tempo and effectiveness of training has markedly slowed, as a result of reduced days in the field, elimination of major unit exercises, reduced qualification testing, reduced flying hours, reduced vehicle densities in training, and limitations of hands-on weapons and equipment training. To avoid reduction of the readiness status of our major combat units, the Army has proposed a FY 1975 reprograming action which would shift $152 million into OMA. Without

this, it is expected that the readiness would slip one readiness level for all major commands by the end of FY 1975.

These shortfalls in FY 1975 compound the continuing impact of inflation on our FY 1976 budget request. We not only must reverse the declines in unit and individual training, but must cope with the inflation that is occurring now and that will occur.

The increase in the OMA budget over FY 1975 appears large -- about $830 million. My concern is that the increase is not enough. A quick look at what makes up the increase illustrates my point:

.. Over $500 million of the increase is due to external factors -- inflation in goods and services that had occurred when the budget was prepared, increased costs for the civilian personnel workforce, and the decline in the value of the dollar in relation to the German mark.

.. Army initiatives, including tooth-to-tail conversions, account for slightly over $300 million:

Moving to 16 Divisions requires $51 million in FY 1976, an increase of $37 million over FY 1975. Other force structure changes require $13 million in FY 1976, $4 million over FY 1975.

Increasing combat power in Europe requires $42 million in FY 1976, an increase of $34 million over FY 1975.

Reducing long-standing, unacceptable backlogs in unserviceable equipment, maintenance and repair of real property, and supplies in storage account for increases of over $193 million.

Reductions in headquarters and field operating agencies, reductions of functions and manpower in Japan and Okinawa, and other installation and support realignments offset more than $80 million of these Army initiatives.

It is apparent that the increase in OMA does not provide for the inflation we are experiencing right now and that we will experience as we move into FY 1976, nor does it provide for recovering from the FY 1975 deficiencies in readiness, training, support and equipment stocks, and equipment serviceability.

We are continuing to examine every facet of our operations, including another look at the headquarters and support structure, to reduce and eliminate nonessential activities and to improve efficiency in all areas.

We are not asking for more OMA funding than is provided in the budget request before you. We are, however, asking for your full support of the FY 1976 request to give us a fighting chance to meet the requirements of operating and maintaining a well-trained, combat ready Army.

Procurement Appropriations.

The total procurement budget request for FY 1976 is $3.6 billion. Faced with the steadily increasing conventional capability of the Soviet Union and lessons learned from the October 1973 Arab-Israeli war, the Army needs to move more aggressively toward its materiel objectives than it has been able to in the past. The procurement program for FY 1976 is structured to improve the combat capability of the active and reserve forces, improve their state of readiness, and, at the same time, is balanced between fleet improvement and maintenance and new procurement.

Weapons and Tracked Combat Vehicles

In FY 1976, special emphasis is being placed on the tank program, to improve our active force readiness and give badly needed attention to the quality and quantity of weapons allocated to the reserve forces. Included in the FY 1976 request are funds in the amount of $388 million for 662 Improved M60A1 and M60A3 tanks, and funds to expand the tank production base to a higher capacity. An additional $104 million is also requested to procure special tooling and long lead time items to support the FY 1977 procurement of the M60 tanks -- our current standard main battle tank.

In addition, as part of our readiness program, the FY 1976 request provides for $100 million to convert 504 currently unserviceable M48 tanks to operational prime assets. These M48 tanks will permit us to equip our Reserve Components with modernized tanks at an accelerated pace.

Missile Procurement

The FY 1976 budget request includes $247 million for the procurement of the TOW and DRAGON missiles and associated equipment, again, part of our ongoing program to upgrade the Army's anti-tank/assault capability.

The TOW can be fired from ground positioned vehicles or carried into a ground firing position by a four-man crew. It can also be fired from helicopters. The ground TOW system has been deployed to Europe and to the 82d Airborne Division and will be deployed to the remainder of our forces as assets become available.

The DRAGON complements the TOW anti-tank capability, and is a replacement for the 90 mm recoilless rifle which has been in the

Army inventory since 1959. It, as well as the TOW, significantly increased our anti-tank capability without an increase in manpower.

Aircraft Procurement

The FY 1976 budget request for Aircraft Procurement is $362.3 million. A substantial portion of this request is devoted to improving the capability of existing inventory through modifications. Significant procurement programs are:

AH-1S Attack Helicopter (COBRA/TOW).

The FY 1976 request for $44.8 million continues a planned five-year procurement program to provide the Army with 305 additional attack helicopters. The AH-1S COBRA/TOW helicopter is a relatively low cost option that provides an essential increase in anti-tank capability that will in turn give a decisive advantage to our front-line units in the event of armored or mechanized attack.

CH-47C and UH-1H Utility Helicopters.

A total of $61.2 million is requested in 1976 to procure 12 CH-47C Cargo Helicopters and 48 UH-1H Utility Helicopters. The UH-1H Helicopter is the mainstay of our existing utility tactical helicopter fleet, and is used for troop and cargo transport and aeromedical evacuation missions. The CH-47C (CHINOOK) Helicopters are used for tactical movement of heavy bulk cargo, troop transport and recovery of downed aircraft from remote areas.

Ammunition

The Army's request for procurement of Ammunition for FY 1976 is $751.4 million to support annual consumption requirements, provide for a modest buildup of war reserve stocks and selected procurement of new rounds with increased capabilities, and maintain an active production base for key ammunition items. Also included in this request are

funds to continue the Army's multi-year program to modernize existing production facilities.

Other Procurement

The request in the area of "Other Procurement" for $1,002.8 million is of particular importance to the Army because it contains line items of materiel essential to the Army's ability to accomplish its numerous missions. Funds requested will support procurement of essential command and control communications equipment, defensive chemical equipment, construction equipment and commercial vehicles to replace overage military design vehicles with less costly commercial substitutes.

Research, Development, Test and Evaluation.

The Research and Development portion of the Army budget provides for long term technological advances necessary to regain qualitative advantage over the Soviets and reflects the lessons of the October 1973 Arab-Israeli war as well as initiatives to make up for time lost during the Army's involvement in Vietnam. Leading these initiatives again this year are the Army's Big Five. Taken as a group, these systems when fielded will provide decisive capabilities over the combat gear currently in the hands of our combat units. With relatively minor exceptions the programs are on schedule and are holding to their design to unit cost goals.

Advanced Attack Helicopter

The development program for a tank defeating advanced attack helicopter with a night and adverse weather capability as an integral element of the ground forces remains one of highest priority for the Army. Development contracts were awarded in June 1973 to Bell and Hughes. Funding of $65 million for FY 1976 will support continuation

of the prototype development and flight test program scheduled to commence in September 1975.

Utility Tactical Transport Aircraft System (UTTAS)

In FY 1976, $91.9 million are requested to continue the development of a new twin engine squad assault helicopter that will replace the UH-1H in the assault helicopter companies, air cavalry units and aeromedical evacuation units with an aircraft of substantially improved payload, maintainability, reliability, survivability and performance. Sikorsky and Boeing Vertol completed their preliminary flight approval test and achieved successful first flights in October and November 1974. The flight test programs are proceeding satisfactorily and both companies will have three flying prototypes by this spring.

Surface-to-Air Missile Development (SAM-D)

The SAM-D is being developed to replace the NIKE HERCULES and Improved HAWK. It will provide an increased rate of fire by combining the ability to simultaneously engage and defeat multiple aircraft in an intense electronic countermeasures environment with a significant reduction in personnel and maintenance requirements when compared to the current air defense systems. $130 million are requested to continue austere engineering development as directed by the Secretary of Defense to support firings designed to prove the guidance concept before committing funds leading to production.

Mechanized Infantry Combat Vehicle (MICV)

The FY 1976 budget request of $16 million is to continue development of a squad carrying armored vehicle which can compete on the battlefield with the very sophisticated Soviet personnel carrier. The first prototype was received in FY 1974.

New Battle Tank (XM-1)

The Army is just past the midpoint in the validation phase of a new tank development program which will provide competitive prototype hardware to verify current Army estimates of performance, costs, and risk prior to a commitment to full scale development. Advances over current tank capabilities are sought in the areas of greater protection, mobility, and more lethal firepower. Funds are requested in FY 1976 for $51.8 million to carry this project forward.

Reserve Components.

Reserve Components funding reflects our continuing emphasis on achieving and maintaining readiness of the total force. A principal objective is to provide sufficient funds to properly equip and train these forces in keeping with the ongoing Affiliation Program. The FY 1976 request of $2.3 billion supports, I believe, a viable program in which specific Guard and Reserve units are closely associated with their Active Army divisions for training with the mission of being deployed as part of the division. We are expanding the affiliation program. This will improve our ability to mobilize and deploy each of the battalions involved. We will expand from 36 to 94 affiliated reserve battalions by end of FY 1977. Of this number, 16 battalions will be affiliated with the new divisions.

Military Construction.

The FY 1976 budget request of $962 million for Military Construction is $319 million higher than the revised FY 1975 program of $643 million. Approximately 50 percent of the construction program is devoted to projects to provide bachelor housing and supporting facilities, medical and community facilities which will enhance service attractiveness and further our efforts to promote the volunteer

Army, with the bulk of this amount to replace temporary barracks with new construction and to modernize existing permanent barracks.

Family Housing.

We are continuing implementation of our housing plan to provide suitable family housing for married military personnel. It is a balanced plan which, in addition to reducing the housing deficit, would accomplish urgently needed improvements and repairs to the existing housing inventory.

The Army portion of the FY 1976 Family Housing, Defense Budget request is $575 million, $82 million higher than the revised FY 1975 program of $493 million.

Summary. Returning now to the more general thrust of my statement today, I can summarize my message very succinctly. In a time of ostensible detente, we cannot ignore the reality that our principal potential enemy, the Soviet Union, has continued to maintain and improve his conventional force capabilities. In the face of that evidence, it would be ill-advised for our nation to resume the pattern of progressive reductions in the strength of its own ground general purpose forces. To do so would be to signal to friends and potential foes alike that we lack the will and the intention to remain a viable power on the international scene. Such a loss in our national credibility could only encourage others to pursue courses contrary to our national interests. We request, therefore, that the Congress support the continuation of an Army end strength level of approximately 785,000 again for 1976 as it did for 1975. Given that end strength and, of equal importance, the management stability which that end strength represents, the Army can, through more effective resource utilization, provide a greatly strengthened combat core of 16 Active divisions,

rather than the 13 in our present structure. The elements of the Army FY 1976 budget request are each designed to achieve that objective. These 16 divisions will represent a significant reduction in the risk associated with our current combat force structure and will give our Nation the most cost effective and people effective Army that it has ever had.

STATEMENT OF MAJOR GENERAL RICHARD L. WEST

I. INTRODUCTION

Mr. Chairman and members of the Committee; this is the first year that I have had the privilege of appearing before this committee to present a part of the budget request. It is a pleasure for me to appear and I look forward to working with the committee and your staff members as the budget request is reviewed.

If at any time during the review process more detailed information is required by the committee than can be provided by those in attendance, we will obtain it expeditiously.

Budget Priorities

In developing the Army's budget request we established certain goals or priorities which were used to provide the framework around which the budget is structured. Each decision concerning the requirement for application of constrained resources was then weighed in light of the accomplishment of these goals.

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Six priorities were considered:

-- 785,000 military end strength.

-- readiness of forces.

-- attainment of 16 active divisions.

-- maintenance of the volunteer force.

-- modernization of equipment.

-- maintenance of an active research program.

The request before this committee, coupled with the funding provided in the approved FY 1975 program, provides the means for making significant progress in each of these areas.

II. BUDGET SUMMARY

The total budget request for FY 1976 is $24.6 billion compared to an approved FY 1975 level of $21.7 billion. This increase of $2.9 billion or 13 percent over the 1975 level, however, does not represent a true increase in purchasing power since it is offset in large measure by the annualization of approved military and civilian pay raises, and by increases in the purchase price of goods and service

In terms of constant dollars, our FY 1976 request is higher than FY 1975, but $2.6 billion less than the pre-Vietnam War Year of FY 1964, a benchmark year for comparison purposes. (It should be noted that the FY 1975 funded level was depressed by about $1.2 billion because of pricing guidelines established by the Administration). Of the $2.9 billion increase, $1.3 billion is the result of the impact of inflation

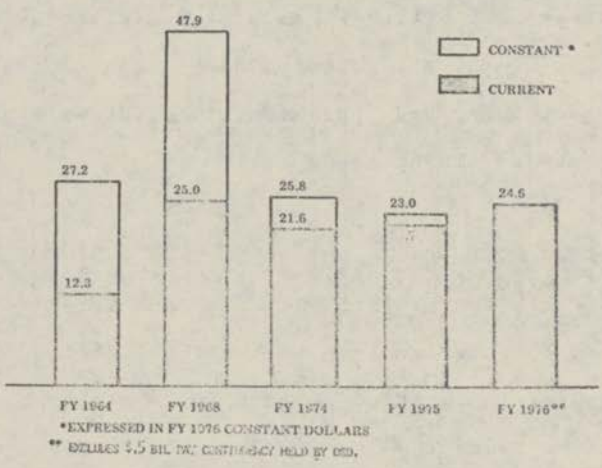
and the annualization of pay raises. The increases in purchasing power (or increase in program) is approximately $1.6 billion. As stated earlier by the Chief of Staff, there is about $.35 billion in the operating accounts, and approximately $1.25 billion in the combined investment accounts.

In effect, the FY 1976 budget as submitted to Congress is relatively close to the level of the FY 1975 budget in constant dollars as submitted to Congress. Excluded from the FY 75 estimate for comparison purposes is support to Vietnam and the CHAMPUS program which have been transferred to defense appropriations. The request submitted for Fiscal Year 76 and the comparison do not take into consideration the impact of possible Congressional reductions. This is an extremely important consideration when comparing fiscal years.

The following chart shows the Army budget over the past decade and the long term impact of pay raises and inflation.

DEPARTMENT OF ARMY BUDGET
FY 1964–FY 1976

TOA-$ IN BILLIONS



*EXPRESSED IN FY 1976 CONSTANT DOLLARS
** INCLUDES 4.5 BIL TW/ CONTINGENCY HELD BY OSD.

CHART 1

The shaded portion of the chart shows the actual Total Obligational Authority (TOA) for each year, while the upper portion of each bar reflects the amount that would be required to accomplish that same program at FY 1976 price levels.

By this next chart, I would like to show the trend of Army outlays over the past decade as a percent of the Defense and Federal Budgets.

ARMY OUTLAYS AS A PERCENT OF THE FEDERAL AND DEFENSE BUDGET

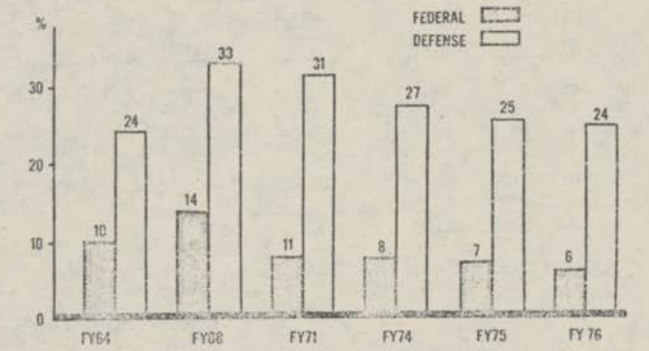


CHART 2

Historically, the Army's portion of the Defense total has been approximately 25 percent. During the Vietnam War, which was Army intensive, our percentage share was somewhat higher. However, as you can see, the Army's share has declined proportionately with the decline in the total force. We anticipate that the percentage will now remain relatively stable. The percent of the Federal budget for the Army is down to a low of 6 percent. This is the lowest since World War II.

Another view of the distribution of funds in the budget is the categorization between operating and investment accounts as shown in the following table:

OPERATING VS. INVESTMENT COSTS

(BASED ON TOA)

CATEGORY	FY 1964	FY 1974	FY 1975	FY 1976
OPERATING	64%	75%	77%	72%
INVESTMENT	36%	25%	23%	28%
PROCUREMENT	(23%)	(12%)	(12%)	(15%)
RDT & E	(11%)	(9%)	(8%)	(9%)
CONSTRUCTION	(2%)	(4%)	(3%)	(4%)
	100%	100%	100%	100%

CHART 3

In comparison to FY 1964, the trend in the 1970's reflects a shift in the distribution of the Army budget to the operating accounts, which include Military Personnel and Operations and Maintenance. Most of the movement can be attributed to the impact of comparability pay increases and operations costs, and inflation on permanent change of station travel (rate increases). Construction is the only element in the investment category that has increased during the period FY 1964-FY 1976. This increase is due to the Army's continuing emphasis on improving troop housing and related facilities, and community facilities.

Major changes in the FY 1976 budget request are reflected in this chart. It shows appropriation comparisons over the past three years. Each appro-

priation is summarized later in my statement, and will be addressed in detail by the appropriation directors in subsequent hearings. I will point out the major changes here.

DEPARTMENT OF THE ARMY

COMPARISON OF FISCAL YEARS

(TOA $ BILLIONS)

APPROPRIATIONS	FY 1974	FY 1975	FY 1976
MILITARY PERSONNEL, ARMY	7.7	8.1	8.3
OPERATION & MAINTENANCE, ARMY	6.6	6.5	7.3
PROCUREMENT APPROPRIATIONS	2.7	2.5	3.6
RESEARCH, DEVELOPMENT, TEST & EVALUATION, ARMY	1.9	1.7	2.2
MILITARY CONSTRUCTION, ARMY	.7	.6	.9
RESERVE COMPONENTS	2.0	2.2	2.3
TOTAL	21.6	21.7	24.6
FAMILY HOUSING/MDA	.5	.5	.5

NOTE: TOTALS MAY NOT ADD DUE TO ROUNDING

CHART 4

The military personnel account increase results from the annualization of pay raises, readjustment payments for the 2,200 officers being involuntarily separated in FY 1976, inflation driven price increases in subsistence and permanent change of station travel, and increased enlisted manyears.

The funding level requested in the FY 1976 budget, although $848 million higher than the FY 1975 approved level, will provide us a chance to meet the requirements of operating and maintaining a well-trained, combat ready Army. Over half of the increase in operation and maintenance is attributable to inflation in personnel costs and costs of goods and

services. Tooth-to-Tail conversions costs and backlog reductions account for most of the remaining increase.

Procurement increases by about $1 billion and reflects our ongoing effort to balance quality and quantity of weapons, thereby improving both active and Reserve Force readiness.

The increase of $440 million in the Research and Development appropriation will arrest the decline in constant dollar funding and permit the planned progression of the Army's developmental weapons systems and the technology base.

Although the military construction and family housing programs are not reviewed by this subcommittee, I have included the Army's requests in these areas in order to show the complete budget. The FY 1976 military construction program increases $319 million over FY 1975 primarily as a result of increased emphasis on projects which will enhance service attractiveness and further our efforts to promote the Volunteer Army.

The Family Housing program increases due to our current emphasis on improvements and repairs to existing housing, significant increases in leases overseas and new housing.

The Army National Guard and Army Reserve Appropriations continue to reflect the impact of policy

decisions to place increased reliance on the reserve components as part of the total force. The FY 1976 budget requests will provide continuing emphasis on achieving and maintaining readiness. The Army supports programed strength levels of 400,000 for the Army National Guard and 212,400 for the Army Reserve.

This next chart shows a comparison of buying power in terms of constant FY 1976 dollars. Although the Army budget appears to have doubled it actually will buy $2.6 billion less in hard goods and services than it would have bought in FY 1964. The Army's need for less than FY 1964 is caused in part by the significant reduction in the Army's manpower.

ARMY BUDGET...TOA

COMPARISON OF BUYING POWER
CONSTANT FY 76 DOLLARS
($ BILLIONS)

APPROPRIATION	FY 64	FY 74*	FY 75*	FY 76*	DIFFERENCE FY 75-FY 76
MILITARY PERSONNEL	11.1	9.9	9.5	9.5	
OPERATION & MAINTENANCE	7.6	9.6	8.1	8.4	
PROCUREMENT	5.3	3.2	2.9	3.5	
RESEARCH & DEVELOPMENT	2.6	2.2	1.9	2.2	
MILITARY CONSTRUCTION	.6	.9	.8	1.1	
TOTAL CONSTANT DOLLARS	27.2	25.8	23.0	24.6	1.6
CURRENT DOLLARS	12.3	21.6	21.7	24.6	2.9

* FIGURES DO NOT ADD DUE TO ROUNDING

CHART 5

The $2.9 billion difference between FY 1975 and FY 1976 is separated into two parts: one part

in the amount of $1.3 billion covering inflation and the balance of $1.6 billion is attributed to real program growth.

In developing the FY 1976 budget, we followed procedures prescibed by the Office of Management and Budget in providing for inflation. This permits us to project inflation in all procurement accounts and major weapons systems in the RDTE and major projects in the construction appropriations. Operating accounts are generally priced at the rates prevailing at the time of submission of the FY 1976 budget (in the Fall of 1974).

Budget Track From FY 1975 Enactment

Chart 6 shows a reconciliation from enactment of the Department of Defense Appropriation Act, 1975 (P.L. 93-437) to the FY 1975 program as presented in the FY 1975 budget. Supplemental requests amount to $644.4 million - $616.2 million for pay raises and $28.2 million for subsistence of enlisted personnel. Decreases of $27.4 million are due to a transfer from the Procurement appropriations to DSA Stock Fund to pay the Army's share of increased POL costs for FY 75. Also included is an inter-appropriation transfer of $143.8 million from the Procurement and R&D appropriations to O&MA in support of annual operating price increases.

BUDGET TRACK FROM FY 1975 ENACTMENT

(In Millions of Dollars)

	FY 1975 Enactment	Supplemental Requests	Transfers 1/	FY 1975 Revised Program
Military Personnel, Army	7,780.3	304.7	-	8,085.0
Reserve Personnel, Army	487.3	-	-	487.3
National Guard Personnel, Army	660.8	9.7	-	670.5
Operation and Maintenance, Army	6,105.2	275.5	143.8	6,524.5
Operation and Maintenance, Army Reserve	274.8	9.4	-	284.2
Operation and Maintenance, Army National Guard	588.1	19.7	-	607.8
National Board for the Promotion of Rifle Practice	.2	-	-	.2
Aircraft Procurement, Army	253.1	-	-11.6	241.5
Missile Procurement, Army	418.1	-	-25.9	392.2
Weapons and Tracked Combat Vehicles, Army	434.9	-	-5.0	429.9
Procurement of Ammunition, Army	835.9	-	-27.5	808.4
Other Procurement, Army	682.9	-	-37.9	645.0
Research, Development, Test and Evaluation, Army	1,787.3	25.4	-63.3	1,749.4
TOTAL	20,308.9	644.4	-27.4	20,925.9

1/ Does not include proposed rescissions, since Congress did not complete action on H.R. 3260 by 1 March 1975.

CHART 6

Reprograming

The Army has submitted to Congress five reprograming actions requiring Prior Approval and three for notification.

Briefly, the five actions submitted for prior approval include a requirement for increased permanent change of station in the Military Personnel, Army appropriation; an increase in the Operation and Maintenance, Army appropriation for price increases in operating supplies, utilities, training, cash and printing supplies; two requests involve increases in the Procurement of Weapons, Tracked Combat Vehicles to cover the Revised Army Tank Program; and a change in Operation and Maintenance, Army National Guard for inactivation of Air Defense units.

The three items submitted for notification involve changes in requirements within the Procurement of Ammunition, Army appropriation to increase readiness, a change in Research, Development, Test and Evaluation, Army for laser technology, and a change in Other Procurement for the TACFIRE program.

All reprogramings will be funded within the existing resources available to the Army. These reprogramings are for changes that have occurred since preparation of the FY 1975 budget request over one year ago. Approval is complete on the

three notification actions and the increase for Permanent Change of Station moves.

Consistent with the Committee's request, the Army is keeping its reprograming actions to the minimum necessary to fund urgent requirements that cannot otherwise be accommodated.

III. MANPOWER AND FORCE STRUCTURE

Trends

I will address the components of both civilian and military structure in some detail later, but prior to doing that it is significant to point out that the Army's initiative to attain a sixteen division force is being done within the 785,000 military end strength and within a slightly diminished level of civilian manpower.

The following chart shows active military and civilian Army manpower, for selected years from FY 1964-1976.

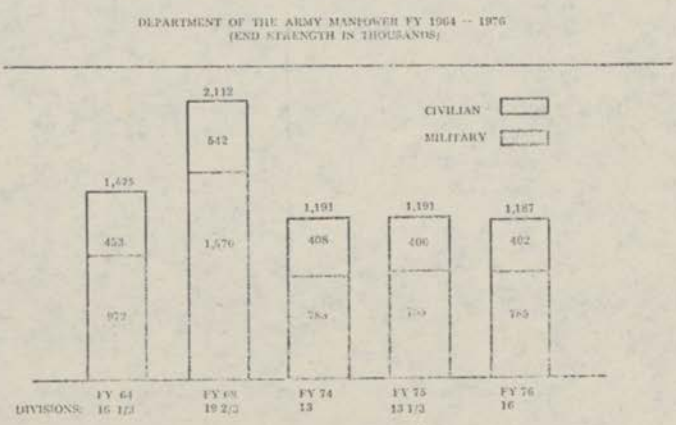


CHART 7

As shown, the military manpower level is stabilized at 785,000. Within this strength the Army will increase the number of divisions to 16, while reducing the numbers of military personnel supporting those divisions. A slight decline in direct hire civilian personnel is programed for FY 1976, which will result in a level 11 percent below civilian employment in FY 1964.

Composition of the Army

The following charts describe how the Army's active military personnel are distributed into categories that relate to their missions or status. These "Defense Planning and Programing Categories" are an expansion of the previously used Land Forces Classification System. They are designed to show the size and composition of forces dedicated to specific missions.

DEFENSE PLANNING AND PROGRAMING CATEGORIES

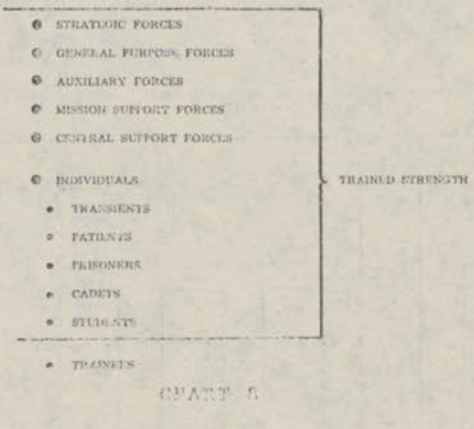


CHART 6

The distribution of the 785,000 military personnel between categories and the relative weights for each category is as shown on the next chart.

ARMY COMPOSITION ... FY 1976

%	THOU	
(0.1)	1	STRATEGIC FORCES
60	472	GENERAL PURPOSE FORCES
4	31	AUXILIARY FORCES
5	38	MISSION SUPPORT FORCES
15	121	CENTRAL SUPPORT FORCES
8	59	INDIVIDUALS (LESS TRAINEES)
8	63	TRAINEES
100	785	FY 1976 MILITARY MANPOWER AUTHORIZATION

CHART 9

I will briefly describe the components of each of these categories. First, Strategic Forces are that small portion of the Army's manpower, approximately one-tenth of one percent, dedicated to the Ballistic Missile Defense program and its related activities.

The second grouping, General Purpose Forces, comprise the bulk of the Army's manpower. These forces include the divisions and the tactical combat support and combat service support units needed

within a theater of operations to conduct combat operations. Although the components of this category differ somewhat from last year's display of purely division forces, there has been an absolute trend beginning in FY 1973 to reallocate signficant numbers of military spaces from other functions to combat forces. More than 13,000 military spaces have been so reallocated through eliminations and reductions in headquarters worldwide, and through realignments and reorganizations at installations. Another 7,000 additional military spaces have been reapplied to combat forces through a variety of management actions in support activities in CONUS and the Pacific. In addition, approximately 7,000 officer spaces have been converted to enlisted ratings, primarily for application in combat forces. When all actions have been summed up for the period FY 1973 through FY 1976, approximately 60,000 support spaces will have been freed for use in combat units.

Auxiliary Forces are made up of units devoted to intelligence and security, centrally managed communications, research and development activities, support to other nations and geophysical activities. The numbers of military spaces used in intelligence and security functions will have been reduced by over 7,000 since FY 1975.

Mission Support Forces include the active Army support to the reserve components, base operating support to the general purpose forces category, a small amount for force support training associated with mission activities and those command elements providing overall direction to the general purpose forces.

Central Support Forces are engaged in base operating support for those installations not used by the general purpose forces such as training centers and schools; medical activities; personnel activities in conjunction with recruiting, examining and reception of new accessions, educational development programs and dependent education; individual and professional training; Department of the Army headquarters and support, public affairs and criminal investigation; and centrally managed supply and maintenance logistics functions.

The next category is titled Individuals. This is a manpower category only and includes those military personnel in the Army who are over and above the authorized strengths of the units in the force structure. It includes transients, patients, US Military Academy cadets and students.

Trainees account for personnel while they are undergoing individual training and are derived from

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the total requirements for soldiers in the Army. This specific number represents the new men and women that will be undergoing training at the end of the fiscal year.

The purpose of these latter two manpower categories is to provide sufficient individuals so that a unit is not understrength because personnel are not present for duty due to movement from station to station, absence for training or professional development reasons, or prisoner or patient status. The number of trained individuals is calculated to provide sufficient personnel to maintain the units at full strength, and allow for personnel in the "not present for duty" categories.

Combat to Support Ratios

The relatively stable military end strength allowed the Army for the past two fiscal years has been accompanied by considerable internal change to achieve a better balance between combat and support units culminating in a 16 division force in FY 1976. As a result of previously described actions to enhance combat power a surge of new units will be added to the force in FY 1976.

WHAT HAS THE **ACTIVE** ARMY ADDED

FROM END FY 1974 . . . TO END FY 1976

TANK BNS	4
MECH BNS	6
INFANTRY BNS	10
ARTILLERY BNS	16 (11 DIV, 5 SEPARATE)
CAVALRY SQDN	3 (2 AIR, 1 GROUND)
RANGER BNS	2
HAWK BN	1
COMBAT ENGR BNS	6



CHART 10

These additional tank, infantry, artillery, ranger, combat engineer and other battalions will provide a 17 percent increase in active Army combat battalions compared with the number in the force structure at the end of FY 1974. In addition, the Army National Guard and Army Reserve affiliation program is being expanded, improving the ability to mobilize and deploy each of the battalions involved in this program.

The next chart shows the distribution of combat to support once the programed actions planned for FY 1976 have been accomplished.

DISTRIBUTION . . .
COMBAT TO SUPPORT

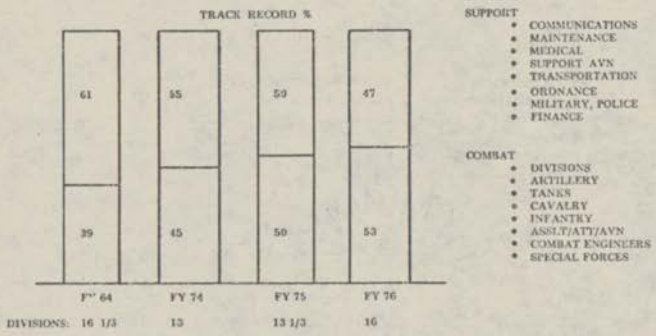


CHART 11

As shown, a steady trend has developed increasing the percentage of the Army's manpower devoted to combat forces while decreasing the support side. When compared to the more distant past of FY 1964 the results of the management initiatives are even more noteworthy.

The Army's civilian manpower strengths follow a similar trend which is somewhat hidden beneath the surface of the raw figures shown on this chart.

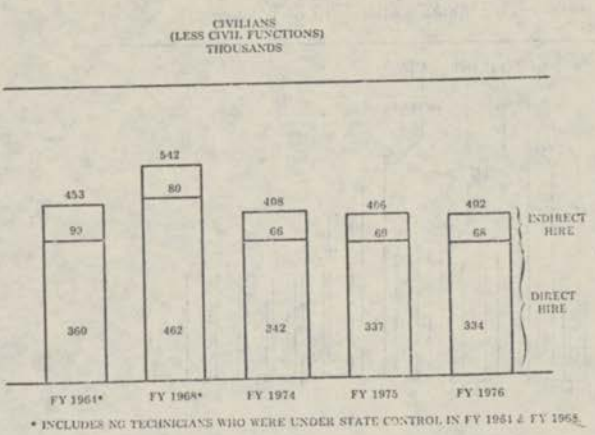


CHART 12

Over the past dozen years there have been a number of initiatives to substitute civilian for military personnel where occupational skills clearly permitted. These various programs totalled approximately 50,000 increased civilian spaces since 1963. Yet current and planned civilian employment is well below that of FY 1964 due to accompanying reductions associated with increased productivity, base closures, consolidations and headquarters reductions and realignments. The time has also come to stabilize civilian employment in relation to the size, composition and purpose of the military component of the Army in order to fully achieve the balanced force objective.

THE ARMY'S CHANGING SIZE

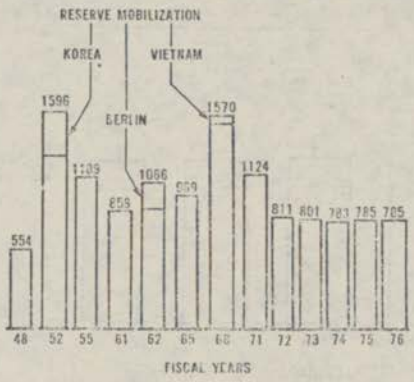


CHART 13

The changing size of the Army demonstrates clearly where it stands now in relation to the immediate and more distant past. Yet in the face of a growing threat the Army plan for FY 1976 calls for a significantly improved and better balanced total force of ready and deployed forces for the contingencies to be met. The Army program is considered to fill the minimum essential requirements necessary to counter a Soviet force that has increased its military manpower by about 30 percent in the last ten years, added 20 new divisions, and fielded large quantities of increasingly modern equipment.

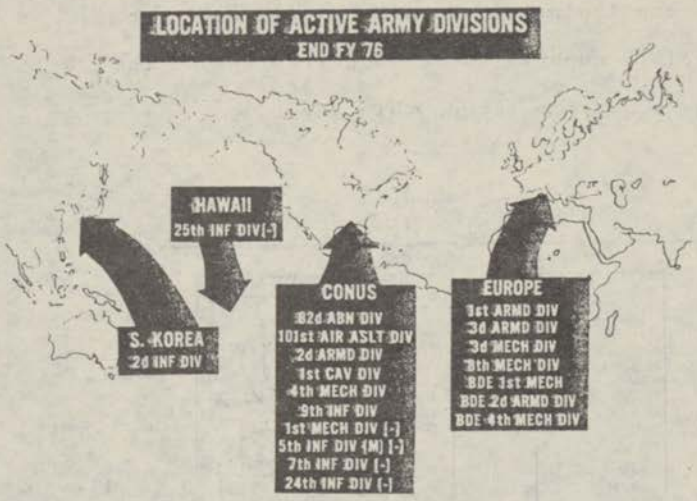


CHART 14

CHART 14 shows where our divisions will be located at the end of FY 1976.

Military Strength and Grade Structure

Our increased combat capability is being achieved without an increase in the Army's end strength. During testimony last year, Army witnesses made a plea for stability, we are again making this same plea. A stable end strengh precludes abrupt changes to recruiting objectives; provides for better training base utilization; allows for programing the total force with the best mix of units; permits a better match of people to jobs; and reduces personnel turbulence. The 785,000 strength on 30 June remains as a minimum requirement if the Army is to accomplish its mission effectively and is again requested for FY 1976.

We are continuing to reduce our officer force both in absolute numbers and as a percentage of the total force as you can see on this chart.

OFFICER PROFILE

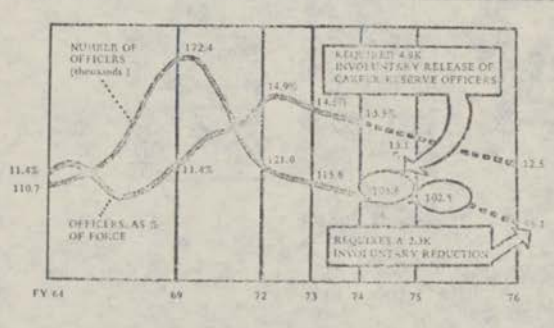


CHART 15

These reductions have been achieved by a combination of reducing procurement and involuntary Reduction-in-Force (RIF). We involuntarily released 10,000 Reserve officers since FY 72. The 2,200 officer RIF programed for FY 75 has been delayed to FY 76 in order to permit use of recently enacted Regular Army RIF legislation.

At the same time we are reducing the size of the officer force, we are continuing in our effort to reduce senior officer content. You will note in the next chart that our programed grade levels are below the FY 64 pre-Vietnam levels in each grade. (The numbers exclude personnel on active duty who are paid from civil functions, Army Reserve and Army National Guard appropriations.)

SENIOR COMMISSIONED OFFICERS BY GRADE

	FY 1964 (ACTUAL)	FY 1973 (ACTUAL)	FY 1974 (ACTUAL)	FY 1975 BUDGET	FY 1976 BUDGET
COLONEL					
NUMBER	5,119	5,381	5,052	4,900 (5,277)	4,771 (5,136)
% OF TOTAL	4.6	4.6	4.8	4.8 (5.1)	4.9 (5.2)
LIEUTENANT COLONEL					
NUMBER	12,363	12,212	11,379	11,178 (11,405)	11,107 (10,960)
% OF TOTAL	11.2	10.6	10.8	10.9 (11.1)	11.3 (11.2)

(PARENTHESES INDICATE OGLA ALLOWANCE)

CHART 16

The following chart focuses on the total number of general officers in the structure in relationship to total strength.

GENERAL OFFICERS FY 64-76

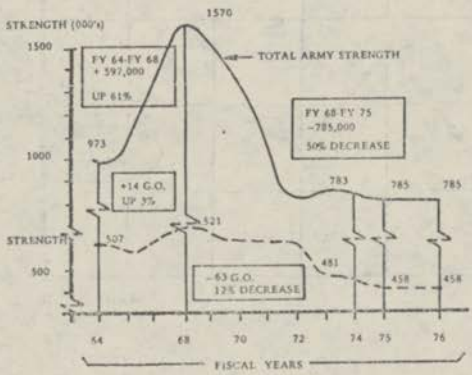


CHART 17

The significant point is that general officer positions do not have a direct relationship to overall strength and should not be expected to vary in direct proportion. However, as indicated, 14 general officers were added between Fiscal Year 1964 and Fiscal Year 1968,

the peak Vietnam period. Between this peak and end Fiscal Year 1976, the number of generals will have been reduced by 63. This is 49 below our pre-Vietnam strength of 507 general officers.

Looking now at the enlisted grade structure for the top six grades, the same favorable trend is evident on Chart 18. The 62.3 percent of the enlisted force projected to be in the top six grades represents the approximate level at which we will stabilize.

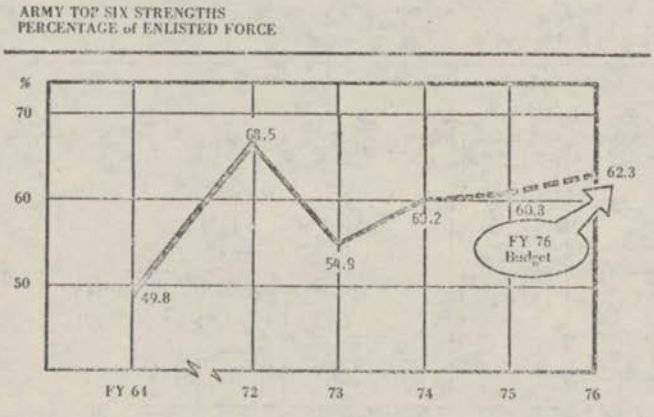


CHART 18

In regard to the enlisted grade structure and the proportion of enlisted personnel in supervisory positions, we do not believe that the top six gives a true representation. At the present time 40 percent of the top six grades are specialist E-4 who do not have command or leadership responsiblities.

The chart below shows the ratio of the top 5 grades with specialist E-4 excluded.

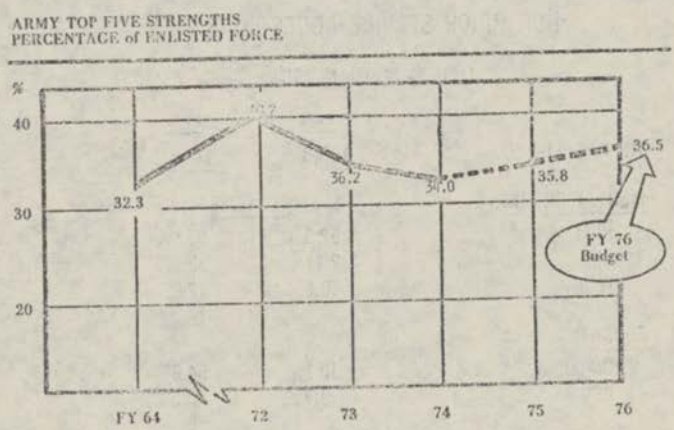


CHART 19

Although this chart gives a better picture of the supervisor/worker ratio, it should be noted that about 30 percent of the top 5 grades are also specialists rather than non-commissioned officers.

Recruiting

Subsequent witnesses will discuss our recruiting efforts in detail. However, I would like to briefly mention our success to date and indicate our recruiting objectives for FY 1976.

We are confident of our ability to meet our FY 1975 recruiting objectives. This means that total accession requirements in FY 1976 will decline to 187,400 versus 214,100 in FY 1975.

Measured in terms of quality, our recruiting success in the past year is shown on Chart 20.

NON PRIOR SERVICE ACCESSIONS
AS OF
[JAN 74 AND JAN 75]

	FY74	FY75
TOTAL ENLISTED	103,065	118,028
MENTAL GROUPS	PERCENT	
I-IIIa	52.3%	55.1%
IIIb	29.1%	32.2%
IV	18.6%	12.6%
EDUCATION		
DIPLOMA	50.1%	54.6%
GED	3.7%	6.5%

CHART 20

Through January of this fiscal year, our non-prior service high school graduate production is 61 percent. Our Category IV input has been steadily dropping from about 18 percent last July to 5.2 percent for the month of January. Thus far, the Category IV content for Fiscal Year 1975 stands at 12.6 percent. The Category I-IIIa content of non-prior service accessions through January 1975 was 55.1 percent.

Our goal is to continue to raise the quality of the force. At the end of Fiscal Year 1975, we are projecting that the high school graduate content of the force will be between 61 and 64 per-

cent and the Category IV content will be approximately ten percent.

IV. APPROPRIATION SUMMARIES

Military Personnel

The FY 1976 budget request of $8.3 billion for the Military Personnel, Army appropriation is $179 million higher than the revised FY 1975 program of $8.1 billion as shown on the following chart.

MILITARY PERSONNEL BUDGET
($ IN MILLIONS)

	FY 1975	FY 1976
P&A, OFFICERS	$1,954.5	$1,958.3
P&A, ENLISTED	5,121.8	5,219.4
P&A, CADETS	19.4	20.6
SUBSISTENCE	599.2	618.0
PCS TRAVEL	463.9	532.5
OTHER	9.4	7.5
TOTAL	$8,173.4	$8,356.2
END STRENGTH	785,000	785,000

NOTE: MAY NOT ADD DUE TO ROUNDING

CHART 21

The request supports funding requirements for an end strength of 785,000 and an average strength of 784,300 for FY 1976. The major increases in this appropriation result from the annualization of pay raises, readjustment payments for the 2,200 officers being involuntarily separated in FY 1976, inflation driven price increases in subsistence and permanent change of station travel, and increased enlisted

manyears. These increases were partially offset by decreases in officer manyears, the elimination or reduction in reenlistment bonuses, shortage specialty pay, superior performance pay and lump sum terminal leave payments.

Costs associated with permanent change of station (PCS) travel have caused some real problems. While the Army has taken steps toward stabilization of its personnel by reducing the number of PCS moves, costs are steadily increasing because of rate increases attributable to inflation. Cost increases between FY 1975 and FY 1976 amount to $63 million. The following chart compares PCS moves and depicts a program constrained by the ceiling placed on PCS travel during congressional action on requested FY 1975 reprograming. This ceiling resulted in involuntarily extending overseas tours.

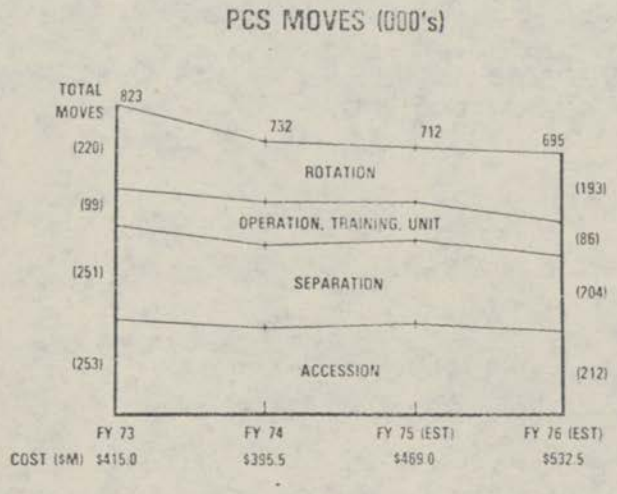


CHART 22

As shown by the above chart, fewer moves are programed for FY 1976, however, costs continue to increase.

Operation and Maintenance, Army

The FY 1976 request of $7.4 billion is $828 million higher than the revised FY 1975 program as shown on Chart 23. This request reflects a reallocation among programs to support the improved combat structure of the Army and to assure optimal distribution of resources requested in execution of Army missions.

FY 1976 OPERATION & MAINTENANCE, ARMY
($ MILLION - TOA)

PROGRAM		REVISED FY 75	REQUESTED FY 76
1	STRATEGIC FORCES	89	85
2	GENERAL PURPOSE FORCES	1,974	2,309
3	INTELLIGENCE & COMMUNICATIONS	412	439
7-S	CENTRAL SUPPLY	1,363	1,488
7-M	DEPOT MAINTENANCE	529	696
8	TRAINING & OTHER PERS ACTIVITIES	1,127	1,192
8-M	MEDICAL	506	582
9	ADMINISTRATION & ASSOCIATED ACTIVITIES	474	498
10	SUPPORT OF OTHER NATIONS	50	63
11	BASE OPERATIONS	(2,028)	(2,266)
	TOTAL	6,524	7,352

CHART 23

This appropriation provides for the operation and training of 16 Divisions and their support units, the individual training of both military and civilian personnel, the operation of the Army logistical system, the overhaul of major items of equipment, medical care, and the entire range of command, administrative, and support services in the Army.

A total of 253,283 US and foreign national civilians, 63 percent of the Army total, are financed in this appropriation.

An additional 44,000 employees are indirectly financed through purchases of logistics and maintenance services from the Army Industrial Fund.

The increases in this appropriation occur in two categories.

The major part of the increase, $518 million, is due to inflation factors not controllable by the Army. Increased costs of civilian personnel -- for annualization of FY 1975 pay raises and for separation allowances -- adds almost $440 million to FY 1976, an increase of $165 million over FY 1975. No funds are included in the request for anticipated FY 1976 pay raises.

The FY 1976 OMA budget request also provides for increased costs of goods and services attributable to inflation up to budget preparation time (late summer 1954) in the amount of $513 million and $141 million for the announced 15 percent increase in stock fund prices to be effective 1 July 1975. This same inflation affects FY 1975; however, only the inflation reprograming ($152 million) and the POL

Amendment ($149 million) consider this deficit, leaving more than $360 million of inflation to be absorbed in FY 1975.

Army program increases are approximately $300 million. Principal among these are:

-- Added costs for moving to 16 Divisions, improved combat power in Europe, other force structure changes, and camouflage screens for combat units ($135 million, an increase of $92 million over FY 1975.)

-- Increases to reduce the backlog of real property maintenance, unserviceable equipment, and maintenance of supplies in storage ($187 million.)

-- Increases to improve the quality and effectiveness of training ($26 million.)

-- Conversion of military spaces to civilian in Army hospitals, the annualized effect of the FY 1975 civilianization program, increases for the decline in currency exchange rates in Germany and other minor changes in all programs ($96 million).

-- Transfers of functions and funding responsibility - a net increase of $17 million. These include the transfer of logistical support in Thailand to the Navy, transfer from the Air Force and Navy for warehousing and POL services, and transfer of SAFEGUARD funding responsibility from the RDTE and Procurement Appropriations.

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Offsetting these Army program changes are two reallocation actions:

- Reorganization and realignment actions, including headquarters and support eliminations and reductions, base closures, revised stationing, Air Defense inactivation, and reduced manpower and missions in Japan and Okinawa($81 million).

- Reduction of appropriated fund support for pay of civilian personnel in commissaries ($37 million). Starting on 1 October 1975, charges to commissary patrons will cover 50 percent of these pay costs; on 1 October 1976, 100 percent of this ($100 million annual cost) will be borne by commissary customers.

The principal funding problem in this appropriation is inflation. Under current budgeting rules, we can only include inflation that has already occurred at the time the budget is prepared. Under this rule, any inflation that occurs in the subsequent 18 months is not included. In periods of 3 to 4 percent annual inflation, we have taken management action to absorb the increase. However, no reasonable action can absorb inflation rates of 12 percent and more.

This inflation is causing severe problems in FY 1975. This includes reductions in civilian personnel, shortfalls in training, reduced stockage levels, increased backlogs.

These problems in FY 1975 compound the effects of inflation in FY 1976. Not only must we recover from the impacts of inflation in FY 1975, but we must cope with unbudgeted inflation in FY 1976, currently estimated for OMA at over $500 million.

In addition to unbudgeted inflation, the continued decline in currency exchange rates, from the FY 1976 budget level of 2.47 Duetschemark to $1, to the latest rate of 2.27 DM to $1, increase the unbudgeted costs in FY 1976 by more than $50 million.

Reserve Component Appropriations

The Army National Guard and Army Reserve Appropriations provide continuing emphasis on achieving and maintaining readiness. The FY 1976 requests include funding for support of the Affiliation Program which calls for reserve component augmentation to the active Army in the event of mobilization. Actual training sessions have begun with active units. Results thus far have shown that the planned expansion of the affiliation program is warranted and should be supported.

RESERVE COMPONENT APPROPRIATIONS
($ IN MILLIONS)

APPROPRIATION	FY 1974	FY 1975	FY 1976
ARMY RESERVE	$ 771	$ 815	$ 847
RPA	(467)	(487)	(465)
O&MAR	(263)	(284)	(332)
MCAR	(41)	(44)	(50)
NATIONAL GUARD	$1185	$1338	$1438
NGPA	(619)	(671)	(697)
O&MARNG	(531)	(608)	(678)
MCARNG	(35)	(59)	(63)
TOTAL	$1,956	$2,153	$2,285

CHART 24

In order to facilitate a more intense involvement of the Reserve Components with active forces, stability of personnel strength is being actively pursued. As the following chart points out, programed strength levels are at 400,000 for the Army National Guard and 212,400 for the Army Reserve. There are also some modest increases in technicians, and other programs to provide increased readiness, particularly in the training, maintenance and logistical areas.

RESERVE COMPONENT APPROPRIATIONS
HIGHLIGHTS

	FY 1975	FY 1976
PAID DRILL END STRENGTH:		
(000's)		
NATIONAL GUARD	400	400
ARMY RESERVE	212	212
TECHNICIAN END STRENGTH:		
NATIONAL GUARD	28,831	29,524
ARMY RESERVE	8,438	9,698

AFFILIATION PROGRAM

EQUIPMENT INVENTORY

ROTC PROGRAM

FACILITIES CONSTRUCTION

RECRUITING PROGRAMS

CHART 25

This chart shows the current and projected average strengths for the Army National Guard and Army Reserve for the fiscal years 1973 thru 1976, as reflected in the FY 1976 budget submission.

RESERVE COMPONENT AVERAGE STRENGTH
(IN THOUSANDS)

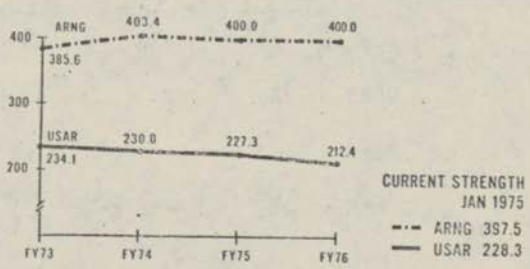


CHART 26

Procurement Appropriations

The FY 1976 budget request continues the maintenance of Army readiness as did the FY 1975 budget. The FY 1976 requirement of $3.6 billion is about $1 billion more than the revised FY 1975 budget. The Procurement request will replenish equipment and ammunition, improve combat readiness, particularly in tank, anti-tank and air defense systems and aircraft; and provide for Army training requirments. Funding is also provided for modernization of the conventional ammunition base. The following chart compares the Procurement budgets for FY 1974 thru FY 1976.

PROCUREMENT ($ in millions)

Appropriation	FY 74 TOA	FY 75 TOA	FY 76 TOA
AIRCRAFT	178	242	362
MISSILES	631	392	461
WPNS & TRKD CMBT VEHICLES	300	430	989
AMMUNITION	1,032	808	752
OTHER	545	645	1,003
TOTAL	2,686	2,517	3,567

CHART 27

PROCUREMENT HIGHLIGHTS

	Quantity	
	FY 1975	FY 1976
AH-1S HELICOPTER (COBRA/ TOW)	6	38
AIRPLANE UTILITY, U-X	0	20
IMPROVED HAWK	520	520
TOW	23,860	23,813
DRAGON	14,350	19,300
M60A-1 TANK	510	662
ARMORED PERSONNEL CARRIER, M113A1	151	1,320

CHART 28

Highlights of the FY 1976 Procurement request are shown on the above chart.

Weapons and Tracked Combat Vehicles

As emphasized by the Chief of Staff, included in the FY 1976 budget request are funds in the amount of $388 million for 662 tanks (562 improved M60A1 and 100 M60A3), to include associated special tooling and funds to expand the tank production base to a higher capacity. $6 million are also requested to procure special tooling and long leadtime items to support the FY 1977 procurement of the M60A1 and M60A3 tanks.

We are requesting $100 million in FY 1976 to procure hardware kits to convert 504 gasoline powered, 90mm gun M48 tanks to the diesel powered,

105mm gun M48 configuration. These M48 tanks will permit us to equip our Reserve Components with badly needed modernized tanks.

The acquisition of 1,320 new diesel powered M113A1 armored personnel carriers will fill critical shortages in the active Army inventory, and free gasoline powered M113s for allocation to the reserve components.

Also supported by this budget request are procurement of light and heavy recovery vehicles and introduction of new 155mm and 105mm artillery weapon systems.

TOW (Tube Launched, Optically Tracked, Wire Guided Missile)

The TOW is our infantry heavy anti-tank/assault weapon. It can be fired from vehicles such as jeeps, personnel carriers, or mechanical mules, or carried into a ground firing position by a four man crew. The TOW can also be fired from helicopters. The ground TOW system has been deployed to Europe and to the 82d Airborne Division and will be deployed to the remainder of our forces as assets become available. The FY 1976 budget requests $140 million for the procurement of TOW missiles, launchers, and other ground support equipment.

DRAGON

To complement the TOW anti-tank capability, $107 million is requested to procure DRAGON missiles and trackers in FY 1976. The DRAGON system is a lightweight, highly lethal infantry weapon that weighs under 32 pounds and can be carried and fired by one man. DRAGON will replace the 90mm recoiless rifle. FY 1976 will be the fifth year of DRAGON missile and tracker production; the Army will continue using a combination of McDonnell Douglas Astronautics (Prime Source), and Raytheon and Kallsman Instrument Company (Second Sources). Both contractors will be utilized competitively in FY 1976.

AH-1G Attack Helicopter Modification (COBRA/TOW)

$22 million are requested for FY 1976 to continue our program of improving the operational capability of 290 existing AH-1Q helicopters by the addition of improved engines and transmissions. Upon completion of this program, these helicopters will be designated as the AH-1S.

AH-1S Attack Helicopter (COBRA/TOW)

The request for $45 million for FY 1976 will procure 38 new AH-1S COBRA/TOW Helicopters. Our request continues a planned five-year procurement program to provide the Army with 305 additional attack helicopters by the end of FY 1979.

CH-47C and UH-1H Utility Helicopters

A total of $61 million is requested to procure 12 CH-47C Cargo Helicopters and 48 UH-1H Utility Helicopters. The UH-1H Helicopter is the mainstay of our existing utility tactical fleet, and is used for troop and cargo transport and aero-medical evacuation missions. The CH-47C (CHINOOK) Helicopters are used for tactical movement of heavy bulky cargo, troop transport and recovery of downed aircraft from remote areas. Procurement of these helicopters will allow us to reach 95 percent and 89 percent of the authorized acquisition objective for the CH-47C and UH-1H, respectively.

Ammunition

Our request for Procurement of Ammunition is $751 million for FY 1976. This request provides for worldwide Army consumption and losses to inventories through the FY 1976 funded delivery period The request also provides for selected procurement of modern hardware, buildup of war reserves to meet the acquisition objective and maintenance of an active ammunition production base for key ammunition items. The Army request also provides for an increment of the multi-year program to modernize existing production facilities and provide for production of new items coming into the inventory.

Other Procurement

The Army's FY 1976 request of $1 billion will fund three activities; (a) Tactical and Support Vehicles, (b) Communications and Electronic Equipment, and (c) Other Support Equipment. These funds are required to replace peacetime losses of tactical trailers and associated equipment, replace over-age commercial vehicles on a limited basis and gradually improve our inventory levels and percentage fill of our authorized acquisition objective. Included are funds for the procurement of Communications and Electronics equipment of all types to provide fixed, semi-fixed, and mobile strategic and tactical communication equipment, to achieve reliable and responsive functioning operational command and control over widely dispersed areas for U.S. Forces, and for strategic, worldwide defense communication systems. Funds are also included for the procurement of bridges, chemical defensive equipment, construction equipment, medical equipment and miscellaneous other support equipment.

Research, Development, Test and Evaluation

The Army's Research, Development, Test and Evaluation request is for $2.2 billion for FY 1976, $440 million higher than the revised FY 1975 program, and is shown on Chart 29 by Budget Activity.

RESEARCH, DEVELOPMENT, TEST & EVALUATION,
ARMY BUDGET ACTIVITIES ($ in millions)

	FY 74	FY 75	FY 76
MILITARY SCIENCES	111	106	127
AIRCRAFT	294	232	285
MISSILES	835	600	742
MILITARY ASTRONAUTICS	16	16	21
ORDNANCE, COMBAT VEHICLES	230	222	277
OTHER EQUIPMENT	395	396	533
PROGRAM-WIDE MANAGEMENT & SUPPORT	61	177	204
TOTAL PROGRAM	1,942	1,749	2,189

CHART 29

The details of the Army's RDT&E program will be presented by the Assistant Secretary of the Army for Research and Development, and the Deputy Chief of Staff for Research, Development and Acquisition in separate hearings with your committee. However, I would like to highlight at this point the Army's priority programs which we call the Big 5, which I will summarize for you. The funding for the Big 5 is shown on Chart 30.

RESEARCH, DEVELOPMENT, TEST & EVALUATION,
ARMY BIG 5 PROGRAMS ($ in millions)

	FY 73	FY 74	FY 75	FY 76
ARMY ATTACK HELICOPTER	20	49	61	65
UTILITY TACTICAL TRANSPORT AIRCRAFT SYSTEM	50	103	53	92
XM-1 TANK	22	54	65	52
MECHANIZED INFANTRY COMBAT VEHICLE	8	12	10	16
SAM-D	171	194	105	130
TOTALS	271	412	294	355

CHART 30

Advanced Attack Helicopter

The development program for an Advanced Attack Helicopter capable of defeating tanks, providing quick, responsive direct aerial fire as an integral element of the ground forces and capable of performing its mission at night and under adverse weather conditions required $61 million in FY 1975. Development contracts were awarded in June 1973 to Bell and Hughes after review and approval of the definitive programs by the four Congressional Committees. The $65 million requested for FY 1976 will support continuation of the prototype development and flight test program. This program remains one of the highest priority for the Army.

Utility Tactical Transport Aircraft System (UTTAS)

In FY 1976, $92 million are requested to continue the development of a new twin engine helicopter that will replace the UH-1H in the air assault, air cavalry and medical evacuation missions. This aircraft will be the first true squad assault helicopter. The UTTAS will be designed to transport troops and equipment into combat, resupply troops while in combat, and perform the associated functions of aeromedical evacuation, repositioning of reserves, and other essential combat support missions. Increased cost effectiveness will be achieved through substantially improved maintainability, reliability, survivability and performance. Both airframe contractors started

Ground Test Vehicle Operations in the summer of 1974. Sikorsky completed their preliminary flight approval test and achieved a successful first flight on 17 October 1974. Boeing Vertol completed pre-first flight requirements and accomplished their first flight on 29 November 1974. The flight test programs are proceeding satisfactorily.

New Battle Tank (XM-1)

The Army has entered the initial or "validation" phase of a new tank development program which will provide competitive prototype hardware to verify current Army estimates of new tank performance, costs, and risk prior to a commitment to full scale development. This development will make maximum use of technological breakthroughs, the M60A1 improvement program, and, quite possibly, foreign developments. Advances over current tank capabilities will be sought in the high payoff areas of better protection, greater mobility, and more lethal firepower. The Request for Proposal for the competitive development was offered to industry on 23 January 1973, returned to the government on 8 May 1973, and two CPIF contracts were awarded to Chrysler and GM on 28 June 1973 for $68 million and $86 million, respectively. A total of $51 million are requested for FY 1976 to continue this major effort.

Surface-to-Air Missile Development (SAM-D)

Funding in the amount of $130 million is requested for FY 1976 to continue the development program as directed by the Secretary of Defense. These funds will support 16 missile firings designed to thoroughly prove the SAM-D guidance concept before committing additional funds leading to eventual production and deployment. This advanced, mobile, surface-to-air missile system is being developed to replace the NIKE HERCULES and Improved HAWK. The SAM-D will provide an effective defense by combining the ability to simultaneously engage and defeat multiple aircraft in an intense electronic countermeasures environment. A significant reduction in personnel and maintenance requirements will be achieved when compared to the current air defense systems it is designed to replace. The NIKE HERCULES and Improved HAWK systems, although already modified and improved, will not be capable of defeating the anticipated threat of the 1980's and beyond.

Mechanized Infantry Combat Vehicle (MICV)

A total of $16 million for FY 1976 are requested to continue development of a fully tracked, squad carrying armored vehicle with firing ports from which personnel can engage the enemy while protected, and cross-crountry mobility compatible with tanks. It will mount an automatic cannon to support the mechanized

infantry squad in both mounted and dismounted combat. The first prototype was received in FY 1974.

Military Construction and Family Housing

Military Construction. The FY 1976 budget request of $962 million for Military Construction, Army (MCA) is $319 million higher than the approved FY 1975 program of $643 million.

MILITARY CONSTRUCTION, ARMY
($ IN MILLIONS)

FACILITY CATEGORY	APPROVED FY 1975	FY 1976 BUDGET
OPERATION AND TRAINING	28	44
MAINTENANCE AND PRODUCTION	49	47
RDT & E	17	24
SUPPLY AND ADMINISTRATION	36	64
HOSPITAL AND MEDICAL	49	105
TROOP HOUSING AND COMMUNITY SUPPORT	233	329
UTILITIES AND LAND IMPROVEMENTS	97	150
GENERAL AUTHORIZATION	58	69
NATO	73	80
TOTAL	643	962

CHART 31

Approximately 50 percent of the FY 1976 MCA program is devoted to projects to provide troop housing and related facilities, hospital additions and alterations, dental clinics, and community facilities which will enhance service attractiveness and further our efforts to promote the Volunteer Army. Most of these funds ($329 million) are for the continuing major thrust by the Army to improve its troop housing by replacing temporary barracks with new construction and modernizing existing permanent barracks. When the FY 1976 and prior year troop housing programs are funded and built, we will have completed approximately 80 percent of the program. Much work and some funding remains to be done to get all

the soldiers out of World War II barracks and the old quonsets in Korea.

MILITARY CONSTRUCTION, ARMY
HIGHLIGHTS

	(SPACES) FY 1975	FY 1976
BARRACKS MODERNIZATION	22,298	9,062
BARRACKS CONSTRUCTION	10,654	17,733
BOQ CONSTRUCTION	0	126

- BACHELOR HOUSING - $301 MILLION
- NEW DIVISION STATIONS - $147 MILLION
- MEDICAL FACILITIES - $105 MILLION
- ONE STATION TRAINING - $89 MILLION
- POLLUTION ABATEMENT - $85 MILLION
- NUCLEAR WEAPONS SECURITY - $37 MILLION
- ENERGY CONSERVATION - $33 MILLION
- REAL ESTATE - $14 MILLION

CHART 32

The Reserve Components construction programs for FY 1976 show a slight increase over FY 1975. The Reserve program (MCAR) for FY 1976 is $50 million and the National Guard program (MCARNG) is $63 million.

Army Family Housing. The Army portion of the FY 1976 Family Housing, Defense budget request is $575 million which is $82 million higher than the approved FY 1975 program of $493 million. (The $575 million are not included in the $24.6 billion FY 1976 Army budget request).

ARMY FAMILY HOUSING

	FY 1975	FY 1976
	($ Millions)	
CONSTRUCTION	$ 122	$ 116
DEBT PAYMENT	18	16
OPERATION AND MAINTENANCE	353	443
(REDUCED MAINTENANCE BACKLOG)	(25)	(38)
TOTAL	$ 493	$ 575
	(Units)	
NEW CONSTRUCTION	2,900	2,100
IMPROVEMENTS	1,666	3,540
LEASING	10,928	13,446
AVERAGE COST (MAXIMUM)	$30,000	$36,500

CHART 33

Since we are relying on the neighboring communities to provide as much family housing as possible, we are asking for new housing only at Fort Polk, Fort Stewart and Fort Ord. Our program will also accomplish urgently needed improvements and repairs to the existing housing inventory at a cost of $35 million. The program includes a significant increase, about 25 percent, in leases, primarily for Germany, and sufficient funds to reduce the backlog of deferred maintenance by $38 million.

Ballistic Missile Defense (BMD)

Chart 34 shows the Army's Ballistic Missile Defense funding. The SAFEGUARD site at Grand Forks, ND, is nearing full operational capability and will provide valuable experience in the operation and maintenance of a deployed BMD system. Current planning for the Site Defense program complies with Congressional guidance in that the primary objective of this program has been reoriented from a prototype demonstration to

one which emphasized development and integration of subsystems and components. The Advanced Technology program continues to produce advances in the state-of-the-art of BMD technology. The Kwajalein Missile Range will continue its national range mission to support strategic offensive and defensive ballistic missile test programs.

BALLISTIC MISSILE DEFENSE (BMD)
($ in millions)

	FY 74	FY 75	FY 76
SAFEGUARD	$406	$117	$ 95
Military Personnel	(7)	(8)	(8)
Operation & Maintenance	(59)	(72)	(85)
Procurement	(159)	(3)	(2)
Research, Development, Test & Evaluation	(181)	(34)	(-)
SITE DEFENSE	110	115	140
BMD ADVANCED TECHNOLOGY PROGRAM	62	92	105
KWAJALEIN MISSILE RANGE	73	76	87
TOTAL	$651	$400	$427

CHART 34

The FY 1976 SAFEGUARD effort is focused upon missile and warhead installation and achievement of full operational capability employing two radars, two types of interceptors and both collocated and remote SPRINT launch sites. The research and development phase of this program has been completed; the experienced derived from its operation will continue to benefit the overall BMD program. No R&D funds are required for SAFEGUARD.

The FY 1976 Site Defense effort involves component fabrication and testing of these components and the site defense radar in CONUS prior to full scale testing at Kwajalein Missile Range. In addition, the funds requested will support a minimum level of effort on integrating promising interceptor missile improvements.

The FY 1976 Advanced Technology effort is designed to maintain the pace of BMD development needed to sustain our lead in fundamental BMD technology. This includes enlargement of the BMD technology data base, the identification and evaluation of revolutionary new concepts and technologies, and the demonstration of potential capabilities of new components to improve performance and reduce costs of future BMD systems.

The FY 1976 Kwajalein Missile Range effort is the continuance of its national mission of supporting Air Force, Navy and Army strategic offensive and defensive ballistic missile test programs and to operate reentry radars to support DOD ballistic missile reentry programs.

V. TRANSITION BUDGET

The Army Budget request for the Transition period (FY 1976T) is designed to continue necessary operations and to provide funding of

necessary procurement contracts during the period 1 July thru 30 September 1975. The Transition budget is approximately twenty-five percent of the FY 1976 Request. A comparison of the two fiscal periods is shown in the following table:

TOA

($ Millions)

	FY 1976	Transition
Military Personnel, A	$8,264	$2,100
Operation and Maintenance, A	7,352	1,884
Procurement	3,567	867
RDT&E	2,189	586
Military Construction, A	962	37
Reserve Components	2,285	680
TOTAL	$24,620	$6,153

NOTE: May not add due to rounding.

The military personnel and operation and maintenance appropriations in the transition period are slightly above a straight line projection of twenty-five percent of FY 1976. In Military Personnel, Army the higher level is due to the strength bulge occurring because of increased manyears due to summer accessions. The principal reasons for the increase in the OMA appropriation includes those items peculiar to the July - September time frame, such as training, tuition payments for ROTC and scholarships and civilian schooling,

seasonal employment and number of civilian work days. The National Guard and Army Reserve activities exceed the straight line projection because of the heavy summer training .

Continuation of a stabilized Army requires an end strength of 793,000 at the end of the transition period. This is the same force structure as requested in FY 1976; however, the seasonal nature of our accessions means that on 30 September we will have a greater strength in the Army than we have on 30 June. The best period for recruiting and enlistments are the summer months.

Significant acquisitions during this period amount to approximately $316 million. Included among the items are AH-1S helicopters, DRAGON and TOW missiles, M113A1 Armored Personnel Carriers, and new Tanks and Tank Modifications (M60 and M48). The Ammunition and Other Procurement requests are about $469 million.

In RDT&E, two of the Big Five show increases above the straight line level. The XM-1 Tank request is $51 million in FY 1976 and $39 million in the transition period and the SAM-D request is $130 million in FY 1976 and $40 million in the transition request.

We have limited our transition request to only those items required during the three month period and those contracts which would otherwise suffer a funding gap. An example of these efforts occurs in service contracts. We have instructed commanders to have FY 1976 contracts written with a three months extension clause to preclude the necessity to award new contracts for a three month period.

VI. CONCLUSION

The following chart summarizes the highlights of the Army's FY 1976 Budget.

SUMMARY

THE FY 1976 BUDGET PROVIDES

- SUPPORT FOR 785,000 MILITARY END STRENGTH
- 16 ACTIVE AND 8 RESERVE COMPONENT COMBAT DIVISIONS
- HIGHLY CONSTRAINED TACTICAL SUPPORT IN ACTIVE ARMY
- REDUCED TAIL . . . INCREASED TEETH
- BALANCED MODERNIZATION

CHART 35

Mr. Chairman this concludes my prepared statement. Additional details relating to the specific programs and activities included in the request will be addressed by other Army witnesses as each appropriation is reviewed.

ARMY ACCOMPLISHMENTS DURING PAST YEAR

Chairman McCLELLAN. Gentlemen, you may highlight your statements in whatever way you choose.

Secretary CALLAWAY. Thank you, Mr. Chairman.

Last year I told you how proud I was to be Secretary of the Army because the Army's mission was of such great importance to our country and because the Army was comprised of such fine people.

Today that mission is more important than ever, and I am pleased to report that the people are better than ever.

The story of the Army in the past year is a story of success. It is something of which all America can be proud. While so many traumatic and depressing events were occurring, while so much of our national fabric seemed to be weakening, the Army was surging forward.

To be quite honest with you, our achievements even exceeded my own expectations.

And to be completely candid, I must also acknowledge that the cornerstone of all our successes is the fact that last year Congress stopped the precipitous decline in our strength, a decline that had continued since 1968. The stability you gave us made all that followed possible.

Here are some of the things we told Congress last year and where we stand today:

Last year we said we could meet our recruiting goals. A great many people were not convinced we could do that. We not only met them, we exceeded them. In fact, since June 30, 1974, the end of the last fiscal year, we have met our strength requirements and our monthly recruiting goals.

When I appeared before you last year only 10 of our 13 active divisions were combat ready. Today all 13 divisions are combat ready. Last year we said we could maintain the quality of the Army in the absence of the draft. Today every Army member is in the Army because he or she asked to be. The last draftee who wanted out of the Army left in November 1974 on Thanksgiving Day. The quality of our men and women, measured however you want to measure it, is higher than it has ever been.

Last year Congress set a very high standard for our volunteer force, requiring that at least 55 percent of the Army's new recruits be high school graduates. The Congress also set a similarly high standard on the number of soldiers in the lower mental category that we could recruit by saying that we could accept no more than 18 percent in mental category IV. We have exceeded all these goals. As a matter of fact, thus far in calendar year 1975, we are averaging about 6 percent in mental category IV, well within the ceiling set by Congress.

Last year we accepted the challenge of making full use of our Reserve component resources. Today they are becoming affiliated with Active Forces to a much greater degree than ever before.

Last year we said we were going to work to lessen the time it takes to deploy our Reserve component units. Today, Reserve component divisions can be deployed 5 weeks earlier, separate brigades a week sooner, and armored cavalry regiments about 3 weeks faster.

Last year we said we were going to streamline our command and control setup. So far we have eliminated seven major headquarters,

five overseas and two in the continental United States. Similarly, we have worked to pare the support elements. We have taken steps to close, consolidate, or modify numerous activities and installations.

Last year we said we had to do more to look out for the welfare of our people. They themselves tell us we have succeeded in the most expressive way they can—by staying on, by reenlisting in the Army.

REENLISTMENT RECORD

In the first 6 months of this fiscal year more than 35,000 of them reenlisted, an increase of approximately 12,000 from the same period a year earlier.

This increase is some 34 percent over last year and was achieved even with higher standards for reenlistment. We only allow those to reenlist who are outstanding soldiers. Last year we said that we were going to make the Army leaner, tougher, and more usable without asking for any more people. We said we would do it by converting support units and overhead functions into combat units, that is, by increasing the tooth-to-tail ratio. We have done so and in so doing have taken the first steps necessary to add three divisions to the Army and to replace 12,000 support troops in Europe with an equal number of combat soldiers.

I could go on and on—I really enjoy talking about what the Army has done—but our purpose for being here today is not to review past accomplishments, it is to outline future goals and challenges. The Army is on the march. It cannot stand still and it will not.

Although our outlook is upbeat, and our results to date have been most heartening, I don't want to leave the impression that we are blind to our problems or that we are even thinking about being satisfied. We have much more to do, and we are eager to get on with it.

MAJOR ARMY GOALS IN FISCAL YEAR 1976

We have set three major goals to guide the Army's efforts this year:

First, to continue to upgrade the quality of our soldiers while maintaining our momentum in recruiting and retention.

Second, to obtain the maximum benefit from all our resources. Because the Nation entrusts the Army with so large a share of its human and material resources, we must miss no opportunity to eradicate wasteful procedures.

Finally, to shape the Army for the future. The requirements of national security in the coming years will place new demands on the Army and it must be ready for them.

In a way, the first two goals—recruiting and efficiency—are included in the third one. They must be achieved before we can adequately shape the Army for the future.

16- AND 8-DIVISION FORCE

The statements we have provided for the record focus primarily on that reconfigured Army. Its foundation is a stable strength of 785,000 men and women, and its structure is 16 active divisions and 8 Reserve component divisions—what we call the 16- and 8-division force.

Last year, after informing Congress of our plans, we initiated actions aimed at reaching the 16- and 8-division goal in fiscal year 1976. We are requesting your approval to let us continue and complete this restructuring of the Army.

In many ways, the 16- and 8-division force will be quite different from the one we have now.

It will be no larger, but it will be more capable and flexible, a better amalgamation of active and Reserve components.

It will provide our national decisionmakers a greater choice of options.

It will be leaner, with more teeth and less tail.

It will be more efficient, with only essential headquarters and activities and organization.

It will have better equipment and revamped doctrine.

It will be more carefully balanced between its capabilities and possible missions, between its deployments and rotational base, between present requirements and future needs.

In short, it will be an Army keyed to the future rather than one tied to the past.

But we are not requesting an increase in the size of the Army; we are only asking to be stabilized where we are.

SUMMARY OF STATEMENT

Mr. Chairman, let me summarize by saying that the Army came out of Vietnam in a position that was intolerable for the Army, and we think intolerable for the country. We only had four divisions considered combat ready under the Joint Chiefs of Staff criteria, a force certainly inadequate to meet the challenge.

At the same time, we were told we would have to continue to have an Army with a global mission without a draft, with volunteers only, and a budget that would be far more constrained than in recent years.

That was a tough challenge—to increase the combat readiness of the Army—to do it with volunteers and with less money, but the Army met that challenge.

Today the volunteer force is a complete success. Today we are moving from 13 divisions to 16 divisions, all of which will be combat ready.

Finally, Mr. Chairman, we are doing this for 2.6 billion less constant dollars than the last time we had 16 divisions and with approximately 200,000 fewer men. We are extremely proud of that.

We ask for your support in building the 16- and 8-division force. We need that support and the Nation needs that force.

Thank you.

REDUCED PERSONNEL

Chairman McClellan. Well, that is a very gratifying report, sir. It certainly indicates the fine quality of leadership and direction on your part, I think, that you have been able to accomplish so much.

If I understand correctly, you have 200,000 fewer men. Is that correct? Since what period?

Secretary Callaway. Since 1964, I believe, sir, since the period of peace when we had 16 divisions after the Korean war.

Chairman McClellan. I see. You indicated you were operating on $2.5 billion less at that time. How is that possible?

Secretary CALLAWAY. In constant dollars. I should have said in constant fiscal year 1976 dollars.

CURRENT ARMY STRENGTH

Chairman MCCLELLAN. I see. The present strength of the Army is 785,000?

Secretary CALLAWAY. Yes, sir, that is the present strength and the strength we also request for fiscal year 1976.

Chairman MCCLELLAN. You are requesting that the Army be stabilized at that strength?

Secretary CALLAWAY. Yes, sir, there are so many advantages to a stabilized force. It is just almost impossible to do the kinds of things we are doing, cutting headquarters, cutting support, restructuring our force without knowing what size the force will be. When you reduce the size of the force everyone does not get out at the same time. You can easily get enough privates out, but the captains want to stay. Thus, you must undergo involuntary reductions in force—we are having our third one this summer. When you expand the Army, you expand the OCS program to get the officers you need and then when you reduce the force you must involuntarily release them from the service. It is just not a good way to operate an army.

Senator PASTORE. Mr. Chairman, I have to leave shortly for a mark-up. May I ask a question?

Chairman MCCLELLAN. Certainly.

STATUS BREAKDOWN OF ARMY PERSONNEL

Senator PASTORE. Mr. Callaway, could you give us a capsule breakdown of the composition of your 785,000 force? There has always been sort of a gossipy thing that it has become a reservoir for certain classes and types of people, that is, the voluntary proceeding and how many college degrees people do have, and what is the level of intelligence and IQ with reference to the composition of the forces?

Secretary CALLAWAY. Senator Pastore, you are touching on a very fundamental and sensitive aspect of the Volunteer force. There are a great many people who opposed the Volunteer force, not because they thought we couldn't get enough numbers, but because they thought we would have an unrepresentative army, an army of people who came in only because they could not get another job, and who were not motivated by a sense of service to the country but rather that they would be attracted by money which would mean having a kind of French Foreign Legion separate from the American people, a professional army with 35-year-old privates and things of that kind. I saw my job from the beginning as insuring that this did not happen. While it might have fit other armies in other periods of time, it didn't fit my concept of what the United States should have.

I felt the United States should have an army broadly representative of all Americans which, to the extent possible, would contain roughly the same representative percentages of people of all ethnic groups, and the same percentages at various income levels and educational levels. That has been our goal.

We think we are succeeding far better than anybody anticipated. The basic question that comes up most often is, "Will the Army become an all-poor or all-black army?"

ACCOMPLISHMENT OF BLACKS IN ARMY

Let me address the subject of blacks. Blacks in the Army perform a very genuine service to this country. We, in the Army, feel that blacks in every way contribute as much as any racial group. As a matter of fact, some of the real thrills that I have had since becoming Secretary have been to find a young black, who perhaps grew up in Harlem, perhaps came from a broken home, or perhaps a high school dropout who stayed around the pool hall before he got into the Army, and having joined the Army, he found himself and realized for the first time in his life that what happens to him is his own doing. He had been brought up to believe that the "system" controls him. When he gets in the Army, we say, "What happens to you, whether you are promoted or whether you are disciplined, is brought about by what you do." This is a revelation to him. When he realizes this, he becomes a very valuable asset to our country, with self-esteem which he never had before. All this is extremely exciting to me, but I also feel strongly that we don't want an undue percentage of the Army from among those with similar backgrounds.

MAKING ARMY SERVICE DESIRABLE

We also want the ones that I laughingly call the "Jack Armstrongs" who were the Eagle Scouts in my school, captains of the football team, No. 1 in their class who can go to any college they desire. We must appeal to the "Jack Armstrongs" on a very different basis. We appeal to them on the basis of opportunity and challenge. The Army must live up to their expectations. You can't have an NCO who still thinks, as some did during the draft, you draw weapons at eight o'clock in the morning and stand in the sun all day.

You can't have that. The soldier won't put up with it. He must be challenged and he must want to be a mechanic or whatever because it is something that he enjoys.

The big thing is to change the Army so every NCO realizes that. I am not saying that everyone does today but a higher percentage do than a year ago and next year it will be even better. As more NCO's come to realize this, then we can challenge the man by saying, "We will give you a job that is challenging and important. You will always be proud of what you have done."

OPPORTUNITY FOR COLLEGE STUDY

This "Jack Armstrong" basically knows he is not mature. He doesn't know whether he wants to go to pre-med or pre-law or be in business or what. He just does not know. We say to him, "Give us 3 years in the Army and you will gain that maturity, get yourself together, and know where you want to go. We will give you discipline." It is amazing how hungry a great many of these 18-year-olds are for discipline. Some had very little discipline in school or at home.

We will not only give him discipline, but also self-discipline because the other men serving with him depend on it too. The Army will give him the opportunity to further his education by offering to pay for 75 percent of his tuition. He may attend school at night or wherever and whatever he can.

"PROJECT AHEAD" PROGRAM

He will also be offered the opportunity to sign up with some 1,000 colleges in America as part of a project called "Project Ahead." This program enables the soldier to enroll in one of these colleges so that the courses he completes while in the Army will count toward completion of a degree. When he leaves the service, he may use the GI Bill to continue his education on campus at that college. Of course, in addition to all this he is told, "For the rest of your life you can be proud of your service to your country." This is at the other end of the spectrum.

What is the result of all this? The result is that we appeal to a great many people who say it is just a job and that is the way it is with them. We also appeal to a great many people who see all of the other things. Because of this we are getting a good representation across the spectrum of American youth.

PERCENTAGE OF BLACKS IN ARMY

On the question of blacks, the most sensitive question is, I am sure, the percentage of blacks in the Army as compared to the Nation as a whole from which we recruit. We have 22.4 percent blacks in our enlisted force; and 4.6 percent blacks in our officer ranks.

Senator PASTORE. But you don't establish quotas?

Secretary CALLAWAY. No, sir. The Army will never, while I am Secretary, have a quota. We will never whisper to recruiters, as may have been done in the past, that "we expect you to discriminate in any way." We will have no part of that.

In the officer force, it is all good news. Since the draft ended in June 1973, we have come from 3.9 percent black to 4.6 percent black. We have the highest number of blacks in West Point and the highest number in ROTC ever. As a matter of fact, 17.9 percent of the current ROTC enrollment is black. We are recruiting qualified blacks for the officer corps in every way we know how. So far our program is going well and in the right direction.

I could talk about it at some length.

In the enlisted force, we ended the draft with about the same percentage in the Army as were in our society—about 13 percent—perhaps a little more. We have now gone to 22.4 percent blacks in the enlisted force. At one time we were recruiting as high as 33 percent blacks in a single month—July 1973.

EXPANSION OF RECRUITING AREAS

Now, what we have done is not in any way to establish a quota. It is not the Army way and we don't believe it is the American way. Instead of establishing a quota, we have said, "Any black that comes to

a recruiting station today who is qualified can join the Army." We welcome them. However, we are now beginning to recruit in areas we never recruited in before.

When the Army first started as a volunteer force, perhaps it looked upon its role as just getting "bodies." Then the Army went to the easiest places to recruit and because jobs were more difficult to get in a great many black areas we concentrated our efforts there. Because of that concentration, we got an inordinate number of blacks.

Now the recruiting force knows it must go to all parts of the country. The recruiter must put an equal effort in up-State New York as well as in the ghettos of New York City. That does not mean a man from the ghetto can't come in as easily but we are marketing harder, selling the advantages I have spoken of, the challenge as opposed to the job. Now the situation is such that for the last 2 months the Army has taken in just under 19 percent blacks.

I don't think it is necessary to have a precise 13½ percent; 22 percent, I think, is fine. But there would be a percentage, which concerns people like Senator Kennedy, at which the blacks would possibly take more than their share of casualties in the event of a war. Those concerns would come into play at some point and each person has his own opinion on what percentage that might be.

I do think the Army should be broadly representative. I am most proud of today's Army because it is broadly represented. I think it will continue to be so.

Senator PASTORE. I want to thank you.

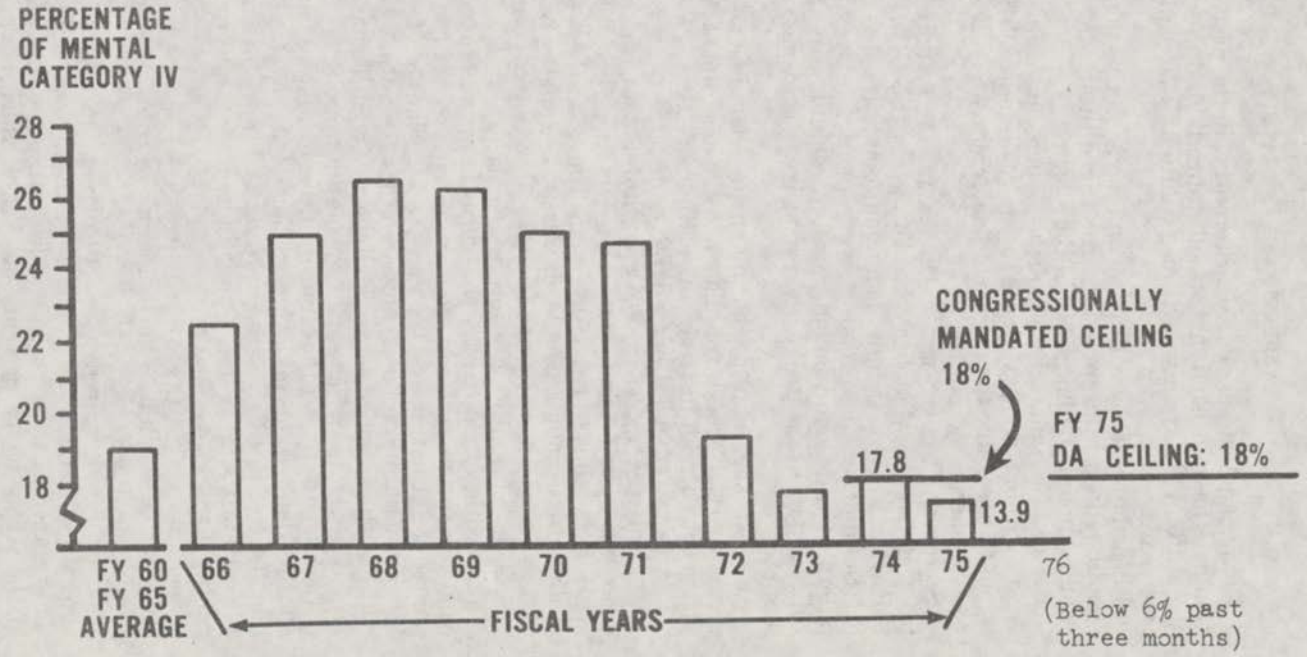
MENTAL CATEGORY IV CONTENT CHART

Secretary CALLAWAY. The Chief of Staff has suggested, Mr. Chairman, that we insert in the record a chart on the mental category IV content which shows we have gone from the draft period, when the content was somewhere around 26 or 28 percent, to a point now that is well below the congressionally mandated ceiling of 18 percent.

Chairman MCCLELLAN. Very well. Let it be inserted in the record.

[The chart follows:]

MENTAL CATEGORY IV CONTENT AS A PERCENT OF ACCESSIONS BY FISCAL YEAR



REDUCTION IN ARMY BUDGET

Chairman McCLELLAN. Mr. Secretary, in the past, some Members of Congress have insisted that we substantially reduce appropriations for the military. I expect we will be faced with that same insistence again this year.

I heard one of my colleagues on television this morning say that we should reduce appropriations for the military by 10 percent. That would amount to almost $10 billion.

Let me ask you, can we make a 10 percent cut in the budget of the Army without doing violence to our readiness? Will we still have the strength necessary to provide the deterrent we need and the preparedness we should maintain?

Secretary CALLAWAY. Mr. Chairman, the Chief of Staff may want to speak beyond what I say, but let me say this first.

First of all, this Congress and your committee has not only the right but the obligation to look at every penny we spend and, if in your judgment and Congress' judgment, we should have a $10 billion cut we will, of course, take it. We are responsive to the Congress and we understand it.

As to whether a cut of that magnitude could be taken without hurting Army readiness, I would have to say it could not. We could not take such a cut without hurting our readiness.

Let me say what I think will be the effect.

Chairman McCLELLAN. We will eliminate waste and make reductions wherever possible, but I question whether these blanket statements aren't dangerous to our military readiness. If these statements are repeated often enough, people all across the country will come to believe they are being denied human needs and resources because all the money is directed into military appropriations.

The people ought to have the truth. They need to be enlightened as to what the facts are. I can stand here with some of my colleagues, and can see the situation and try to defend it where we feel it is warranted. But if the public becomes convinced that the military can be done away with, or that a lot of it can be done away with, that it is all unnecessary, I'm afraid we're headed for major trouble.

We have to combat that line of thinking, and we must combat it with truth. I don't want any exaggerations, but we have to depend on men like you to a great extent to know the effect of these huge budget cuts. We certainly should weigh your judgment in considering whether our readiness might be impaired.

Secretary CALLAWAY. Mr. Chairman, let me briefly comment on your remarks. This will be a quick answer, of course, and can be rechecked, should you desire.

If we were required to cut 10 percent in the budget submitted to you, I don't believe we could do it in any way other than to reduce the strength of the Army by at least 10 percent. A cut in the strength of the Army by 10 percent—an Army which is already the smallest army we have had since the Korean war—given a world situation that is far more dangerous to the United States than in many, many years, and the existence of nuclear parity wherein the nuclear capabilities of the United States will really not protect us in the event of attack—would not be a wise course to choose. Within the nuclear

umbrella, any potential enemy could probe for weakness. If we were to cut the Army, the major conventional deterrent force by 10 percent, it would mean 80,000 fewer people in the Army—an Army which is in our judgment certainly not excessively large, and probably too small. Further, it would destroy everything we have been doing in the last year.

STABILIZED FORCE CONCEPT

There would be no truth in what we have said to the Army under a stabilized force concept: For example, stabilized tours of duty and stabilized command tours. It would mean reductions in force of officers of all ranks, reductions in NCO's, and turbulence of every kind. It would mean a breach of faith on our part because we told them last year we felt that Congress very clearly said that, "We want you to have a stabilized force." We have gone back within that stabilized force authority and said, "Let's take the initiative."

The initiatives I talked to today were encouraged by Congress, and aggressively implemented by the Army. They were initiatives that we believed the American people wanted us to take. Commanders have willingly abolished their own headquarters. I had never heard of anything like that. It is so important to get everybody on board with these initiatives. But then to say that as a result of your action, instead of the stabilized force we promised you, you will get an enormous reduction, could have a far reaching adverse impact on the Army.

In terms of manpower, I think it is catastrophic to move away from a stabilized force. If the Congress says the Army is too big and should be smaller, I accept it. However, to do it across the board saying we need money somewhere without really saying that the Army is too big, I think is demoralizing.

POSSIBLE CUT IN XM–1 TANK RESEARCH

Beyond the strength aspect, I think we certainly would have to cut out one or two major research and development programs, possibly the XM–1 tank. In spite of all you hear about tanks being vulnerable, in our judgment the tank is the most important vehicle on the battlefield.

Are we going to say to American troops, "We are going to put you in combat against a Soviet force which has a tank force superior to yours," when we have the capability of building one? I don't think that is the American way.

We would have to curtail operations and maintenance activities which are already too small. We would have to delay barracks construction when we have only 44 percent of our barracks that are modern and new. I don't want to overstate the case.

You are quite proper in saying you don't want me to come in and say something stronger than is necessary. I would have to say for the Army, in my view, a reduction such as you portray would be a catastrophe.

Chairman McCLELLAN. Any questions, Senator Young?

Senator YOUNG. Last year, I believe you said you had five goals for the Army to reach—do you recall those?

RESEARCH AND DEVELOPMENT PROJECTS

Secretary CALLAWAY. Senator Young, there were five specific research and development projects.

Quickly, they are the XM–1 tank, an attack helicopter, a utility squad carrying helicopter, a mechanized infantry combat vehicle, and the SAM–D system to provide air defense protection to the field Army.

Senator YOUNG. What is the situation on the last one, the SAM–D?

Secretary CALLAWAY. None are in the active inventory, all are still in research and development. About a week ago the SAM–D had a missile firing which was a total success.

Senator YOUNG. What stage of development is the tank?

Secretary CALLAWAY. The XM–1 tank program is in the prototype competitive phase between Chrysler and General Motors. They have built prototypes which I would welcome you to come see and ride and drive. The main difference in the prototype models is that the turret is not on the vehicle. The XM–1 is not programed to be the only tank to replace the older M–60's. The M–60A3 will be in our inventories through the eighties. We intend to build about 3,000 of the XM–1 tanks. They will be a part of what we call, a high-low mix; that is, we will have both M–60's and XM–1's in our inventory.

PREPOSITIONED MILITARY EQUIPMENT

Senator YOUNG. During the Mideast war, we sent a lot of military equipment, especially Army equipment to Israel. Was some of that taken away from the NATO troops or was it all prepositioned military equipment?

Secretary CALLAWAY. It came from our prepositioned equipment and from our reserve accounts. It all came from Army inventory. None of the equipment was destined for foreign military sales.

Senator YOUNG. And the prepositioned equipment has not been replaced?

Secretary CALLAWAY. No, it has not been replaced. We have a reprograming request approved by this committee still being held up in part by the House Appropriations Committee and in part by the Senate Armed Services Committee, which, if approved, will enable us to replace the prepositioned assets in about 3 years.

Senator YOUNG. Has all of the equipment taken from the troops in Europe been replaced?

Secretary CALLAWAY. To my knowledge, the Chief may correct me, but to my knowledge there is no shortage of equipment in the T.O. & E. troop units in Germany today. The equipment for the Mideast war came from the prepositioned equipment, some of which was intended to replace combat losses and some for early deploying units if war broke out. The actual troops in the maneuvering units have full equipment.

EQUIPPING OF EUROPEAN BASED U.S. TROOPS

Senator YOUNG. Are the troops stationed in Europe fully equipped?

Secretary CALLAWAY. The Actives are. There has been some drawdown, though, on Reserves.

Senator YOUNG. Do you have money in this budget for the Reserves?

General WEYAND. We have the money for the payback for the Reserves, yes, sir.

Senator YOUNG. To complete the job?

General WEYAND. Not in fiscal year 1976 but that begins its term. The process will be completed by the end of fiscal year 1979.

Senator YOUNG. That is all I have.

Chairman MCCLELLAN. Senator Inouye.

STATUS OF NATO

Senator INOUYE. Mr. Secretary, there is much thought about reducing the forces in NATO. Therefore, I would like to ask a few questions relating to NATO.

First, how many men do we have serving at the present time under your jurisdiction, that is, in the Army?

Secretary CALLAWAY. There are 198,000 Army troops in NATO.

Senator INOUYE. What do you find on the other side as far as the Soviets are concerned in terms of numbers and the Warsaw Pact?

Secretary CALLAWAY. We are greatly outnumbered now. Of course, the U.S. force is only a part of the force. When we compare with the Warsaw Pact, I think in fairness we should add other NATO countries. General Weyand may have more information.

General WEYAND. I think to be precise we ought to supply it for the record. As you know, the Warsaw Pact has some 58 divisions and we are facing them with less than [deleted].

NATO/WARSAW PACT COMPARISON

Senator INOUYE. Could you give us for the record a comparison between NATO and the Warsaw Pact in terms of number of tanks, and number of men? Also, what is the degree of commitment on the part of NATO countries?

There has been some suggestion that the United States is the only country who has fulfilled its commitments. For example, France has withdrawn its forces from the NATO command. The British, I believe, have taken out about half. I would like to get a broad picture of this if you can give it to us.

General WEYAND. Yes, sir.

[Classified information furnished separately to the committee.]

RATIO OF OFFICERS TO ENLISTED PERSONNEL

Senator INOUYE. What is your ratio of officers to enlisted men? It is about 1 to 7?

Secretary CALLAWAY. If it is approved, it will be 1 to 7 at the end of fiscal year 1976.

Senator INOUYE. How does it compare to others?

General WEYAND. It is lower; that is, a lower ratio. In other words, the Air Force will have a higher ratio of officers to enlisted men. I am not sure about the Navy. I do know about the Russians. There is 1 officer to 4 enlisted men. Each service has such a different type of mission and different type of structure that it is not really valid to compare

them. For example, the Air Force, which of course is highly oriented toward pilots, the cutting edge of their force, will have a much higher ratio.

Senator INOUYE. How does category I compare with the pre-Volunteer Army?

Secretary CALLAWAY. Slightly lower. The pre-Volunteer Army had roughly 4.5 percent of the enlisted force in category I and now it is about 4 percent. I think that is understandable. We don't draft Ph. D's as privates any more. Most of our really bright people come in as officers of course.

BIG 5 ESTIMATED TOTAL PROJECTED COST

Senator INOUYE. Could you provide for the record the estimated total projected cost for your Big 5?

Secretary CALLAWAY. Yes, sir.

[The information follows:]

The estimated total projected costs for the Big 5 are:

	Millions
AAH	[1] $3,097.9
MICV	[1] [2] 409.7
SAM-D	[1] 5,764.5
UTTAS	[1] 3,942.5
XM-1	[3] 4,453.8

[1] Source: Selected Acquisition Report, 31 December 1974.
[2] Excludes $4.1 million for integration of Bushmaster weapon.
[3] Source: Selected Acquisition Report, 31 March 1975.

PERFORMANCE OF M-60 DURING OCTOBER MID-EAST WAR

Senator INOUYE. I notice the amounts are not set forth here. I believe that the M-60 was used in the last Middle East war, the October war. How did it perform?

General WEYAND. It performed very well. The Israelis believed it was equal to or better for their purposes than was the T-62 of the Soviets. I think, though you can get an argument depending on to whom you are talking. [Deleted.] I think the key element in that conflict had to do with the crews, their proficiency. Whether the Soviet tank or our tank, and those two happen to be fairly comparable, the measure of effective difference between them is in crew capability.

The Israeli crews were highly motivated, highly trained. Another way of saying that is that almost every item of equipment we have has a design capability or a design effectiveness that is never achieved by the crews.

This is why I am putting so much emphasis on training as the key element of readiness in the U.S. Army. You can plot the curve of design effectiveness of the M-60 tank, and it would be quite steep. You can then take the tank out with a crew; and, depending upon the effectiveness of that crew, you may get only half of the effectiveness out of the tank. But basically the M-60 has proved to be a good tank, as I am sure you have heard.

There were minor complaints about the flammable hydraulic fluid, the storage of ammunition in a bad place and similar matters. However, these are technical problems and easy to correct.

Senator INOUYE. The last time this matter came up was a debate in the Senate. Senator Eagleton and others led the debate against this, and I think were successful. I can't recall specifically the argument

they proposed against the tank, but can you provide for the record their arguments against it and what the new XM tank does?

General WEYAND. We will be happy to. The XM–1 produces a quantum improvement over any tank we have. By that I mean 100-percent increase or more in effectiveness, but we will provide it for the record.

I think the main argument, as you recall, that was put forth, was that the tank, like the battleship, had now arrayed against it a range of weapons which could destroy it very easily. The category of weapons we are talking about are the portable antitank weapons. They are not really as effective as was initially thought in the first blush of that Mideast war. Mostly the [deleted].

XM–1 DEBATE

The tank, of course, cannot survive by itself on the battlefield. However, it is still the single most decisive weapons system on the battlefield because it is the only weapons system we have that possesses both a defensive and an offensive capability.

[The information follows:]

The last XM1 debate in the Senate took place in September 1973 when Senator Eagleton proposed an amendment to the Defense Department Authorization Bill, which would have established a stationary ceiling for the XM1, at a program unit cost of $730,000, using fiscal year 1972 dollars. Senator Eagleton did not oppose the XM1, however, he was concerned that the Army would stay within its cost estimates. It was the Army's view and is now that congressional control should remain as constituted in the annual authorization/appropriation process rather than imposing a rigid cost ceiling stretching over the total program. The proposed amendment was not adopted.

Currently, the XM1 program is in the 21st month of the validation phase, is on schedule, and is within the funding initially projected. In fact, both contractors have slightly underspent their planned budget as of this date. The design-to-unit cost system, as established at the beginning of the program, is working and our in-depth review of the contractor's estimates and procedures indicate that the $507,000 unit hardware cost goal in fiscal year 1972 dollars is obtainable in production.

COMPARISON OF HUEY AND ATTACK HELICOPTERS

Senator INOUYE. Now, how does your attack helicopter, the support helicopter, compare with the HUEY? Can't you do with the HUEY?

General WEYAND. Partly it has to do with the carrying capacity. The UTTAS will be the first helicopter we have had that can actually carry an 11-man squad. The cost effectiveness studies of the UTTAS clearly indicate that in a tactical assault mission the UTTAS exhibits a marked superiority over the HUEY.

The reliability and maintainability characteristics of the UTTAS are another operational advantage over the HUEY. Its performance characteristics are such that two UTTAS will do the job of three HUEY's. It provides the Army with a mobility flexibility that we need if we are going to be able to move our troops about the battlefield in any future conflict. That flexibility is going to be one of the few margins of advantage that we will have over the Soviets or any modern army over the next 10 or 15 years.

Senator INOUYE. During the last October 1973 war, several [deleted]. How do we stand in that area?

CHEMICAL WARFARE PROGRAM

General WEYAND. We don't stand very well in that area. We have had a very modest program in chemical warfare. As you know, we have signed a protocol prohibiting biological warfare, and we have destroyed our stocks. Whether the Soviets have done that, I don't know.

But relating that to the chairman's question about what would be the impact of a 10-percent cut in defense, we should consider chemical warfare and the sort of threat we face there. Both the Soviet Union and ourselves have signed a protocol abrogating first use of chemical agents in war. We possess some [deleted] tons of nerve agents and about [deleted] usable tons of mustard gas, a very outdated [deleted] chemical agent.

The estimates that we have from our intelligence agencies are that the Soviets have something better than [deleted] tons of these types of agents in their inventory.

I have been busy, as the Chief of Staff of the Army, in eliminating excess and obsolete chemical agents and munitions from our stockpile. I would like very much to see similar activity on the other side. If the roles were reversed and we were here with [deleted] tons of an agent as a nation, I am sure we would be destroying it. However, we see nothing of that on the other side.

As a matter of fact, it is just the opposite. The Soviets have a [deleted]. It is just one element of the threat.

How do we respond to that? We must maintain a modest retaliatory capability, and our program over the next 4 years is designed to do that. There are about $200 million related to the defensive items for our troops. I think these are essential, particularly for the troops in Europe. They must have protective clothing, [deleted]. We do have some of these chemical protection items on hand.

The equipment provided by this program will provide enough capability so at least you and I will be able to say we have not left our troops undefended against a chemical attack. Even though it may have a low priority, I am advocating an equal amount of $200 million over a period of 4 years to develop what I consider a very, very modest offensive or retaliatory capability.

That has to do with primary chemical rounds to update our deteriorating stockpile. When completed, I think we will be in a position to say we kept faith with the agreement with the Soviet Union, and we have protected ourselves against an easy shot, so to speak, by the Soviets.

I think we should watch what they do very carefully. They certainly have an overwhelming capability.

Senator INOUYE. Are these numbers classified?

General WEYAND. Yes, sir.

FUTURE STATUS OF 25TH DIVISION

Senator INOUYE. If I may ask—and my question is of a very provincial type—what is the future of the 25th Division, your old division, sir?

General WEYAND. Well, I think as you look [deleted] those areas of the world, that is an inclination I would like to resist. I think Asia is important to us. It is an area where the Soviet and People's Republic

of China's interests conflict. [Deleted.] Japan itself is, I think, an important element in the free world and particularly is a stalwart in Asia. [Deleted.]

The 25th Division is the back-up division that we have in the Pacific. It is the only ground force unit, as you know, that could be used as a reserve for any contingency. What the contingency might be, I don't know. I just know that it is a very uneasy situation out there.

We see the military equilibrium changing as the Vietnam and Cambodia situations change. Therefore, we have brought the 25th Division up to full strength. We have two-thirds of it composed of Active forces, and one-third, as you know, is the Hawaiian National Guard brigade, a very fine brigade. I am very proud of this accomplishment. It is the result of the experiment to bring the Reserves to the highest state of readiness ever in the history of this country, to integrate them with the Active Force. I think they can go to combat if it ever came about in something less than [deleted].

If we are permitted to maintain a stable Army force, where we can manage effectively, we can find excesses, the less essential functions that we can convert to combat power. This process, however, cannot now be done in big chunks. Stability will give us further opportunities to look at our organization and find 20 here, 50 there, and so forth, which cumulatively, makes a tremendous difference.

For example, in the 3 years from end fiscal year 1973 to end fiscal year 1976 with the stability you have given us, we will have converted about 60,000 spaces to combat, and that is important.

Chairman McClellan. Pardon me, gentlemen. I have another appointment, but I expect I'll return later. Senator Inouye, will you please take over?

General Weyand. Completing that answer, I would like to see us add, though from continued conversions from less essential functions, [deleted].

Senator Inouye [presiding]. Thank you. Senator Fong.

U.S. PERSONNEL IN ETHIOPIA

Senator Fong. Do we have American military men in Ethiopia?

General Weyand. Sir, they have been withdrawn.

Senator Fong. You had about 3,000 people there?

General Weyand. Yes, sir. I am not sure of what was left there, if anything. It could be called a [deleted].

OPERATING STRENGTHS ASHORE IN GREECE AND TURKEY

Senator Fong. Do we have any men in Greece or Turkey?

General Weyand. Yes, sir.

Senator Fong. What has happened since the impasse we have had?

General Weyand. Sir, I could supply the exact numbers for the record. We have not withdrawn any significant numbers of people over there. As you know, we have no combat forces over there. [Deleted.] All of them have stayed.

I think what we are seeing in Turkey, the message I get back from the various headquarters and our people who are there, [deleted].

Senator FONG. You talked to some of our people. You mean some of the Turkish people are [deleted]?

General WEYAND. Yes. [Deleted.]

[The information follows:]

The latest information available reflects the U.S. military operating strength ashore in Greece and Turkey as follows:

	Army	Air Force	Navy	Marine	Tota
Greece	519	2,554	704	13	3,790
Turkey	1,264	5,292	108	22	6,686

FOREIGN MILITARY SALES

Senator FONG. Talking about military sales, why should these nations come to us if we don't want to sell it to them and every time they ask to buy it there is a lot of criticism from our side? Why should they come to us? Why don't they go elsewhere and buy it?

General WEYAND. [Deleted.]

However, foreign military sales are handled by the State Department, as a matter of foreign policy that has to do with trying to maintain reasonable relationships with people upon whom we are in some degree dependent. Whether it is for strategic materials, and we are very, very dependent upon a whole host of nations, or for some other reason, our relationships with such nations are important to our well-being and our national security.

For example, if you take the list of strategic materials that are essential to the maintaining of our industrial base, it is astounding the number that we have to rely upon others to supply for us. Out of some 20 top strategic materials, I think, there are only four of which we are even close to being self-sufficient. By close I mean we are within 40 percent or 50 percent of requirements. So maintaining some reasonable relationship with these nations I know is important. With respect to military equilibrium, I think we, at least I, accept the fact that communism is a system, a political system in this world which in large measure is incompatible with ours. It is aggressive, it seeks and moves into vacuums of influence which are left by us. There then is that motivation of attempting to prevent systems which are inimical to our interest, which we know some are to prevent nations with such systems from gaining power over some grouping. We see examples of this particularly in [deleted].

Now, you say, "Well, why don't we let others sell them?" Take Iran, for example. They have become one of the largest recipients of foreign military sales in recent times from us. They also have Soviet equipment—MIG's, ZSU–23's, antiaircraft weaponry. Further they have Scorpion, which is the British antitank weapon, and they purchased some 750 Centurion tanks rather than buy our tanks. They also have French equipment.

If we don't sell it to them, they buy it from someone else. We have not urged them to buy our equipment. Our Government is concerned that we not give equipment to countries that could cause them to become in turn aggressive and move outside of their own borders. All this is debated in the National Security Council, I am sure.

RESTRICTION OF CREDIT SALES TO FOREIGN NATIONS

Senator FONG. Should we continue to restrict our credit sales; we will continue, though, to force them to go elsewhere and buy? Do we not?

General WEYAND. Yes, sir.

Senator FONG. Under those circumstances, instead of being dependent upon us, they will probably have better relationships with other countries.

General WEYAND. Yes.

Senator FONG. And we lose touch with them and it does not make sense from a defense standpoint.

General WEYAND. It does not make sense at all.

U.S. PERSONNEL IN VIETNAM

Senator FONG. The other night I was awakened at 1 o'clock in the morning by one of my constituents saying, "Did you see tonight's paper that seven of our people were entrapped in Vietnam?"

General WEYAND. Yes, sir.

Senator FONG. And I looked at it and none of our military men are going there? I said, "I know."

Are there military men going to Vietnam?

General WEYAND. There are a total of [deleted] military men in Vietnam, as I understand it, all in Saigon, and in that group there is an AID official. There are also, I believe, a few missionaries there. There is a State Department representative, a field official, and I believe there are some civilian contract personnel, four or five, something like that.

Senator FONG. These are advisers?

General WEYAND. I don't know if they are advisers but rather people working there. I just don't know what they would be doing. The AID man was probably there in connection with economic matters. There is an agricultural area there, and they grow coffee and export items there. I am not sure what their functions were. However, there were no military advisers out there.

REDUCTION IN FORCE (RIF) NOTICES IN SERVICES

Senator FONG. This week a matter was brought to my attention. I had appointed a constituent from Hawaii to the Naval Academy and he has been in the Navy for 6 years, and now he has been RIF'd out.

He was passed over twice from lieutenant to lieutenant commander. I presume this is taking place in the Army, also?

General WEYAND. I think it is to a degree. It is one of our most difficult problems.

Senator FONG. I was appalled to find out 51 percent of the officers are retained and almost 40 percent of the officers are not retained. Is this going on?

General WEYAND. Depending upon the grade, sir, and the RIF's, that is quite true. Captains happen to be where our overage is in the grade structure. We have RIF'd approximately 10,000 officers; 8,000 of them were captains, and we have 2,200 captains planned for fiscal year 1976.

As you found in the Navy, it is an agonizing process, because these young men have now been screened at least twice and some of them three times. They are men that have unblemished records for the most part.

We have asked, and you have granted us legislative authority, for the first time to include regular officers in the process. These RIF's have fallen on the shoulders of the Reserve officers entirely in the past, and we do have some regular officers that are of less caliber, less qualified than the reservists.

Senator FONG. That is a kind of all around problem; isn't it?

General WEYAND. It is, yes, sir, but we are ending up with a tremendous officer corps.

Senator FONG. I understand he had a good record and there is no dispute he had a good record, but when you compare him with others he is not as good as the others.

General WEYAND. That is a board's subjective judgment. I am sure the Navy will never be able to convince that young man he is not a better man than someone kept in. That is the sad part of it.

Senator FONG. But this tremendous reduction in force will force another 2,000 RIF's of captains?

General WEYAND. We will have to do it in any case. Of course, there again we get into something that the chairman talked about earlier—a 10-percent cut in the Army would be 78,000 people. That would be somewhere in the neighborhood of a RIF of about 10,000 officers.

THREE- AND FOUR-YEAR ENLISTMENTS

Senator FONG. Mr. Secretary, you are now going to have a 3-year or 4-year enlistment? What proportion are in for 3 years and what proportion for 4 years?

Secretary CALLAWAY. Senator Fong, our goal is to phase out our 2-year enlistments in fiscal year 1975. Our goal in fiscal year 1976 is for at least 25 percent of enlistments to be 4-year enlistments and 75 percent for 3 years. That is a very challenging goal, but we hope to be able to make it.

Senator FONG. You intend to probably have more 4-year enlistments if that is the approved course?

Secretary CALLAWAY. Obviously, we would like to have all 4-year enlistments as they are more cost effective. But once a man stays past 3 years, you really don't save that much money. The draft was a 2-year obligation, as you know. As a matter of fact, most NATO countries that still have drafts are going to 12- and 15-month drafts. There is great turnover in the drafts, and one of the big advantages of the volunteer force is having a soldier for a longer period. Once you get to 3 years, consider that it takes a soldier 6 months to get fully trained and effective, the percentage of ineffective time compared to the longer time of enlistment is pretty well worked out.

We don't want everyone to reenlist. We want a lot of people to enter the Army, young people that come in and go out; coming in and staying 3 years and going out is not bad. Yes, we will attempt to go beyond the 25 percent for 4-year enlistments. However, I don't see anything really wrong with keeping it at 75 percent for 3 years and 25 percent for 4 years.

Senator FONG. I was very impressed with your talk the other morning, Mr. Secretary, concerning the better Army you were getting and showing the number of divisions you will get and how effective you will be in comparison to the old Army. I want to congratulate you.

Secretary CALLAWAY. Thank you.

Senator INOUYE. Senator Schweiker.

BLACK PERCENTAGES IN ALL-VOLUNTEER FORCE

Senator SCHWEIKER. Thank you, Mr. Chairman.

Mr. Secretary, I, too, want to compliment you for your leadership and support of the all-volunteer force. I think it takes someone with your enthusiasm and dedication to make it viable and I certainly feel you have done an outstanding job in that respect.

Second, I am not even concerned as Senator Kennedy was, because he was never in support of the all-volunteeer force from the beginning, about the 22 percent blacks. When you have an unemployment situation in our urban areas where almost 40 percent of the black young men are unemployed and looking for work, I don't find it surprising at all that you end up with 22 percent in the Army.

If you are in natural economic phenomena when that 40 percent of the work group can't get jobs, they will go where they can get assurance of economic security with the ability to advance. So when the Economic Committee receives the figures 40 percent of our black young people are out of work, I am not a bit surprised we have 22 percent in the Army and it does not disturb me. I don't think it seems abnormal under the unusual economic conditions.

I wonder if you have a figure on the percentage of black noncommissioned officers? You gave us the black officers. Do you have a noncommissioned officer figure?

UPWARD MOBILITY FOR BLACKS

Secretary CALLAWAY. Senator Schweiker, generally, the upward mobility available in noncommissioned officers for blacks is exciting.

Up through the ranks of about E–7, it compares quite well with the population in the entire Army. We do not yet have quite as high percentage as we would like in E–8's and E–9's. Other than that, however, we have every bit as high a percentage in the noncommissioned officers as in the Army as a whole.

I think the story I gave to Senator Pastore a moment ago of the opportunity of upward mobility for the blacks is a story of which we are extremely proud. We are aware of the things you mentioned about a segment of our society—40 percent do not have job opportunities—and we would put the upward mobility possibilities in the Army for blacks up against any segment of our society, other military services, or the business world. I just think we have a great story to tell, and I think blacks perceive the Army as a place where they get a fair shake.

Senator SCHWEIKER. Yes. I am not discounting by my figures from what you are doing. I didn't intend to do that, but I would say I think it would be quite perverse if you exjected any group that has a 40-percent unemployment problem not going out where the opportunities are.

I think one other factor in the recession you have to keep in mind is, when you have layoffs based on seniority it is usually the black worker that is let out first, so you have another mitigating circumstance. A fellow is looking for an opportunity. If you give him that opportunity he will take it.

So the percentages would seem to be very normal to me and I think they are attributed to the fact that they do want to go where there is opportunity for upward mobility. They are unfortunately being laid off because they are the last on the totem pole.

Do you have the figures there?

Secretary CALLAWAY. Yes; I have the figures.

In percentages of blacks, E–1's, which are really recruits, are 21.9 percent; E–2's, the privates, are 27.6 percent; E–3's are 25.4 percent; E–4's are 21 percent; E–5's are 17.9 percent; and E–6's are 22 percent; E–7's are 21.4 percent; E–8's are 16 percent; and E–9's are 11.8 percent.

Senator SCHWEIKER. Well, what are your 7's, 8's, and 9's—what ranks do they hold?

Secretary CALLAWAY. Command sergeants major and sergeants major are E–9's; and first sergeants and master sergeants are E–8; and sergeants first class are E–7.

PERCENTAGE OF BLACK ENLISTED GRADES

In all three of those top ranks, the trend, since 1972, has been in the right direction. By that I mean toward a higher percentage of blacks. In all three of those categories, the trend has been going to a higher percentage of blacks in each of the top three categories.

[The information follows:]

The percentage of black enlisted personnel in each of the top three enlisted grades is as follows:

Grade	Fiscal year—			
	1972	1973	1974	1975 (through February)
E9	7.7	9.1	10.2	11.8
E8	14.0	14.7	15.3	16.0
E7	19.6	20.0	20.7	21.4

OFFICER STRENGTHS FROM MILITARY ACADEMIES VIS-A-VIS OTHER PROGRAMS

Senator SCHWEIKER. Another question I have: What, of the input of officers you are getting, what percent come from the Military Academy and what percent from what other programs?

Secretary CALLAWAY. Roughly 16 percent of the line officers come from the Military Academy and most of the balance, 70 percent from ROTC and a very small OCS. OCS at the present time is only about 350 officers per year, but it is important for upward mobility that we keep it.

Senator SCHWEIKER. And your ROTC, is that your college 4-year programs?

Secretary CALLAWAY. Yes.

Senator SCHWEIKER. How long do they have a commitment for after they complete your program?

Secretary CALLAWAY. If they come in on scholarship it is 4-year active duty obligation; and if they didn't come in on scholarship the obligation is for 2 or 3 years depending on the circumstances. Last year approximately 70 percent of those completing ROTC came on active duty. The number who come on active duty will change from year to year as requirements vary.

Senator SCHWEIKER. If they don't come in on scholarship, how do they come in? I am not clear.

Secretary CALLAWAY. Approximately 60 percent of those coming on active duty in fiscal year 1975 did not have scholarships. Those non-scholarship ROTC graduates who come on active duty have either a 2- or 3-year active duty obligation. The 3-year obligation is a result of having been tendered and accepting a Regular Army appointment. ROTC graduates not coming on active duty serve 3 months active duty for training and then serve in the Reserve components.

General WEYAND. They take that program because they do want to have the status as an officer. They have a 2-year commitment for the training they have received. For the most part, they are not retained or not brought into the active force for that 2 years, but are put into the Reserves. If we need them, of course, they will be brought on active duty.

ENLISTED PERSONNEL ATTAINING OFFICER STATUS

Senator SCHWEIKER. What mobility do you have, and I don't know what index you use, between your enlisted ranks and officer ranks? In other words, how many of your officers would have come through OCS or whatever it is, jump the gap from having been an enlisted man up into the officer ranks? Do you have figures on it?

General WEYAND. We will supply them for the record.

Those comprise a very small percentage. As a matter of fact, with the RIF's going on, our officer corps has been steadily shrinking. The ones that the Secretary mentioned that were officer candidates are a fairly small percentage. In addition there are some direct appointments, most of which are in the judge advocate general and medical corps.

[The information follows:]

The Military Academy produces from 800-900 officers per year. The OCS currently produces about 350 and will increase to about 500 in fiscal year 1976. Female officer direct commission program produces about 400 officers each year. All other Active Army line officer accessions are produced through ROTC. The number of line officers needed by the Army fluctuates slightly each year which causes the percentages to change slightly from year to year. In fiscal year 1974 AROTC produced 72 percent of the Active Army line officer accessions.

BRIDGING GAP OF ENLISTED AND DRAFTED PERSONNEL

Senator SCHWEIKER. I wonder, with a career volunteer concept, that you maybe should not be considering how to increase that mobility. This is part of that because you are probably getting a person who is, No. 1, interested, and who wants to make a lifetime career out of it and who may well have some capabilities to bridge that gap which under the draft concept you won't want him No. 1 because he was com-

pelled, and No. 2, he might not fit as well just from his attitude, so I wonder if we should not explore bridging that gap more from the switch of the draft to the volunteer, and I just raise that question.

General WEYAND. As a matter of fact, we have promoted this concept. We have researched the men coming up through OCS to see how they have fared. This group which is now entering the Army are about the age of 18 or 21. We are looking at them very carefully to identify those that are clearly qualified to be officers. These we urge to go to West Point Preparatory School, to take educational programs which would fit them for being officers.

If they are willing to make that effort, they are good men. There are at least three doors that they can take into the officers corps.

I think the Army, more than ever, does want to emphasize that transition. Those are the kinds of men that really know what the Army is all about when they get to be officers.

Senator SCHWEIKER. I wonder if that does not take some special emphasis and some special work on your part, just because I think under the old system it just didn't make sense to try to do it. I could see why you would not because you had to have an input component just to make up for the fact that they were 2-year men, and then were gone.

It just seems to me it might be worthy of some effort to try to build a stronger bridge here. Whether it would pay off in terms of who you get, I don't know. That is something that you will have to figure out.

Secretary CALLAWAY. We are looking now to increase OCS, which is entirely upward mobility coming only from within the ranks, from the present 350 to 500 a year. I think that will be something we would want to do for precisely the reasons you gave.

Senator SCHWEIKER. That is all, Mr. Chairman. Thank you.

Senator INOUYE. Thank you.

PREPARATION OF TROOPS FOR COMBAT CONDITIONS

A few days ago, former Army Lieutenant Calley spoke on a college campus. Among other things, he said that, to this day he is not aware of why he was in Vietnam and that he and his men were not mentally or psychologically prepared for combat. Do you have any comments to make on that, sir?

General WEYAND. Well, sir, I have some opinions about that. But I really think it probably would not be helpful, and I suppose really unfair, for me to challenge him or to cogitate about why he said that and why I think the way I do. If that is the case, then he was the one that was wrong, not the Army or the Nation.

TROOP TRAINING FOR POSSIBLE IMPRISONMENT

Senator INOUYE. Let's put it another way, then. I am aware of your special training to prepare our men for possible imprisonment, POW training. Do you have any specialized training to prepare men for guerilla warfare, psychologically? Training to help them live in a strange land?

General WEYAND. Yes; we did. Particularly we did for that conflict. You recall it, because I know you visited it, not once, but several times.

You have seen men in the 25th Division which eventually went to Vietnam. It was training in an actual model of a North Vietnamese prisoner-of-war camp set up to give them some idea of the pressures they might have to undergo. But more to your point, we had South Vietnamese villages set up with people who played the part of the South Vietnamese civilians. Let me emphasize that the only experience I can talk about is the 25th Division. I later commanded a group of some five U.S. divisions in Vietnam, but I was closest to the 25th. When those men went from Hawaii to Vietnam they realized why they were going. They realized, too, it was going to be a different war than anything they had read about like World War II and the like.

OPERATION "HELPING HAND"

You may recall we took with us tons of clothing and farm equipment and things, such as handtools. It was called Operation Helping Hand. People sent those items with the men to give to the people of Vietnam. Every one of those men when they went into a village on a so-called search and destroy operation took with them things that would be appreciated by the people, such as clothing and toys for the children, food, handtools, and the like.

The interesting thing, though, was those men realized that many of the people in that particular village had fathers and sons, husbands and so forth who were either on the other side or had been. Now they were under no illusions about winning the hearts and minds of those people by giving them a piece of clothing or something. They fully expected when they departed from a village to find their exit booby trapped. That was the nature of that war. Maybe some people later on didn't understand that. My men didn't hold it against the South Vietnamese. They didn't feel a compulsion to engage in reprisals. I think that you put your finger on it. It has to do with training, and your question indicated you are concerned about whether our training was adequate.

Well, obviously, in the case of Lieutenant Calley and his men, it was not adequate.

ORIENTATION FOR KOREA-BOUND TROOPS

Senator INOUYE. Do you have, say, specialized orientation programs for men on their way to Korea?

General WEYAND. Sir, they are given an orientation when they arrive in Korea. There is a positive program on that in the 2d Division.

The Secretary has been in that division since I have and whether he knows about it—there is nothing like Vietnam training though.

Senator INOUYE. I recall the old war, before we entered a new zone, we knew where we were heading for when they opened up the big crates and gave us pamphlets, training manuals that at least gave you a capsule history of the language and all of that.

Do you do that now?

General WEYAND. If they go as a unit replacement package, they receive an orientation prior to departing the United States. However, if they go through the individual replacement system, the orientation training is given upon arrival in Korea.

Senator INOUYE. Thank you very much.

General Weyand, I believe you have a statement you would like to present, sir. Your full statement has been made a part of the record.

General WEYAND. Yes.

Senator YOUNG. I have a couple of questions I would like to ask.

Senator INOUYE. Excuse me, Senator Young.

DRUG ABUSE PROBLEM

Senator YOUNG. How are you keeping abreast of the drug abuse problem? For example, do you employ voluntary or involuntary urine tests?

General WEYAND. You recall we had to cease the use of the urinalysis test other than on a purely voluntary basis as a result of a U.S. Court of Military Appeals action or an opinion, I believe. The testing has resumed now under some very precise procedures and restrictions about how the results of the urinalysis are to be used. We are using it to determine whether or not men are on hard drugs. It does not tell us anything about the use of marihuana or hashish, but it does reveal the use of the hard drugs and other things.

Now, our problem is one that I don't think will ever go away. It is a problem that concerns us, just as it does in our society. It seems, or the usage of it seems, to have leveled off with fluctuations from time to time. Particularly, we think that the hard drug problem, for example, in Europe, where we were quite concerned about it, is under control. We do not find it vitally affecting discipline and readiness.

We find much more of an inclination within recent months for the men themselves to report on other men. In other words, the peer pressure that drug use was the thing to do, definitely seems to be changing in the Army. I suspect maybe in our society, although I don't know that. That is encouraging.

So to sum up, drug use is a problem. We have programs that we think are useful in mitigating that problem and we are continuing to improve those programs both in drug abuse and alcohol abuse.

GI ASSOCIATION WITH EUROPEAN NATIONALS

Senator YOUNG. Do you have problems with regard to the troops in Europe with the local people? I know you are bound to have some problems.

General WEYAND. They are localized now. There is nothing that is Europe-wide as it was 2 or 3 years ago.

That has changed very, very significantly. The men, I think, at least all of the Members of Congress that I have talked to who have gone over there and men of the press come back and report there is a difference as between night and day based on their experience of today and 3 years ago.

The Secretary went over there and had newspapermen with him, and I think that was their impression, too. We have a much improved situation in Europe.

GERMAN OFFSET PROGRAM

Senator YOUNG. As I recall, the Germans furnished most of the barracks?

General WEYAND. Yes, sir, under the offset program.

Senator YOUNG. Have they improved?

General WEYAND. Yes, they have. There is quite a modernization program going on now and it has been going on for the past several years. Under the offset agreement, the German Government is modernizing the facilities for our men. When they are finished—they are modernizing them now—the barracks will have three men to a cubical rather than an open barracks, I don't know how far they are with it but I think it is better than half done.

Senator YOUNG. Thank you, Mr. Chairman.

Senator INOUYE. Thank you, General Weyand.

General WEYAND. Sir, I will go ahead with this statement. I am a little hesitant, though, because some of your questions I think have already indicated knowledge of this. I would like to express to you my sincere appreciation for having the opportunity to appear before you and discuss the Army.

ARMY BUDGET PROFILE CHART

I want to give you this chart, which is the Army budget profile comparing our budget submission before you with the budget in fiscal year 1964. That year off and on seems to be used as a benchmark year because, as the Secretary said, that was before Viet Nam. I simply wanted to have you glance at the lower lines, where you see that, compared with 12 years ago, the current dollars we are requesting were $12.3 billion greater, but in constant dollars, as the Secretary indicated, this budget request before you is $2.6 billion under the fiscal year 1964 request.

We have 188,000 less military in our Army than we did then and 26,000 less civilians.

The next column shows what, for us, has been a very dramatic change in the combat-to-support ratio. By following the guidance of Congress in the last couple of years at least, we have converted headquarters and less essential support spaces to combat spaces.

So you see now a direct reversal of the situation that we had in 1964. That tells you that today 53 percent of our force is combat and 47 percent is support, that it is a much more ready force; that is, ready for immediate combat, than it was in 1964.

Now, please look at the number of divisions. You note that we are programming for 16 divisions for fiscal year 1976 which compares with the divisional strength that we had in 1964.

[The chart follows:]

ARMY BUDGET PROFILE (FISCAL YEAR 1964-76)

Fiscal year	Budget		Military end strength	Civilian end strength	Percent		Number of divisions
	Current	Constant			Combat	Support	
1964	$12.3	$27.2	973	360	39	61	16⅓
1976	24.6	24.6	785	334	53	47	16
Difference	+12.3	−2.6	−188	−26	+14	−14	−⅓

STATUS OF 25TH DIVISION

Senator INOUYE. I wanted to ask you where your 25th Division is?

General WEYAND. The 25th Division is back in Hawaii.

Senator INOUYE. It is a great division, sir.

Senator YOUNG. It is. I had about 75 of them for Thanksgiving dinner.

General WEYAND. That is right.

It is odd that only a small percentage of that division are Hawaiian men, but they give it a tone far beyond their numbers in the division. Well, it is quite an outfit.

Senator INOUYE. May I interrupt at this point?

COMBAT TO SUPPORT RATIO

On the combat-to-support ratio, what happens if we find ourselves in a war condition? Will this ratio still remain, or will we find the support side increasing?

General WEYAND. It would increase dramatically, sir. In time of war, our support-to-combat ratio will get to be in the neighborhood of three or four to one, depending upon the length of the war and intensity of it. It is simply a fact of life.

One of the difficult problems, which I think your question is getting at, is arriving in peacetime at a balance of combat to support, knowing full well that when you get into combat you are going to have to reach back as quickly—well, it would depend upon what function you are talking about—and get support.

Now we have to have the support in hand that will enable us to initiate combat resistance, and carry it on for a period of time until we can get the follow-on support that gives us sustaining capabilities.

Senator INOUYE. How long would it take at the present time for follow-on support to be in full readiness?

General WEYAND. Well, if the military professionals, like myself, do our jobs properly, that follow-on will be a steady thing. There will not be a gap in it. We will find that the unit we need, for example, in 60 days, will be in the Reserves. Those that we need in a year will be driving trucks and so forth in the civilian society, and doctors and the like.

So what this takes—I have heard the Secretary many times say, "This is not easy," is a number of positive programs, continuing analysis, continuing professional judgment as to just what support units do you need, and then where should they be. Should they be in the Active Force, should they be in the Reserve components? If in the Reserve components, at what degree of readiness? Or should we simply have a large number of what we call unmanned units?

In other words, Congress has given us authority to purchase equipment for them but the men will come from civilian society, because we can train them faster than we could get the equipment.

So, sir, it is a spectrum running from capability to potential.

Senator INOUYE. Thank you.

SUPPORT FOR CONTINUED STABLE ARMY STRENGTH

General WEYAND. Mr. Chairman, basically I am coming to you today seeking two things: A stable Army strength and your concurrence

in continuing the program of developing added combat strength from within the resourses that we have.

Now, the rationale for my request is based upon our assessment of the threat, the need to structure the Army to match our strategy of deterrence. I will say aside from that that this strategic equation, the importance of time and of perceptions by potential enemies, has changed over the years, and we must take that into account.

Finally, my request is based upon what the Secretary and I believe is imperative—providing more effective and economical management of the resources that we have at hand. I would like to say that, by whatever measure we apply, the Army's capacity is not commensurate with the threat we face.

Our nuclear superiority has been replaced by strategic nuclear parity. In other words, we are no longer operating under the umbrella of strategic nuclear superiority, which of course, increases the importance of conventional forces.

Chairman McClellan. Can you indicate how soon we will have parity in the future?

U.S. STRATEGIC EQUIVALENCE WITH SOVIET UNION

General Weyand. Sir, I should defer to the Chairman of the Joint Chiefs and the Secretary of Defense. I would hope that the programs which have been proposed will maintain that parity, and the equilibrium of the strategic forces. We must maintain our strategic forces on at least a one-to-one basis. I don't mean one missile for another missile, and I don't expect to do that with the conventional forces. We will certainly get it for you in detail for the record.

I believe, though, it will show, that we, as a Nation, intend to maintain strategic equivalence with the Soviet Union indefinitely.

[The information follows:]

As the Secretary of Defense stated in his Annual Defense Department Report for fiscal year 1976, our program is designed to maintain an essential equivalence with the Soviet Union in the basic factors that determine force effectiveness. Because of uncertainty about the future and the shape that the strategic competition could take, we cannot allow major asymmetries to develop in throw-weight, accuracy, yield-to-weight ratios, reliability and other such factors that contribute to the effectiveness of strategic weapons and to the perceptions of the non-superpower nations. At the same time, our own forces should promote nuclear stability both by reducing incentives for a first use of nuclear weapons and by deterring and avoiding increased nuclear deployments by other powers. I feel confident that we will continue to maintain this essential equivalence within the framework of the Vladovostok Understanding and any future SALT agreements.

INTERNATIONAL SITUATION TENUOUS

General Weyand. Because our national survival is at stake, our dependence upon the resources of other nations has removed the option of going it alone. Our principal adversary continues to add to his already massive armed forces, and, while we hope for true détente, the military equilibrium that supports that détente has gradually eroded. International tensions and conflicts are numerous and ominous. As a matter of fact, I believe they are more numerous than at any time in my career as an Army officer.

All in all, we are living in a very dangerous world and there are many challenges to our national interest. I know Secretary Schlesinger

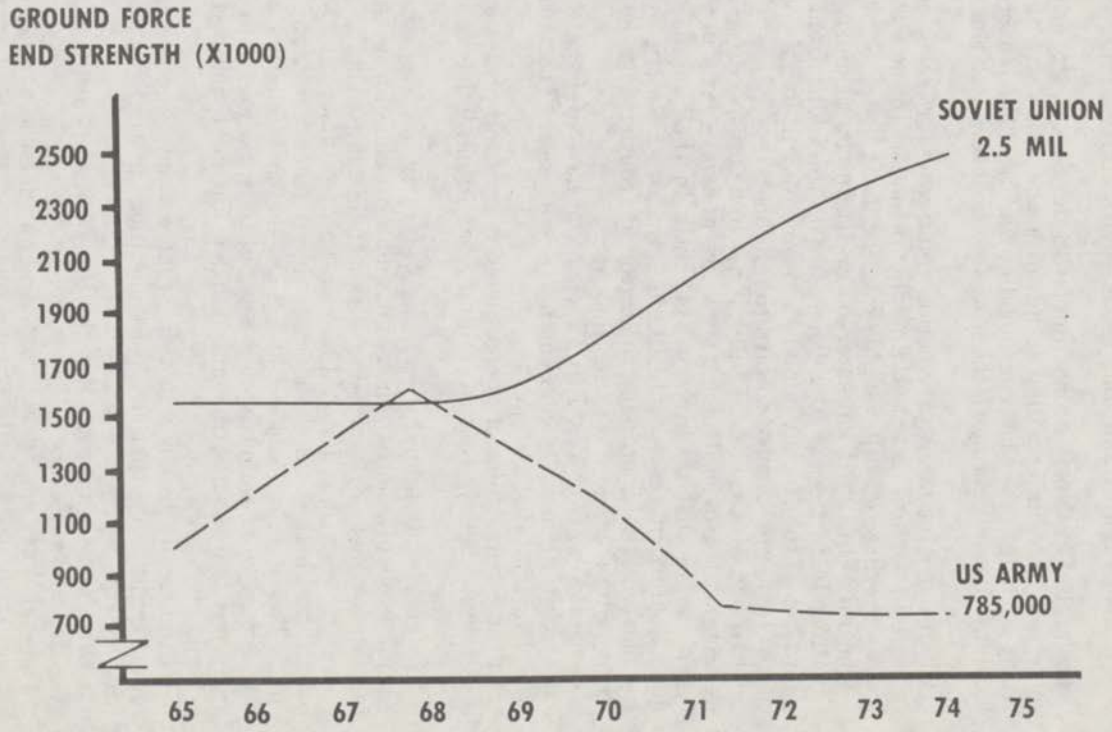
has appeared before you and has comprehensively addressed all of the challenges—economic, political, psychological, and technological—as well as the military ones we face. I won't go into that other than to say I found his assessment rather sobering.

MANPOWER TRENDS IN GROUND FORCES

Since 1968 we have cut our Army in half and during that same time the Soviets have added some 20 combat divisions to theirs. I would like to simply, by way of illustration of the differing trends in our strength, give you this diagram.

[The chart follows:]

MANPOWER TRENDS IN GROUND FORCES



COUNTERVAILING TRENDS OF SOVIET ARMY STRENGTHS

General WEYAND. I do not intend to develop it, sir, other than to show you the countervailing trends over the past years of the Soviet Army's strength as it has continued upward and the reductions which have brought our Army to the lowest combat strength that it has had since 1950.

Chairman MCCLELLAN. General, would you agree that the Soviet's increase in strength is not attributable primarily to the United States, but is more directed at its neighboring enemies?

General WEYAND. I am sure you are right. Particularly the China situation. In fact, some 40 divisions are on the China frontier. I don't know, but of the 20 they added I am sure we will find a good proportion of them are oriented toward the Chinese.

Chairman MCCLELLAN. I think it has to be taken into account when we weigh the Soviet Union's activities and programs in these areas. I don't mean that we are not constantly in their minds also, and I don't doubt that they would like to gain an advantage over us. But I understand that increasing their ground frontiers and the size of the Army is directed more at China than at us.

General WEYAND. Yes. I think what you have over there is a different system, a closed system compared with ours. The military is an elite element of that system.

In the Soviet Union it is considered a very top profession to be an officer, and I believe that the military flavor and influence in that system is heavy.

The chart was intended simply to give you an idea of the trends. I think probably more to the point, and a problem for us, is a continuing improvement of quality of all of their equipment. It used to be, just a few years ago, I would look at their equipment and find it quite primitive, whether a tank or armored personnel carrier and even their rifles. Today I am looking at equipment that is either marginally better than what we have, or it is equal to it. So we are looking at an army over there that is continuing to develop and to improve in quality as well as in numbers.

I think really this is something that we simply must take into account, recognizing that it is just one piece of the whole business of national strength.

Chairman MCCLELLAN. But the threat of that army, even against us, is directed at Europe?

General WEYAND. Yes, sir, it is. And our defense, as a matter of fact, and my structuring of the Army is very much oriented toward Europe, too.

MILITARY POTENTIAL OF NATO ALLIES

Chairman MCCLELLAN. May I ask just one other question? Are you satisfied that our NATO allies are in a state of readiness to meet any sudden challenge from the Warsaw countries?

General WEYAND. Sir, we have run war games and taken different looks at that in the last year. To me our allies are hardening in that they indicate that we have what I think the Secretary of Defense called a "stalwart conventional defense" over there—in other words, it cannot be overrun quickly.

[Deleted.]

I think one of the important things for us to do, though, is to convince them that conventional defense is a possibility or a reality so that they don't throw up their hands and say, "Well, if the Russians come we will just have to give up."

I think all of them now are aware of the fact that by making an added contribution they can indeed protect themselves even against a massive Soviet onslaught. They are confident, which is quite important. And as you have just mentioned, you have to convince the other Members of the Congress and the people of the importance of an adequate defense.

Their ministers of defense are having the same problem. Specifically, I think the Germans are doing a great job. Of course, they feel the threat very much. They are a people I believe that are naturally inclined to do things with precision.

Chairman McCLELLAN. Could we rely on the French?

General WEYAND. Sir, I think we could rely on the French more than our plans indicate. You recall they withdrew from NATO. I personally believe, from what I have seen and read and expressions I have gotten second hand from their military leadership and from talking to people like General Goodpaster, who spent a lot of time with them, that we will find the [deleted].

Chairman McCLELLAN. All right. I am sorry I interrupted.

DIVISION STRENGTH OF NATO ALLIES

Senator YOUNG. Could I ask a question along that line.

About how many divisions do each of our other NATO allies have?

General WEYAND. Well, it varies quite a bit, sir. The Germans have [deleted].

I have a list and if you wish I can supply it for the record. But to give you an idea quickly, Belgium has [deleted], and as I said, [deleted], actually [deleted] we will find will be there.

Greece has [deleted], Italy has [deleted], the Netherlands has [deleted] and Turkey, on the flank, has [deleted].

Chairman McCLELLAN. Turkey [deleted]?

General WEYAND. Yes, sir.

Senator YOUNG. Are these up to their full strength, or are they at reduced strength?

General WEYAND. Sir, that varies by NATO country. The forces of the United Kingdom and Canada are brigades, and similar units that are combat units. Those in NATO are quite capable. The problem is the readiness of those they have committed to us for reinforcements. They are not up to snuff, but I will furnish the information for the record and give you some better feel for it.

[Classified information furnished the committee separately.]

The best considered military judgment of the Joint Chiefs of Staff has established a ground force requirement for 30 divisions compared with the 21 that we have now. I believe that the current environment validates that requirement. Yet, in the light of competing priorities, the economic situation, assistance expected from our allies, and the like, I don't believe that that goal is attainable.

On the other hand, I believe that the Army must move in the direction of decreasing the disparity between the 21 divisions we have now, Active and Reserve, and the 30-division requirement the Joint

Chiefs have established. We should do that within the resources we have at hand.

Given this stable strength of 785,000 men and women that you have provided us for the last year, we have made significant progress in restructuring the Army, changing the combat-to-support ratio, to provide a program—a core strength that is the heart of the Army—of 16 divisions. These divisions will, along with the eight reserve divisions, provide a much needed conventional defense capability and certainly give us a greater measure of assured deterrence at a cost which the Nation can afford.

They will provide the Commander in Chief and the Congress a more flexible range of security options. They give us an Army that is better able to fight with what is at hand. Therefore, we avoid a premature decision to mobilize. They will provide a better chance of winning the critical first battle, which we believe may well be decisive [deleted].

[Deleted.]

Above all, they will give needed credibility to our professed determination to meet our treaty commitments and to protect our vital national interests elsewhere.

What I am saying, sir, is that the NATO commitment alone, for example, is [deleted] divisions. With us having 21 divisions, the credibility of our ability to meet other contingencies is very much reduced. The Army has been greatly encouraged and motivated by the increased effectiveness and efficiency of its strength over the past year.

As the Secretary indicated, we made what we think are real improvements in cutting waste, and improving management, and in building usable strength.

We have made significant cuts in our headquarters and support elements. As an example, general officers, since the end of the Vietnam war, have decreased by 69, and we are decreasing the officer force steadily and improving the ratio of officers to enlisted men, and the like. As a matter of fact, in the last year and a half we have converted some 7,000 officer spaces to enlisted spaces where they can be used in combat units.

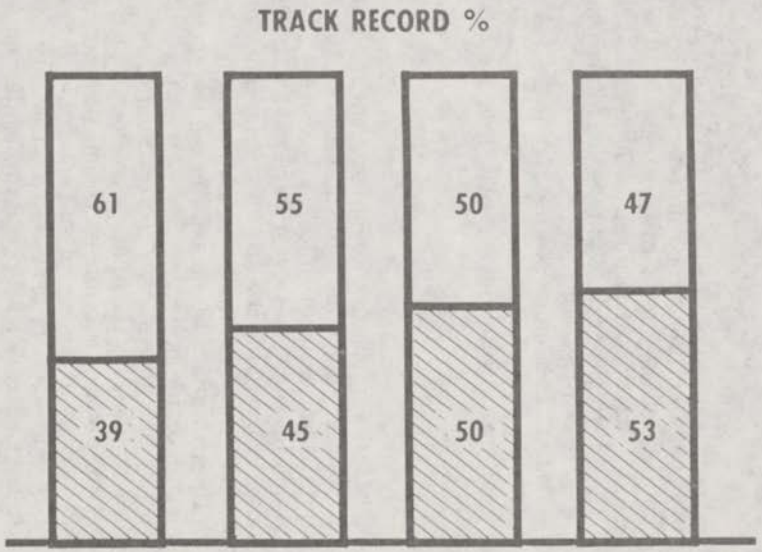
Chairman McClellan. In what period of time?

COMBAT TO SUPPORT SPACES

General Weyand. Over the last year and a half, sir. Altogether, from 1973 and planned through 1976, we will have allocated about 60,000 support spaces to combat.

[The information follows:]

DISTRIBUTION, COMBAT TO SUPPORT



SUPPORT

- COMMUNICATIONS
- MAINTENANCE
- MEDICAL
- SUPPORT AVN
- TRANSPORTATION
- ORDNANCE
- MILITARY POLICE
- FINANCE

COMBAT

- DIVISIONS
- ARTILLERY
- TANKS
- CAVALRY
- INFANTRY
- ASSLT/ATT/AVN
- COMBAT ENGINEERS
- SPECIAL FORCES

SUPPORT AND COMBAT ELEMENTS

Sir, this chart simply shows you the types of units in support elements and those in combat. You see them listed over on the right-hand side. It also shows the changing ratio as we have improved our combat ratio from 39 percent in 1964 to 53 percent in fiscal year 1976.

We plan to continue until we have struck the most effective balance between units which contribute directly to deterrence and initial combat capability. Those would be the combat units, as opposed to those which are essential to a sustained capability.

There is a balance, and we must make certain we achieve it properly. The idea that you can put everything into combat, of course, would leave us with a very brittle Army which could be quickly defeated. One of our strong points has been, within the 200 years this country has been in existence, the capacity of the Army to engage in sustained combat.

BUDGET REQUEST

Turning to the budget, sir, in constant dollars the total Army request for fiscal year 1976 is $24.6 billion. The difference between this budget and last year's budget reflects a $1.3 billion increase attributable to inflation and the annualization of pay raises. That means that the increases in fiscal year 1976 program changes are approximately $1.6 billion of the total increase of $2.9 billion.

Chairman McCLELLAN. Pardon me, please repeat that.

General WEYAND. Approximately $1.6 billion of the $2.9 billion increase in the fiscal year 1976 budget is real program change added to our total Army.

OPERATION AND MAINTENANCE APPROPRIATION

Mr. Chairman, before I finish these opening remarks I want to focus on a matter of particular importance to the needs of the Army: the Operation and Maintenance appropriation.

This appropriation impacts on every Army activity. It sets a standard of living of the Army and is the appropriation that impacts most directly on Army morale and effectiveness. The funds in this appropriation provide for the attainment of our readiness goals and support the Active Army and supporting units.

In addition, these funds provide for the training of both our military and civilian personnel, for the operation of our logistical system, the overhaul of major items of equipment, the medical care and financing of the entire spectrum of command and control, and headquarters and administrative and support services, all the way from Headquarters, Department of Army level down to installation level.

INFLATIONARY EFFECTS ON APPROPRIATION

I am most concerned about the effects of continuing inflation upon that appropriation. The unprogramed inflation we are experiencing this year is causing severe limitations on what we should be doing to train our soldiers and maintaining the combat capability of our units.

As of now, my major commanders are expressing concern over the serious shortfalls due to OMA funding limitations and the erosion of

existing funding due to constantly increasing prices, particularly for repair parts and utilities. I know you have heard from other witnesses of examples of this. In my case I cite for example gun tubes for the M–60 tank which increased from $4,671 to $7,124 in the past 18 months. Most of that increase has occurred since last July. Batteries, for example, increased from $23 to $34, and two-thirds of that increase has come since last July.

The unit price for natural gas has increased 34 percent with, again, over half of that increase occurring since July.

As you know, we are not permitted to budget for inflationary trends in our operation and maintenance budget.

Those three items alone amount to over $15 million increase in costs of our operations. They are representative of the price increases occurring in virtually all repair parts, general supplies and utilities.

This erosion of operations and maintenance funding has required reductions in civilian personnel at our installation, deferred replenishment of stocks of repair parts, and is adversely affecting our readiness.

Increases in the backlog of unserviceable equipment in installation and depot maintenance shops and reductions in installation support activities has also occurred. The tempo and effectiveness of our training has been markedly slowed as a result of reduced days in the field and the elimination of major unit exercises.

For example, I recently had a message from General Davison in Europe. He commands all of the Army troops there. He was canceling command post exercises and field training exercises simply because he does not have the money for POL and the repair parts and items necessary to do those sorts of things—to carry out those sorts of functions.

We have also had to reduce flying hours, qualification testing, and vehicle density in training and place limitations on hands-on weapons and equipment training. To avoid a reduction of the readiness status of our major combat units we have proposed a fiscal year 1975 reprograming action, which would shift $152 million into the OMA appropriation.

Of course this is separate from what I am presenting to you today. I mention this to point out what is brought about by the effects of inflation on our O. & M. budget.

I believe that we must not only reverse the declines in unit and individual training, but we must cope with the inflation that is occurring now and that will occur.

Our O. & M.A. budget presented to you for fiscal year 1976 appears large. It has an increase of about $830 million. My concern is that the increase is not enough. A quick look at this will explain why I say that.

Over $500 million of the increase is due to external factors such as inflation of goods and services that has occurred since the budget was prepared—increased costs in the civilian personnel work force, and in Europe, the decline in the value of the dollar.

Senator YOUNG. Mr. Chairman, I will have to leave shortly. I wonder if I can at this point ask a question.

ESTIMATE OF EFFECT OF $10 BILLION REDUCTION IN BUDGET

If we asked the Defense Department to determine what a $10 billion reduction would have on unemployment would it be possible for the Army to estimate the effect?

General WEYAND. I am saying that I would hesitate to take them in O. & M.A., but that is usually where it comes. It is a difficult one to defend.

CORRESPONDENCE

Chairman MCCLELLAN. Will you submit for the record a response to Senator Young's question—an estimate, of course.

General WEYAND. We will do it, sir.

Chairman MCCLELLAN. Thank you, Senator Young, for staying and helping us out.

[The letter and information follow:]

THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

APR 4 1975

Honorable John L. McClellan
Chairman, Committee on
Appropriations
United States Senate

Dear Mr. Chairman:

Your letter of March 14, 1975, requested our comments on the economic impact of a $9.6 billion reduction from the FY 1976 defense budget request for military functions. Before addressing the economic impact, I would like to comment briefly upon what such a reduction would mean in terms of the defense program trend. As you noted, there is real growth (that is, noninflationary growth after allowing for pay and price increases) of $.8 billion for the Military Construction and Family Housing Bill. For the Defense Appropriation Bill, taking account of all factors (details are presented in the first enclosure) the estimates would provide real growth of $3.8 billion. The total real growth in the two bills is thus $4.6 billion. A reduction of $9.6 billion from these estimates, then, would represent a real cut of some $5 billion in the defense budget from the depressed level of FY 1975.

The economic impact of such a cut would be severe. There would be a substantial loss of employment, beginning when the budget cuts were effected and building to a peak of about half a million jobs by the summer of 1976. The period of peak impact would continue into the spring of 1977. GNP would decline by about $18 billion, cumulative. This would include the $9.6 billion drop in defense production and an $8.4 billion drop in other areas, mostly consumption; investment would not change significantly.

The decline in GNP would produce a Federal revenue loss of about $4 billion, and the rise in unemployment would result in increased outlays for unemployment compensation of about $3 billion, both cumulative figures. There would also be increased outlays, which we cannot estimate, for welfare, food stamps, and for Federal retirement systems. The $9.6 billion defense cutback would thus be substantially offset by lost revenues and increased outlays. The deficit would not change significantly.

Practically all of the $9.6 billion defense budget cut under consideration would involve payrolls in DoD or in industry. In addition to this direct hire, there are indirect employment effects, as employees spend their income. By contrast, most nondefense Federal spending is for transfer payments (social security, medicare, medicaid, food stamps, etc.). These transfer payments involve no direct hire, and affect employment only indirectly. Moreover, a reduction in the defense budget would have an assured economic impact, which would begin as soon as the Congress acted. Most of the nondefense job programs under consideration involve grants to states and local governments. There are obvious questions of timing, and of the extent to which such amounts create net additional new jobs as against paying people already employed or foregoing tax increases or bond issues. These are practical considerations which one must take into account in appraising the prospects for offsetting a defense cutback by increased spending for domestic programs.

There are sectors of domestic public spending (Federal, state and local) which have an employment impact, dollar for dollar, equivalent to that of defense. But we are not aware of any plan for expansion of such programs, contingent upon a reduction in the defense budget, to offset the defense employment cutback as it would occur. Also we see no reason why expansion of such programs would have to be contingent upon a defense cutback. It's unrealistic to expect that defense employment cutbacks could be offset by increases in other types of employment in the near term.

I believe that a defense budget reduction at this time would make our unemployment problem much worse than it would be if our budget were approved as submitted. Many have advocated defense budget reductions in the name of reordering our national priorities, maintaining that we could better use the resources for other purposes. If the defense budget is cut by $9.6 billion and, optimistically assuming an equivalent amount is made available elsewhere, there would still be a significant loss of production in the short term. Further, even if it were possible to offset a defense cutback, job-for-job and dollar-for-dollar, by increases in other sectors of the economy, it would still be necessary to consider whether such large-scale reductions were consistent with our national security requirements.

The $9.6 billion cutback you mention would involve a cut, in real terms, of some 6% from the depressed level of FY 1975, continuing the downtrend in our level of defense effort, in the face of a steady increase by the Soviets in defense resources. It is highly unlikely that large defense cuts at this time would help the economy and it is virtually certain that the military risk would be increased.

The second enclosure (enclosure B) presents more details on the economic impact of reductions in the Defense budget. This enclosure also responds to the specific question you raised concerning areas and sectors of impact and other points. If you require any further information in this regard, please let us know.

Sincerely,



ENCLOSURE A

FY 1975 AND FY 1976 SUMMARY, DEFENSE APPROPRIATION ACT
($ Millions)

	FY 1975	FY 1976	Constant Price Change
FY 1975 Appropriation (reflects proposed supplementals and rescissions)	83,925		
Annualize FY 1975 Pay Raises and Retired Pay CPI's	1,284		
Purchase Inflation at 11.5%	4,435		
FY 1975 in FY 1976 Submission Prices	89,644	97,798	+8,154
Prior-Year Shipbuilding Program Adjustments	+909	-2,269	
Program Totals After Shipbuilding Adj.	90,553	95,529	+4,976
Adjusted Program Totals in FY 1976 Submission Prices:			
Military Retired Pay	6,522	6,885	+363
Use of Prior Balances, Shelf Sales & Lapses, Net	-738	-58	+680
Liquidation of Prior-Year Obligations	48	163	+115
All Other	84,721	88,539	+3,818
Program Totals after Shipbuilding Adjustments	90,553	95,529	+4,976

Prior-year shipbuilding adjustments. The FY 1976 request includes $2,269 million to finance funding shortages from ships approved for FY 1975 and prior years. This provides no new ships for FY 1976. It is necessary, for comparability, to add $909 million to the FY 1975 column, to reflect full financing of the ships approved for that year. After these adjustments, the ships approved for FY 1975, and those requested for FY 1976 -- both fully funded -- are reflected in the totals on a fully-comparable basis.

Military retired pay. The $363 million increase reflects growth in the retired population.

Prior balances, shelf sales, etc. The 1975 Appropriation Act made specific transfers from prior balances in certain instances, and in other cases appropriation reductions were made upon the basis that programs could be supported through sales of material not requiring replacement (shelf sales). Moreover, transfers have been reflected in FY 1975, pursuant to authority in the 1975 Appropriation Act. The FY 1976 request reflects much smaller adjustments in these areas. These items appear in the financial schedules as negative items -- that is, as reductions to the amount of appropriations requested to finance a given level of program. The $680 million increase here does not represent program growth, but a change in the availability of prior-year balances and other financing sources.

Liquidation of prior-year obligations. The FY 1976 request is to liquidate obligations incurred pursuant to contract authority in FY 1975.

ENCLOSURE B

ECONOMIC IMPACT OF REDUCTIONS IN DEFENSE BUDGET

Overall Employment Impact

Virtually all of a $9.6-billion reduction would come from payrolls in government or industry. Excluding military retired pay, the Defense budget is about evenly divided between (a) direct military and civil service payroll and (b) purchases of goods and services from industry. On the average, about 2/3 of industry purchases are for direct compensation of private sector employees, and 1/3 goes for indirect business taxes, interest, depreciation, and profits. The latter items also involve jobs, indirectly, but they also tend to be fixed expenditures so that a change in DoD purchases tends to involve compensation almost exclusively. Thus, virtually all of a $9.6-billion reduction in the Defense budget would reduce government or industry payrolls.

On the average, each $1 billion of payroll spending for civil service employment will involve 64,000 direct, full-time, full-year jobs in FY 1976. For industry payrolls, the figure will be about 60,000 jobs per billion.

Those figures are averages, and they would not apply to changes in payroll spending. Any employer, government or private, initially changes his workforce by adjusting employment at lower-than-average rates of pay. This is obvious when employment is increasing; one builds up a workforce by recruiting more people, normally at entry rates, which are about half of average rates. The same applies during cutbacks, for three reasons. First, when the workforce is falling, employers curtail recruitment, or cease hiring altogether. Second, most employers apply the "last-hired-first-fired" principle, which means that the junior employees, generally those at the lowest rates of pay, are the first to go. Third, even where senior employees are separated, they are entitled to long notification periods; separation and severance pay; payments for unused leave; and similar items; which means that the dollar savings per person separated for the first year or two are quite low.

It is necessary to consider not only direct effects of changes in payroll spending, but multiplier effects as well. Allowing for the fact that employment changes would occur at below-average rates of pay, and for the multiplier, the overall job impact would be about 125,000 jobs per $1 billion of defense spending.

The $9.6-billion budget cut considered here would involve spending changes over a period of time. We estimate that spending would fall about $2.8 billion in FY 1976 and about $4.2 billion in the next 15 months (the transition period and FY 1977, under the new designation). The remaining $2.6 billion falloff in spending would occur after FY 1977. The impact would begin in the latter part of this year, and would reach a peak by the summer of 1976. The peak would extend to the spring of 1977, with a decline thereafter. During the peak period, the spending reduction would be felt at an annual rate of about $4 billion. As noted earlier, the employment impact (direct and indirect) is about 125,000 jobs per billion. By the summer of 1976, the budget cut considered here would affect about 500,000 jobs.

Areas and Sectors of Impact

In measuring areas and sectors of impact, it is necessary to assume that the budget reduction would fall in those areas where program growth has been identified, without recognition of such factors as the prior-year funding deficiencies for shipbuilding and other items detailed in the first enclosure. It should be emphasized that this would not accord with our views on military need or long-run economics.

About 10% of this reduction would affect DoD's civil service payroll, and the remainder would affect purchases from industry.

Recall that about 500,000 jobs would be lost by the summer of 1976. This would include 40,000 direct civil service jobs, 360,000 jobs of people engaged in direct defense work in industry, and 100,000 jobs throughout the economy as a result of the multiplier effect.

As to the impact by states, the loss of $9.6 billion in payrolls (considering contracting, subcontracting, and direct defense civil service employment) is estimated as follows:

- Five states would probably be hit hardest -- California, Connecticut, Mississippi, Missouri, and Virginia. These states, together, would lose about $5 billion in payrolls.

- Michigan, Texas, and the state of Washington would lose about $1.5 billion in payrolls.

- Five other states would lose, collectively, about $1 billion in payrolls: Maine, Maryland, Massachusetts, New York, and Ohio.

- Of the remaining $2.1 billion in payrolls, some would involve states already named, but the amounts cannot be identified at this time. The balance would be distributed among other states.

The industries that would be hardest hit directly are aircraft (including airframes, electronics, and engines); shipbuilding; automotive (tanks and personnel carriers); and construction. The suppliers for these industries would also, of course, be hard hit. Indirectly, of course, there would be an impact throughout the economy.

The occupations hardest hit would include machinists, pattern and model-makers, sheetmetal workers, aircraft mechanics, carpenters, electricians, welders, steamfitters, pipefitters, and bricklayers. There would be a smaller numerical impact -- but a sharp impact in relative terms -- in certain professional areas: aeronautical, electrical, and mechanical engineers; physicists; and mathematicians.

Effect on Gross National Product

Cumulatively, there would be a decline of about $18 billion in GNP, with most of the impact being felt in 1976 and 1977. This would include the $9.6-billion decline in defense purchases, and an $8.4-billion drop in personal consumption expenditures as a result of the multiplier. Investment would be essentially unchanged. Thus, the U.S. would lose not only the $9.6 billion in military goods, but an additional $8.4 billion in automobiles, housing, appliances, and the kinds of goods and services that consumers buy.

A cumulative GNP loss of $18 billion would produce a loss in Federal revenues of about $4 billion. There would be added outlays for unemployment compensation of some $3 billion, and other increases in outlays associated with higher unemployment, which are difficult to estimate. These include outlays for food stamps and other welfare programs, and some increases in outlays under various Federal retirement programs. In terms of net budgetary effect, then, a $9.6-billion defense spending cut would be offset by a $4 billion revenue loss, some $3 billion in additional outlays for unemployment compensation, and other outlay increases of the type just mentioned.

Alternatives

If our economy were at full employment, defense spending would amount to about 5% of GNP -- the lowest share in 28 years, and very nearly the lowest share since before Pearl Harbor. With the economy at full employment, the burden of defense would be very clear: we would have to give up 5% of our real buying power, 5% of the income we could otherwise use for different purposes, in order to provide for defense. The programs proposed for FY 1976 are fully warranted on national security grounds and would be so warranted even under full-employment conditions -- that is, under conditions where we would clearly have to forego other things in order to provide for defense.

But the economy is far below full-employment today. We will lose an estimated $244 billion of production in FY 1976 due to unemployment, $249 billion in FY 1977, and $235 billion in FY 1978. It is against this backdrop that we must assess a proposal to reduce the defense budget, and thereby government and industry payrolls, by such a large amount as $9.6 billion. Considering multiplier effects, as we noted, such a cut would cause a GNP decline of some $18 billion. At full employment, we could expect that a $9.6-billion reduction in defense -- whatever its military consequences -- would at least mean that we could have $9.6 billion more for other purposes. That wouldn't apply under present conditions: we would have $9.6 billion less for defense, and $3.4 billion less for other purposes.

Some insist that we could more than make up for that $18 billion in lost GNP by transferring $9.6 billion from defense to other programs. Two questions are pertinent: First, how sure can we be that we could equal or exceed that $18 billion decline in GNP by further increases in nondefense programs? Second, assuming that $9.6 billion in additional spending for certain domestic programs would create more than $18 billion in GNP growth, why is it necessary to reduce defense programs, specifically, to free up the $9.6 billion?

As to the first question, a number of allegations have been made recently to the effect that defense spending creates fewer jobs than other types of public spending. These allegations involve misuse of various data prepared by the Bureau of Labor Statistics. On the average, using comparable data and consistent methods of measurement, the number of jobs per billion of defense spending is about the same as for nondefense public spending, Federal, state, and local. We have checked this point in detail with the Bureau of Labor Statistics, and they concur in this assessment. In this connection, it is important to consider some practical aspects of defense and nondefense spending. As to defense, the $9.6-billion reduction under discussion would be virtually 100% payroll. Consider the pattern of Federal nondefense spending (excluding debt interest):

- 56% goes for Federal transfer payments to individuals. About half of this is for social security. The remainder covers medicare and medicaid, unemployment assistance, veterans benefits, Federal employee retirement, food stamps and other public assistance, railroad retirement, and housing payments.

- 19% is for direct payroll and industry purchases -- that is, it has an economic impact equivalent to the defense increment we are discussing.

- 23% is for grants to states and local governments. Of this, about 1/3 is then transferred to individuals, and about 2/3 goes for direct payroll and industry purchases.

- 2% is for lending, financing, and other transactions.

When one speaks, then, of offsetting the economic impact of defense cutback by further increases in other types of Federal spending, it makes an immense amount of difference what type of other spending he is talking about. Note, for example, that 56% of nondefense spending goes for transfer payments. Suppose, for example, that there were $10,000 available to spend, with a choice between (a) hiring an additional employee or (b) increasing the payments to a certain group of civil service retirees. If the latter course were chosen, there would be no additional direct employment, but some additional indirect employment as the retirees spent their additional income. In the first alternative, there would be one additional job to begin with (the employee that was hired) plus indirect employment as he spent his additional income. In the short run, the employment impact of direct hire is much greater than that of transfer payments.

About 23% of nondefense Federal spending is for grants-in-aid to state and local governments, and most of the proposals for expanded public service jobs would follow that route. Several factors should be considered. Timing is a significant factor. It's also necessary to consider how much of any additional spending would create net additional jobs, and how much would be necessary to pay people already employed, or to forego tax increases or bond issues. Cuts in the defense budget will begin having an effect upon payrolls almost immediately, and this will build to a peak by the summer of 1976.

We cannot assure ourselves that increases in spending for domestic programs will take up the slack fast enough to prevent a further increase in unemployment. Some have observed that 133,000 public service jobs can be created per billion of spending, and contrast this with a much smaller number, such as 60,000, for defense. The implication is that for every billion shifted from defense to nondefense we can increase employment some 75,000. However, these figures involve a comparison of entry rates of pay for nondefense with average rates of pay for defense. The defense figure, moreover, includes industry employment, and each billion of purchases has been discounted about 1/3 to cover depreciation, interest, taxes, and profits. If we correct for these factors -- compare entry rates with entry rates, and payroll dollars with payroll dollars -- the difference disappears. The regular military compensation (basic pay, quarters and subsistence allowance, and tax advantage) for an E-1, the entrance enlisted grade, will be $6,307 in FY 1976, counting a 5% raise next October 1. The entrance civil service compensation averages about $7,600. That amounts to about 157,000 jobs and 132,000 jobs per billion, respectively. If one is considering changes in defense programs, these are the pay rates that are important because, for reasons

already discussed, changes in employment (up or down) tend to occur, initially, at approximately the entrance rates of pay.

As to the first of the two questions: -- how sure are we that we could offset defense employment cuts by increases in other programs? -- there must be some very strong doubts. The employment impact of a significant defense cutback would be large, immediate, automatic, and assured. There are many uncertainties, and many possibilities for leaks and lags, in the areas of domestic spending that some would propose to offset the defense cutbacks.

That leads to the second question. Suppose that there were a $9.6-billion package that was equivalent to defense spending in terms of economic impact, which could be implemented quickly enough to offset the defense cutback as it occurred. Why would it be necessary to cut the defense budget to place such a program into effect? Many billions have been pumped into programs, and further billions are under consideration, which do not begin to approach defense spending in terms of employment and overall economic impact. Nondefense Federal spending (excluding debt interest) was estimated at $241 billion for FY 1976 and could well reach $290 billion if the budget total approaches $400 billion. That would be an increase of $50 billion from the February 1975 estimate, and an increase of $75 billion from the FY 1975 level. These spending increases, combined with large tax reductions, could easily produce a deficit of $100 billion -- double the estimate of last month. Total U.S. public spending (Federal, state, and local, net) will probably exceed $600 billion in FY 1976, up about $110 billion from the FY 1975 level. Nondefense spending will rise by over $100 billion, an <u>increase</u> for a single year that's greater than the <u>total</u> defense budget.

Thus, there are many billions in that array of spending increases which cannot remotely match, dollar for dollar, the employment and economic impact of defense budget reductions. There are obviously programs in the domestic sector which have a significant employment and economic impact. However, considering total government spending, it is not axiomatic that the defense budget must be cut to make room for growth in such areas.

Nor can we avoid considering the serious further deterioration in our national security posture which such a sharp cutback would entail. Even if we could create new jobs in other sectors to match the numbers of workers who would be idled by a defense cutback, the programmatic question remains. Would the tasks that these people would be performing be of sufficient worth to offset the consequences of a sharp further cutback in our military strength?

If the defense budget is reduced by $9.6 billion, that will mean a real-term reduction of some 6% from the depressed level of FY 1975. It will continue the downtrend in our real level of defense effort, in the face of a steady Soviet uptrend. In a few years, these trends would lead to a Soviet edge of 2-to-1 in the real level of defense effort. Such a shift in the military balance, somewhere along that trend line, would produce a fundamental change in the international order -- a matter of the greatest consequence. The matter would be grave enough if we elected to follow such a course in the interests of our short-run economic well-being -- if we chose to devote less resources to defense so as to have more for other purposes. In the present instance, we wouldn't have even that excuse. Because if we cut the defense budget under present circumstances, we shall not have more for other purposes -- consumer spending and the rest. We shall have less. Some would advocate a $10-billion cut in the defense budget at a time when we have some $250 billion in productive capacity that we are not using. The implications of this, in terms of our capability to maintain the military balance over the years ahead, would be grave indeed.

SUPPORT FOR FISCAL YEAR 1976 BUDGET REQUEST

Chairman McCLELLAN. Proceed, General.

General WEYAND. Sir, I can conclude by saying that we are not asking for more O. & M.A. funding than is provided in the budget before you, but we are asking for your full support of the fiscal year 1976 request, to give us a fighting chance to meet the requirements of operating and maintaining a well-trained combat Army.

ARMY ADDITIONS FROM END FISCAL YEAR 1974 TO 1976

In summary, under the program of maximizing combat power, the Army in this 2-year period, fiscal year 1975 and fiscal year 1976, is adding 48 battalions of combat capability to its force structure with no increase in Army strength. If you will agree, sir, I would like to submit for the record a list of these battalions of the type the Secretary has indicated.

Chairman McCLELLAN. Very well, it is received.

[The information follows:]

What has the Active Army added from end fiscal year 1974 to end fiscal year 1976

Tank battalions	4
Mechanized battalions	6
Infantry battalions	10
Artillery battalions	[1] 16
Cavalry squadrons	[2] 3
Ranger battalions	2
Hawk battalions	1
Combat engineer battalions	6
Total (Combat battalions)	48

[1] 11 divisional, 5 separate.
[2] 2 air, 1 ground.

HEADQUARTERS AND SUPPORT STRUCTURE INCREASES

General WEYAND. This addition in force structure is at no increase in Army strength. The three additional divisions which we have spoken of will provide the headquarters and support structure appropriate for that added combat strength.

The actions we have taken and plan to take increase our military combat power by 17 percent with no increase in authorized strength, and will provide us with 16 divisions. We believe that this will provide our Nation the most cost-effective and people-effective Army it has ever had.

Thank you very much, sir.

Chairman McCLELLAN. Thank you, gentlemen.

I am sorry I had to miss part of your testimony, but I had to be at another meeting for a little while.

Again, I want to express my gratitude for the report you have given us. I think you ought to be commended for the job you are doing. particularly the improvement you have made in specified areas.

I don't know how much further you can increase the caliber of your men; there is a limit to it certainly. But you can still make further progress, you think?

General WEYAND. Yes.

Chairman MCCLELLAN. I certainly commend you for the effort that has been put forth here and the vision that you have in trying to get the maximum out of what you have.

General WEYAND. Thank you, sir.

QUESTIONS SUBMITTED BY CHAIRMAN M'CLELLAN

Chairman MCCLELLAN. I have additional questions that I would like you to answer for the record. They will be inserted with your responses at this point.

General WEYAND. We will respond to them, Mr. Chairman.

[The questions and answers follow:]

IMPROVEMENT OF COMBAT CAPABILITY UNITS

Chairman MCCLELLAN. Your statement implies that "today we see our way clear to field even more (than thirteen divisions)" and that it is based on availability of recruits. To what extent is the Army's desire to increase its force structure related to availability of manpower? If the force were stabilized at 785,000 and there were recruiting problems, would the Army have less incentive to increase its combat power?

Secretary CALLAWAY. The Army's goal to improve its combat capability in terms of additional combat units is not related to the availability of personnel. However, a force structure without sufficient trained personnel impacts on the readiness of the force. Should the Army experience recruiting problems as we move toward the 16-division force, there will be no less incentive to increase its combat power but it could cause delays in attainment of this goal. In this regard the Army is currently meeting its recruiting goals and is confident that it will continue to meet programed requirements.

DOCTRINE CHANGES

Chairman MCCLELLAN. You mention that the Army will have revamped doctrine. Exactly what changes in doctrine have been or are being made? Why is the doctrine being revamped now—is it based on any specific analysis of weakness in the Army?

Secretary CALLAWAY. The current reevaluation of tactics and doctrine is driven by the fact that the Army deemed it essential to reassess its capabilities after our long Vietnam commitment. This requirement for a reevaluation was heightened by the increased lethality of today's battlefield as demonstrated during the Middle East war. The Middle East war saw the effects, in terms of extremely high losses, of the proliferation of very lethal weapons in large numbers. It is the demonstrated lethality of these modern weapons and the resultant phenomenal losses experienced by both sides during the Middle East war that has dictated a reevaluation of the Army's tactics and doctrine.

The problem now confronting the US Army is: how to operate on a battlefield which is populated with these lethal weapons, in very large numbers, and still get the job done without catastrophic losses. The lessons of the Middle East war are very pointed in this aspect. An Army must be able to move in order to get its job accomplished, however, without proper suppression of this lethality, you cannot move. In essence, the US Army must develop basic tactics to accomplish this.

On the other side of the coin, we are proliferating very lethal antitank and other weapons in large numbers in our organizations. The antitank systems, in concert with our tanks, artillery and air defense weapons, are the basic building blocks in our Army weapons systems. These four elements deliver ordnance against the enemy. It is these elements we must look to for the suppression of enemy weapons. To win you have to move, but if you move in the face of this lethality you will absorb an unacceptably high number of casualties unless you supress. In summary, the lessons of the Middle East are: first, that modern weapons are vastly more lethal than any weapons we have encountered on the battlefield before. Second, in order to cope with these weapons it is essential that we have a highly trained and highly skilled combined arms team of armor, in-

fantry, artillery and air defense backed by the support required to sustain combat operations. Third, the training of the individual as well as the small unit team can make the difference between success and failure on the battlefield. It is these lessons, in conjunction with an already identified requirement, which have focused the Army on a reevaluation of its tactics, doctrine and training.

13- and 16-Active-Division Force Structure

Chairman McClellan. Explain the basis for planning a 13-division force structure and the basis for 16 in terms of the contingency requirements for each of the two numbers of divisions.

Secretary Callaway. Both the 13- and 16-Active-division force structure are based on our ability to meet our commitments in Europe, Korea, and other areas of the world. The current 13-division force provides [deleted] and maintains one division forward deployed in Korea. This 13-division force has been described as a "high risk, no room for error force." In contrast, the new 16-Active-division force meets [deleted]. Although short of the ideal "no risk" force, the 16-division force provides a viable alternative to the current force in meeting our worldwide commitments and is described as a "prudent risk force."

13-Division Risk

Chairman McClellan. Explain how the "risk" associated with only 13 active divisions manifests itself in "every negotiation our country enters." How would this affect, for example, the strategic arms talks which relate to strategic forces, not general purpose forces? In negotiations with Middle Eastern countries, does it matter to them whether we have 13 or 16 divisions—wouldn't one or two be sufficient to meet any U.S. objectives in that area if the Soviets didn't intervene?

Secretary Callaway. With an Army of 13 divisions we cannot claim to be a power second to none. The Soviets are aware of this as well. Until our forces reach a size sufficient to provide incentive for meaningful negotiations, we cannot expect the USSR to slow the steady increase and improvement of their forces that have been evident in the last ten years. The slow progress in current MBFR negotiations illustrates this point.

With regard to the Strategic Arms Limitation Talks, we must remember that a rough balance in strategic nuclear weapons now exists. Since this is the case, general purpose forces become more important. Army general purpose forces are presently too small, and represent a "high risk, no room for error" force. The move to a 16-division Active Army will provide the United States with a prudent risk force.

Chairman McClellan. Explain the "roundout" concept for the new divisions. What portions of the reserve forces are actually in place and available at all time? Or are these roundout brigades to be available only after a certain period of time; if so, how long?

Secretary Callaway. The Affiliation Program is defined as the planning, equipping and training of selected Reserve Component (RC) battalions to deploy as part of an Active Army division or RC early deployment brigade in support of a NATO contingency. It is directive in nature, fully funded and designed solely to provide additional combat power in support of NATO. Included in the Affiliation Program are selected RC units which are designated as roundout units, i.e., those units required to bring Active Army units up to "standard" configuration.

Initially, each of the new divisions will be short one brigade. Each division will be rounded out to a normal three-brigade configuration by a Reserve Component brigade. The 256th Infantry Brigade, Louisiana Army National Guard, has been selected tentatively to round out the 5th Division. It is trained and in place. The 48th Infantry Brigade (M), Georgia Army National Guard, has been selected tentatively to round out the 24th Division. It is also trained and ready. In the case of the 7th Division, no separate, uncommitted infantry brigade is available in California or adjacent States. The Army is studying proposals to provide a California brigade from within present U.S. Army Reserve or Army National Guard unit authorizations and strength ceilings. A decision is expected before the beginning of fiscal year 1976.

Reserve Force Increases

Chairman McClellan. Mr. Secretary, describe the specific increases being made in the Reserve forces to increase support capability.

Secretary CALLAWAY. The support capability of the Reserve forces will increase slightly through the addition of one assault support helicopter company, three Army security detachments, two combat support companies (repair parts supply), five combat support companies (light equipment maintenance), and a float bridge company. Four medical detachments (helicopter ambulance), will be added depending upon equipment availability. The affiliated and roundout reserve combat support units are increasing their level of manning to 100% or greater. This action will increase the Reserve's combat support capability.

CONSOLIDATED TRAINING COURSES

Chairman MCCLELLAN. Describe the training courses consolidated. Were any interservice consolidations made, or are any currently under consideration?

Secretary CALLAWAY. In October and November 1974 the Army eliminated 44 training courses, consolidated 9, and reduced 104 in length, frequency, or student input. Personnel savings for fiscal year 1976 are projected at 498 military and 91 civilian spaces; dollar savings are projected at $5.4 million.

The Interservice Training Review Organization (ITRO) was established in September 1972 to improve the cost effectiveness of specialized/technical training through cooperative efforts among the Army, Navy, Air Force, and Marine Corps.

September 1972–August 1973.—1171 low density courses reviewed; 37 courses consolidated into 18 interservice courses. Savings/cost avoidance: one time $301,900; annual recurring $480,000.

September 1973–August 1974.—Consolidations in 14 occupational subgroups, e.g. field artillery crewman, tracked vehicle repair, data processing, construction equipment operator. Savings/cost avoidance: one time $294,600; annual recurring $1,676,800.

Current.—Complete review of DOD occupational subgroups. Expand to new areas of education, flying training, and medical/dental.

CONSTANT STRENGTH AUTHORIZATION

Chairman MCCLELLAN. Is the virtue of the constant strength authorization the actual strength or merely the constancy? Why was 785,000 selected; why not some other number? Is this number related to some specific requirement, or is it developed through an analysis that validates the requirements for such a number?

Secretary CALLAWAY. There has been a great deal said in testimony to this point concerning our vital need for 16 Active Army divisions. The number and type of our divisions and other combat units to a great extent drives the Army's request for an end strength. These units must be sustained both in peacetime and in the eventuality of war. All deployable combat and support units in our force must have a personnel level which assures a sufficient readiness posture. The current Army end strength has provided a degree of stability which has allowed us to maintain an acceptable level of force readiness to accomplish our assigned missions. We feel that with the stringent economies realized during the last two years, and because of the contribution which will be made by the affiliation of Reserve Component units it is feasible to achieve a combat-ready 16-division Active Army force with a 785,000 end strength.

The primary value of a stable end strength is that it optimizes the management of resources and minimizes the personnel turbulence associated with frequent expansions and contractions in end strength. I believe the Army can and will make additional improvements in our force structure as this stable resource level continues which will increase our combat potential and give us a more efficient Army.

BROADENING OF RECRUITING BASE

Chairman MCCLELLAN. Explain how three more divisions broaden the recruiting base. Does this contemplate an increase in the number of unit of choice/station of choice canvassers? How much and at what cost?

Secretary CALLAWAY. Three new divisions would provide additional CONUS enlistment opportunities for combat oriented units for prospective applicants. Since manpower authorizations for the divisions would be generated from within existing Army resources, no net increase in unit of choice/station of choice canvassers is anticipated. In fiscal year 1976, the Army expects to spend $9 mil-

lion O&M funds in support of an end strength of 300 canvassers, which represents an $8 million reduction from the initial program and a 900 end-strength reduction from the original program.

First Term and Career Enlistment Rates

Chairman McClellan. Provide first term and career reenlistment rates during the first half of fiscal year 1975. Are these higher or lower than anticipated?

Secretary Callaway. First term and career reenlistment rates for the first six months of fiscal year 1975 are shown below. First term and career reenlistments are higher than we anticipated at the beginning of the fiscal year.

Category	*Adjusted Reenlistment rate[1] (first half fiscal year 1975)*
First Term:	
RA	31.1
AUS	6.3
Career	69.8

[1] The adjusted rates are computed to exclude the effects of early separations for the purpose of immediate reenlistment and thus measure the net yield from a group of separatees who would normally complete a term of service in a given period.

College Degree-Holding Enlisted Men

Chairman McClellan. What is the level of college degree-holding enlisted men? Why does the Army want 10% of its enlisted force to have some college experience? What benefits really accrue from such a force?

Secretary Callaway. At present, about 1.8% of the enlisted force have a college degree. We set the 10% objective for the enlisted force to have one or more years of college to insure that the more complex skills have adequate high quality personnel and to have sufficient potential to provide quality personnel in the non-commissioned officer ranks. Past experience shows that we had a college content of approximately 10% and we desire to maintain that level in the volunteer Army since we found that our quality needs were generally met. This was considered to be a realistic goal based upon experience with new accessions and education programs within the Army. The Army, through General Educational Development Programs, encourages NCOs to attain at least two years of college or equivalent prior to their 15th year of service. Education is considered essential for military personnel to achieve their maximum potential and enhance the desired creative, intellectual and leadership abilities.

Benefits to be accrued from such a force are: it will assist in attracting qualified, more highly motivated individuals and retaining them for more productive years of service; it will provide better quality to meet the advances in technology and the ever increasing need for communication and cooperation with the civilian element of government, industry and education.

Assignment to Skills for Which Recruited

Chairman McClellan. How many soldiers are assigned to skills for which he or she was recruited, and how many are assigned to other skills? What proportion did not enlist for any specific skill?

Secretary Callaway. Currently, 92.4% of the new recruits and privates in the Army are assigned to a skill in which trained. This does not truly reflect how many soldiers are assigned to skills for which he or she was recruited. Headquarters, Department of the Army has initiated a report which will accomplish this.

In an effort to improve the utilization of first-term soldiers, a recent change to the Army Regulation 600–200 makes it mandatory to utilize enlistees in the skill for which he or she was recruited. Approximately 7% of those who enlisted from 1 July 1974 through February 1975, did not enlist for any specific skill.

Officer and Enlisted Tour Lengths

Chairman McClellan. What is the average length of tours for officers and enlisted in fiscal years 1974, 1975, and 1976 and projected for the next five years?

Secretary CALLAWAY. Average oversea tour lengths for officers and enlisted personnel are as follows:

Fiscal year	Average tour lengths [1]	
	Officers	Enlisted personnel
1974	24.8	20.6
1975 [2]	25.7	21.7
1976	25.7	20.7
1977	25.7	20.7
1978	25.7	20.7
1979	25.7	20.7
1980	25.7	20.7
1981	25.7	20.7

[1] Expressed in months. Includes tours served by both accompanied and unaccompanied personnel in both long and short tour areas.
[2] Actual through February 1975. Estimated for subsequent periods.

BRIGADE READINESS

Chairman MCCLELLAN. What is the current readiness of the brigades that are or will be associated with active units? What are the specific logistics shortfalls of these units?

Secretary CALLAWAY. The current overall readiness of the Reserve Component brigades (as of 20 October 1974) that are or will be affiliated with Active Army divisions, and their major equipment shortfall by type equipment is listed below. One additional Reserve Component brigade not yet designated will also be affiliated with an Active Army division.

Active Division	Unit	Current overall Status
25th Infantry Division Major equipment shortages: Night vision sights, radars, and tactical vehicles.	29th Infantry Brigade [1]	[Deleted].
1st Infantry Division (MECH) Major equipment shortages: Engineer equipment, light tracked and tactical vehicles, generators, radios, night vision sights, radars, RADIAC meters, standard tanks, and searchlights.	32d Infantry Brigade (MECH) [1]	
4th Infantry Division (MECH) Major equipment shortages: Engineer equipment, generators, radios, night vision sights, radars, RADIAC meters, searchlights, and tactical vehicles.	67th Infantry Brigade (MECH) [1]	
9th Infantry Division Major equipment shortages: Generators, radios, night vision sights, radars, and tactical vehicles.	81st Infantry Brigade (MECH) [1]	
101st Airborne Division (Aslt) Major equipment shortages: Engineer equipment, generators, radios, 81 mm mortars, night vision sights, radars, RADIAC meters, 90 mm recoilless rifles, searchlights, and tactical vehicles.	39th Infantry Brigade [1]	
24th Infantry Division Major equipment shortages: Engineer equipment, generators, radios, night vision sights, radars, RADIAC meters, searchlights, and tactical vehicles.	48th Infantry Brigade (MECH) [2]	
5th Infantry Division (MECH) Major equipment shortages: Radios, night vision sights, radars, RADIAC meters, and 90 mm recoilless rifles.	256th Infantry Brigade [2]	

[1] Current affiliated.
[2] National, to be affiliated during 4th quarter fiscal year 1975.

DECREASE IN READINESS ITEMS DUE TO FOREIGN SALES

Chairman MCCLELLAN. Besides tanks what items essential to readiness of both active and reserve forces have been decreased as a result of foreign sales? Describe the items, and give the specific numbers.

Secretary CALLAWAY. The Army has nine representative high-dollar value items which fall in this category. Item descriptions and specific quantities of losses to Foreign Military Sales since October 1973 are:

1. Armored Personnel Carrier M113A1—This is a full-tracked armored personnel carrier equipped with a diesel engine. It has a cruising range of 300 miles and aluminum armor which provides ballistic protection. Total Army decreases due to foreign military sales amount to 1238.

2. 81 Millimeter Mortar Carrier M125A1. This vehicle is a member of the 113 Armored Personnel Carrier family. The chassis is modified to mount an 81 millimeter mortar. Total Army decreases due to foreign military sales amount to 40.

3. 155 Millimeter Howitzer M109. The M109 is a self-propelled, full-tracked howitzer equipped with a diesel engine. Total Army decreases due to foreign military sales amount to 224.

4. 175 Millimeter Gun M107. The M107 is a self-propelled, full-tracked gun equipped with a diesel engine. Total Army decreases due to foreign military sales amount to 37.

5. 20 Millimeter Gun. M163 and M167. The M163 (Vulcan) is a self-propelled artillery vehicle having a "Gatling Type" 6 barrel weapon. The M167 (Vulcan) is a towed vehicle with the same characteristics as the M163. Total Army decreases due to foreign military sales amount to 14.

6. Chaparral Fire unit. The Chaparral is a mobile, self-contained missile firing weapons system which provides air defense for Army forward tactical units. Total Army decreases due to foreign military sales amount to 12.

7. TOW Launcher. The TOW is a tube launched, optically-tracked, wire guided anti-tank missile with a highly effective range of between 65 to 3,000 meters. Total Army decreases due to foreign military sales amount to 227.

8. DRAGON Launcher. The DRAGON, is a medium range, anti-tank, missile firing assault weapon system. It is tube launched and directed to the target by electrical impulses transmitted through wire link dispensed from the missile during flight. Total Army decreases due to foreign military sales amount to 25.

9. REDEYE. The REDEYE is a man-portable, shoulder-fixed air defense guided missile system designed to provide combat units the capability to destroy low-flying aircraft, including jets. Total Army decreases due to foreign military sales amount to 1082.

Moratorium on Foreign Sales

Chairman McClellan. Mr. Secretary, would the Army favor a moratorium on the sale of all items to foreign customers where valid requirements exist for such items in either the Active or Reserve Forces?

Secretary Callaway. It is the DOD policy that sales offers for major items of equipment be made only in response to a valid request at a foreign country's initiative and only if it serves our national interest and it meets a valid military requirement. The implementation of this policy is on a case-by-case basis and takes into consideration all factors that influence the willingness of the U.S. Government to sell military equipment.

Any diversions of equipment from the Army inventory which affect our readiness are a matter of concern to the Army. We recognize that decisions must be made based on the overall national interest. For this reason, I would oppose any mandatory moratorium.

Replacement Costs of Foreign Sales

Chairman McClellan. What specific change in the foreign sales system was made to charge replacement rather than acquisition costs for items sold? Is this a DOD-wide policy?

Secretary Callaway. Under DOD Regulation 2120.1 present Army policy is to recoup all replacement costs on prime assets. New equipment from procurement or stock is priced to recoup the full cost to the U.S. of the item supplied or the replacement item, whichever is appropriate. These prices are escalated to the price at the time delivery or replacement will occur.

Chemical Defense Improvement

Chairman McClellan. What are some of the items in development for improvement of chemical defense?

Secretary Callaway. Items in engineering development which are nearing completion include modular collective protection equipment for use on mobile command post vans and shelters, a new simplified chemical agent detection kit and chemical agent detector paper designed to detect droplets of liquid agent. In advanced development, we have a new protective mask, and an area scanning

alarm to provide warning of an approaching chemical agent cloud. Entering advanced development during fiscal year 1976 are a skin decontamination system and a simplified functional field CBR shelter. Our exploratory development programs are directed toward development of follow-on systems and techniques for prophylaxis and treatment of chemical casualties, decontamination, detection, warning and both individual and collective protection.

ALLY-PRODUCED SYSTEMS

Chairman MCCLELLAN. Mr. Secretary, what items, other than ROLAND, has the Army bought or is planning to buy that were developed and produced by allies? Would you compare some of the systems (e.g., anti-tank, guns, tanks, helicopters) currently being procured by our NATO allies with similar U.S. systems, and indicate the capabilities of each.

Secretary CALLAWAY. In 1971 the Army procured twenty-four Franco/German ground surveillance radars (RATAC) for immediate use in Vietnam and evaluation for possible Army-wide adoption. Army nomenclature is AN/TPS-58. Currently we are procuring 100,000 protective chemical over-garments from Great Britain for use by our troops in Europe. Additionally we are planning to buy, in fiscal year 1976, from Canadair of Canada, an Interim Airborne Target Acquisition System, the AN/USD-501 Surveillance Drone. This is a tactical, all-weather, day or night, target acquisition and surveillance jet-propelled drone containing camera and sensor equipment to acquire target and intelligence data. It will be used in the Corps Field Artillery Target Acquisition Battery.

The Army has no other firm plans to procure any allied developed items. However, on a continuing basis the Army "shops" all domestic and allied sources for equipment to meet its needs in the most cost-effective manner. A sample listing of allied items currently being looked at is indicated below.

Sample comparisons of U.S. and allied tanks, helicopters, howitzers, air defense guns, rifles and anti-tank missiles are in the tables below.

Table 1—DA Procurement Interest in Foreign Equipments

The current list of candidates for possible DA procurement, by allied country, is as follows:

a. Federal Republic of Germany:

(1) GEPARD—An armored 35mm twin anti-aircraft gun system.

(2) BO-105 and BO-115 Helicopters—Light helicopters suitable for light observation, scout or anti-tank roles.

(3) SEM-52—A hand-held transceiver for use at squad level.

b. Great Britain:

(1) Helicopter Cargo Nets—For use on UH-1, CH-47, CH-54 and UTTAS, 3,000 lb and 10,000 lb capacity.

(2) Medium Girder Bridge Pier—For use with Medium Girder Bridge which has been type classified.

(3) CB Protective Overgarment Mk III—A two-piece suit with hood, weight three lbs. combat use life is estimated one month.

(4) DRICLAD Storage System—A reusable plastic cover which provides an effective barrier against water and water vapors as well as CB hazards.

c. Canada:

(1) Land Navigation System—Dead reckoning, self-contained, magnetic gyro vehicular navigator systems. Currently under test at MASSTER.

(2) Air Cushion Vehicle—A fully amphibious, 30-ton payload vehicle which is a hardened version of the commercial Bell "Voyageur" vehicle currently operating in Alaska and remote areas of Canada.

(3) 24 Channel Combiner for AN/GRC-103 Radio—A solid-state combiner which combines 2-12 channel of various pulsed signals (pulse code modulation) to form a single 24 channel signal. This combiner could significantly increase the capability of the AN/GRC-103 multi-channel radio terminal which is used at division level and below.

d. Australia:

(1) Data Transmission and Alignment System—An automatic sighting system for use with direct support artillery. Target data, (bearing, elevation and fuze) are entered into the system from the command post computer. The target data is then transmitted to all connected artillery guns by a digital data link (wire or radio).

(2) Firing Device—Capable of operation by pressure, pressure release, pull or tension release. Could replace five different U.S. boobytrap type firing devices.

TABLE 2.—COMPARISON OF TANKS

The table below compares the U.S. M–60A1 and the German developed Leopard I tanks.

	Leopard I	M–60A1
Silhouette	8.7 ft.	10.8 ft.
Main armament	105 mm.	105 mm.
Coaxial machinegun	7.62 mm (German MG–3).	7.62 mm (M–219).
Passive night vision device for commander	Yes.	No.
Fire control—independent traverse of commanders station with main turret and automatic lineup capability to allow main armament lineup with commanders acquired targets.[1]	Yes.	No.
Ammunition—stowed lower and less vulnerable[2]	Yes.	No.
Mobility (power to weight)[3]	19:1.	14:1.
Suspension superior:		
(Shock absorbers per side)	5.	3.
(Road wheel/support rollers per side)	7/4.	6/3.
Chassis commonality with recovery vehicle	Yes.	No (M88).
Parking brake	Yes.	No.

[1] M–60A2 has the commander's capability to automatically aline the turret on target.
[2] Ready rack provides 3 rounds 105 mm on Leopard versus 13 rounds for M–60A1; availability of more ammunition considered more favorable on U.S. tank than vulnerability.
[3] Mobility is offset by M–60 increase in protective armor:

	Turret	Hull
M–60A1	[Deleted.]	
Leopard		

The most similar helicopter to the UTTAS currently being produced by our allies is the French SA–330 Puma. The SA–330 is a fully developed squad carrier which is being deployed in the British and French Armies. Vought Helicopter Inc., a subsidiary of Ling-Temco-Vought Aerospace Corp., is the U.S. licensee. The SA–330 has twin Turbomeca IVA engines (2,830 shp), a 49.2 ft. diameter rotor, seating capacity for 14 troops, and retractable landing gear. Although the SA–330 design missions are similar to the UTTAS, the SA–330 falls short in the following respects: it can only carry 9 troops at 4,000 ft./95° so it cannot guarantee squad integrity; it is considerably more vulnerable; the cabin floor is too high off the ground and exit doors are narrow; it is not amenable to the addition of engine foreign object damage protection or IR suppression; it falls short of UTTAS maintenance requirement goals by a factor of about three, and it is not adequately transportable in C–130 or C–141 aircraft.

TABLE 3.—COMPARATIVE DATA—UTILITY/TACTICAL HELICOPTERS

Specification	Unit	SA–330	UTTAS[3]
Basic empty weight	pounds	7,672	9,367
Design gross weight	do	14,110	14,790
Operating weight, empty	do	8,603	10,302
Maximum gross weight	do	14,110	18,950
Rotor diameter	feet	49.2	56
Overall length	do	59.5	66.8
Cruise speed (2,000 ft/95° F)	knots	144	150
SL, 95° F, MRP:			
Gross weight at:			
HOGE–MRP[1]	pounds	14,110	18,950
VFPC[2]	do	14,110	17,200
Troops, payload:			
HOGE–MRP		11	15
VFPC		11	15
Range at HOGE–MRP	miles	174	284

[1] Hover out of ground effect at 100 percent military rated power (MRP).
[2] 500 ft/min vertical rate of climb at 95 percent military rated power.
[3] These are estimated numbers from concept formulation study.

Note: HOGE:—Hover out of ground effect; MRP—Military rated power; VFPC—Vertical flight performance characteristic.

The table below compares characteristics of the U.S. XM–198 towed howitzer with the FH–71 towed howitzer cooperatively developed by Germany, Great Britain, and Italy, insofar as they are known.

The major disadvantage of the FH–70 is its weight which precludes its being lifted by the CH–47 under standard mission assumptions. For most of the standard mission profiles the CH–47C can lift between 16,000 and 17,000 lbs. It cannot lift 18,300 lbs. unless its normally carried weapons and ammunition (about 2,000 lbs.) are off loaded. In 1980, it is expected that there will be approximately 220 CH–47C in the inventory and only 29 CH–54B. (There will also be 47 CH–54A but these are not adequate for lifting the FH–70.)

TABLE 4.—COMPARISON OF 155 MM HOWITZERS

Predicted characteristics	XM–198	FH–70
Range (kilometers):		
M–107 HE	18.1	18.1.
XM–708 HE	24	24.
M–549 rocket on	30	30.
M–483 ICM	22	22.
Traverse limits	400–R—400–L, 6,400 w/speed shift	500–R—500–L.
Rate of fire	4 rds/min for 3 min; 2 rds/min for 30 min; 1 rd/3 min sustained.	3 rds in 14 sec; 6 rds/min for 1 min; 2 rds/min for 1 hr.
Weapon precision—RPE	0.3–0.4 percent range	0.3–0.4 percent range.
Weight (pounds)	15,000	18,300.
Tube life	2,500	2,500.
Carriage durability	15,000	?
Maintenance (hours per year)	152	?
Reliability	700–1,100	?
Operational availability	83–89 percent	?

The chart below compares the current U.S. air defense gun, Vulcan, introduced into the inventory in 1969, with a German developed armored gun system (Gepard) scheduled to be fielded in 1977. Germany, Belgium, and the Netherlands intend to procure this system. The Gepard is also referred to as the Flakpanzer.

TABLE 5.—COMPARISON OF AIR DEFENSE GUNS

	Flakpanzer (Gepard)	Vulcan
Cost	Approximately $2.0M ea	Approximately $0.46M.
Cannon subsystem	Twin barrels conventional	6 barrel gatling.
Caliber	35 mm	20 mm.
Maximum rate of fire	1,100 rds/min	3,000 rds/min.
Engagement range	Approximately 3 km	Approximately 1.6 km.
Radar subsystem:		
Acquisition	Radar (range [deleted] km)	Visual (aided by FAAR).
Tracking	do	Range only radar (range [deleted] km).
Aiming instruction	Automatic computation (analog computer).	Manual (aided by lead computing sight).
Chassis	Leopard tank	113 pers carrier.
System weight	91,000 lbs	26,500 lbs.
Crew	3	4.

The table below lists characteristics of the U.S. M16A1 and Israeli-developed GALIL rifles.

TABLE 6—COMPARISON OF SMALL ARMS

Characteristics	GALIL	M–16A1
IOC	1973	1964
Caliber (millimeters)	5.56	5.56
Cyclic rate (rounds per minute)	560	750–800
Weight, empty (pounds)	10.1	6.9
Weight, loaded (pounds)	[1] 11.7	7.6
Length (inches)	39	38.8
Muzzle velocity (feet per second)	3,117	3,250
Mode of fire	[2]	[2]
Magazine capacity	35	20/30
Weight of round (pounds)	.026	.03
Weight of projectile (grains)	56	55
Weight of weapon, with 100 rounds (pounds)	16.37	11.0
Maximum effective range, semiautomatic (meters)	400	460

[1] With sling.
[2] Semi or automatic.

The U.S. Dragon weapon system and the French/German Milan weapon system are both considered medium-range antitank weapon systems. Both systems are currently in production. Comparative data for these systems is listed below:

TABLE 7.—COMPARISON OF ANTITANK SYSTEMS

Characteristics	Milan	Dragon
Weight	44 lbs.	31.9 lbs.
Guidance	Wire guided semiautomatic.	Wire guided semiautomatic.
Range	2,000 m.	1,000 m.
Time of flight	14 s.	10 s.
Armor penetration	[Deleted]	[Deleted].
Crew	2	1.
Cost	Estimated $4,500.	$4,000.

Reduction in Headquarters and Consolidation of Force

Chairman McClellan. Including the reorganization of the Army Staff last summer and the shift in the worldwide command structure, outline the changes made to reduce headquarters and consolidate the force. Summarize each action, including the number of people, military and civilian, and their costs.

Secretary Callaway. The realignment information requested is summarized in the following table and includes several actions which are under review but for which planning is continuing. With respect to the resource data presented in the table:

Military manpower spaces eliminated from headquarters/support functions are being reallocated to increase Army combat power.

Civilian manpower spaces eliminated from headquarters/support functions have, almost entirely, been used to meet directed civilian end-strength reductions. The remaining civilian spaces are being reallocated to support the increased combat force structure, e.g., base operations support.

Annual cost reductions presented are those that will be realized when actions are completed and are primarily associated with manpower costs. Military manpower associated dollars (MPA) are automatically reallocated with the associated spaces to increase combat power. Civilian manpower associated reductions (primarily OMA) not withdrawn as a result of civilian end-strength reductions are being reallocated to support the force.

The tabulated data is current and reflects minor refinements, where appropriate, to original announcements.

REALIGNMENT ACTION SUMMARY

	Jobs reduced		Annual cost reduction (millions)
	Military	Civilian	
Actions affecting Army management headquarters (fiscal year 1975):			
Reduce/reorganize headquarters, DA	195	350	$8.4
Improved staff direction and control through eliminating functional fragmentation, reducing layering and establishing clearer responsibilities.			
Eliminate 7 major Army headquarters	1,391	569	24.7
Army, Pacific disestablished Dec. 31, 1974, with the extension of Forces Command into Hawaii. Forces Command authority is exercised through the existing Support Command, Hawaii. Army component commands in Korea and Japan are managed directly from DA. Army Support, Thailand, is redesignated a joint organization responsive to the Military Advisory Command, Thailand.			
Army Forces, Alaska, disestablished Dec. 31, 1974, with the extension of Forces Command into Alaska. Forces Command authority is exercised through the existing Army brigade.			
Army Forces, Southern Command (Canal Zone) disestablished Dec. 31, 1974, with the extension of Forces Command into the Canal Zone. Forces Command authority is exercised through the existing Army brigade.			
Theater Army Support Command in Europe, disestablished Sept. 30, 1974, with residual functions consolidated in other existing organizations.			
Engineer Command in Europe, disestablished Sept. 30, 1974, with residual functions consolidated in other existing organizations.			
Intelligence Command disestablished June 30, 1974. A considerably smaller organization, the Intelligence Agency, was formed primarily from the assets of 2 intelligence groups also eliminated.			

REALIGNMENT ACTION SUMMARY—Continued

	Jobs reduced		Annual cost reduction (millions)
	Military	Civilian	
Actions affecting Army management headquarters (fiscal year 1975)—Continued			
Eliminate 7 major Army headquarters—Continued			
Army Air Defense Command disestablished Jan. 4, 1975, following discontinuance of most Nike-Hercules units in the United States. Residual functions are being consolidated in Aerospace Defense Command.			
Reduce other Army management headquarters	1,068	1,031	29.9
Streamline headquarters by consolidating functions and reducing staff layering.			
Nonmanagement headquarters reductions associated with disestablishment of major headquarters in Hawaii, Alaska, and Canal Zone and in Western Pacific (by end of fiscal year 1975)	6,241	727	71.2
Includes significant reductions in Okinawa headquarters staffing and termination of depot maintenance and retrograde activities; reduction of Army support in Thailand; consolidation of activities in Korea; consolidation of health service and communications support in all affected areas. Additional reductions of 1,493 foreign national indirect hire jobs were realized. (Includes SAF-Asia reduction.)			
Reduce staffing of DA field operating agencies (by end of fiscal year 1977)	514	1,773	23.8
Reduce Combat Development Experimentation Center, Fort Ord, Calif., with tested units provided by the new 7th Division on a mission basis (by end of fiscal year 1976)	587		5.2
Realinement announced Oct. 18, 1974 (by end of fiscal year 1975)	41	12	.1
Minor realinement of medical activities in the United States.			
Realinements announced Nov. 22, 1974 [1]	346	7,206	117.0
Reduce 3 depots to activity status through workload reduction, consolidation of residual workload at other depots, and concurrent reduction of management structure: (Lexington-Blue Grass and Savanna by end fiscal year 1976, Pueblo by end fiscal year 1977).			
Eliminate maintenance mission at Sharpe Army Depot and convert to West Coast Secondary Item Distribution Center (by end fiscal year 1976).			
Complete consolidation of secondary item distribution at 3 regional depots (by end fiscal year 1976).			
Close Frankford Arsenal by consolidating present missions with like functions at other installations and converting in-house production to contract (by end fiscal year 1977).[1]			
Reduce Fort Hamilton, N.Y., to a subinstallation of Fort Dix, N.J., with consolidation of management functions (by end fiscal year 1975).			
Realinements announced Mar. 18, 1975	922	484	15.5
Consolidate communications functions and reduce staffing worldwide (by end fiscal year 1977).			
Eliminate 5 small medical laboratories (by end fiscal year 1975).			
Discontinue Computer Systems Command Support Group at the Presidio of San Francisco, Calif. (by end fiscal year 1975).			

[1] Date subject to Armament Development Center decision.

Army Fuel Consumption

Chairman McClellan. Provide overall Army fuel consumption (in gallons) for fiscal years 1974, 1975, and 1976. Give average price per gallon during the same period.

Secretary Callaway. Overall Army fuel consumption for fiscal years 1973 and 1974, and the projected fuel consumption for fiscal years 1975 and 1976, with average price per gallon during the same period, is reflected in the chart below. The projected increases are due to: increased training requirements related to the activation of 48 new combat battalions by the end of fiscal year 1976; conversion of heating systems from natural gas and liquefied petroleum gas (which are in short supply) to heating fuel oils; adjustment for normal temperature, since fiscal year 1974 was ten to fourteen percent warmer than normal; and increased flying hour requirements related to the increased combat force. The projected increases are still within the Presidential guidelines to conserve energy by at least fifteen percent below the fiscal year 1973 consumption.

	Gallons	Average price per gallon
Fiscal year:		
1973	1,041,650,316	$0.173
1974	760,788,000	.264
1975	816,984,000	.365
1976	880,362,000	.384

Backlog of Equipment to be Overhauled

Chairman McClellan. What is the backlog of equipment to be overhauled in terms of dollars? Compare with previous years. How is this backlog determined?

Secretary Callaway. The backlog of equipment requiring overhaul is projected to be $62 million at the end of fiscal year 1976 and $37 million at the end of the transition quarter. This compares with previous years backlogs of fiscal year 1972 of $131 million, fiscal year 1973 of $135 million, fiscal year 1974 of $90 million, and fiscal year 1975 of $139 million. The unfinanced backlog is that portion of the overhaul requirement, excluding the management level, which cannot be accomplished due to funding constraints. The overhaul requirement is determined on a line-item basis and consists of the prior year backlog plus the projected unserviceable generations during the year, which are required within the Army authorization levels.

Support Functions

Chairman McClellan. What essential support functions will be picked up by foreign civilians in Europe?

Secretary Callaway. The functions in which civilians will be hired are those which have a continuing, essential peacetime workload to insure the immediate operational readiness of the deployed forces. Representative of the use of civilians are:

Increased employment in the maintenance and daily operations of Prepositioned Materiel Configured to Unit Sets (POMCUS) in Europe.

Replacement of two GS maintenance companies which backup the two corps, the only GS engineer maintenance company in USAREUR, and one of three collection, reclamation and evacuation companies.

Operation of wholesale and retail petroleum distribution and perform peacetime ammunition handling. Additional wartime augmentation will be required.

Patient care including Air Force, Navy, DOD, State and authorized contractor personnel and their dependents.

Replacement of the only refrigerator truck company and half of the heavy tank transport capability in USAREUR. Sedan drivers will also be used where previous reductions were accomplished without civilian hire.

Increased employment in postal and financial services.

Chairman McClellan. How were they selected?

Secretary Callaway. The positions were selected in units in which reductions could be made on an individual position basis so that the residual military/civilian organization could continue to perform its support mission.

Chairman McClellan. What other support functions can also be assumed by civilians? Is the Army considering this?

Secretary Callaway. In our program for fiscal year 197T we have estimated that as many as 1,000 more indirect hire might be employed than the 3,488 in our program for end fiscal year 1976 (later revised by the Commander, USAREUR to 3,843). An evaluation of the support base in USAREUR is being made to determine the validity of the estimate for increased hire beyond the program for fiscal year 1976.

Chairman McClellan. How many people were affected in Europe?

Secretary Callaway. The conversion of headquarters and non-divisional support spaces to combat spaces in fiscal year 1975 and fiscal year 1976 will involve 13,503 military positions (the net support reduction is 12,175).

The fiscal year 1976 Army budget provides for hiring about 3,500 indirect-hire civilians through fiscal year 1976 in selected support organizations to offset partially the conversion of military spaces from support to combat. As a result of added support reductions, the commander in Europe revised his requirement for civilian hires from 3,500 to about 3,800. The above increase of 3,800 will be offset by a budgeted decrease of about 700 in other USAREUR activities. Thus, the net effect in USAREUR indirect-hire employment at end fiscal year 1976 will be an increase of about 3,100.

Chairman McClellan. What is the total potential for using foreign civilians in Europe to accomplish support functions?

Secretary Callaway. We have not identified the total potential beyond the fiscal year 1976 program. In our program for 197T we estimated an increase of 1,000 indirect-hire positions more than the 3,488 positions in our program for end fiscal year 1976.

The commander in Europe revised his requirement for end fiscal year 1976 to be 3,843 positions. Thus, the revised estimate of additional positions for fiscal year 197T is about 645. An evaluation of the support base in U.S. Army, Europe is being made to determine the potential for additional indirect-hire employment in support functions.

NEW PROGRAM STARTS

Chairman MCCLELLAN. What new programs are contemplated for start during the transition quarter. Are significant new initiatives contemplated for 197T or merely continuation of ongoing efforts?

Secretary CALLAWAY. The transition budget will finance those activities that normally occur in the July to September quarter. There are no new starts during the transition quarter.

EDUCATIONAL PROGRAMS

Chairman MCCLELLAN. Describe the partially funded educational programs available to both officers and enlisted men. Explain what portion of tuition, fees or other costs are paid for from appropriated funds and identify the amounts by appropriation for fiscal years 1974, 1975, and 1976. Indicate the number of personnel who will utilize such programs by fiscal year and the number of new entrants.

Secretary CALLAWAY. The Army sponsors partially funded educational programs on the graduate and undergraduate levels. The participants are responsible for the payment of all tuition and fees while the Army pays salaries and provides a permanent change of station move to the school. The graduate program is for commissioned officers and is based on validated Army Educational Requirements Board positions. The maximum allowable study period is 18 months, but in recent years the average time has been 6 to 12 months. This graduate program is available to high quality officers with 5 to 13 years of service and they incur a three-year obligation for every year of study with a 4-year maximum obligation. The undergraduate program includes officers and warrant officers and is based on the Army goal for all officers to have a baccalaureate degree and warrant officers to obtain an associate degree by 15 years of service. The prerequisites for attendance, the individual's tuition and fee responsibilities and the incurred obligation is the same as for the graduate program. Congressional action terminated enlisted participation in the undergraduate program effective 1 October 1974. The last enlisted man will graduate in March 1976. The following tables provide the requested statistics:

Graduate Program:

	Fiscal year—		
	1974	1975	1976
New inputs	538	538	538
Total participants	938	1,062	1,062
OMA funds	0	0	0
MPA funds	10,003,000	10,104,000	11,525,000
Undergraduate program:			
New inputs	867	795	807
Total participants	1,581	1,686	1,333
OMA funds	0	0	0
MPA funds	13,240,000	11,606,000	14,815,000

FUNDING FOR FULL-TIME COLLEGE PROGRAMS

Chairman MCCLELLAN. Describe the full-time college, junior college, undergraduate and graduate programs for which funds are requested. Identify the total fundings required for these programs, by appropriation, for fiscal years 1974, 1975, and 1976. Also indicate the number of new entrants programed for each fiscal year, split by officers and enlisted personnel.

Secretary CALLAWAY. The Army sponsors full-time educational programs at the graduate level for officers and at the undergraduate level for warrant officers and enlisted personnel. Inputs to an officer program at the undergraduate level were terminated in fiscal year 1974 and the last officer will graduate during fiscal year 1976.

Officers Graduate Degree Program: This program is designed to fill the Army requirements for officers educated at the graduate level as determined by the

Army Educational Requirements Board. Study period is 18 months with exceptions as applicable. The program is open to high quality officers with 5 through 13 years of service. The individual incurs a 3-year obligation for every year of study with a maximum 4-year obligation.

	Fiscal year—		
	1974	1975	1976
New inputs (officers)	509	592	512
OMA funds	$2,936,000	$3,277,000	$3,152,000
MPA funds	$18,730,000	$14,861,000	$14,824,000

Officers Undergraduate Degree Program: Army pays tuition for two years study for officers (last input fiscal year 1974) and 18 months for warrant officers. Open to RA or RA potential officers and warrant officers with proven combat performance and high potential. Degree attainment prior to 15 years is ideal for warrant officers and the standard 3-for-1 maximum of 4-year obligation is incurred.

Enlisted Undergraduate Degree Program: Army pays tuition for up to 2 years study either at the baccalaureate or associate degree level to satisfy valid requirements. Enlisted personnel with between 3 and 12 years service study in a discipline directly related to their Military Occupational Specialty. Normal obligation of 3-for-1 maximum of 4 years is incurred.

	Fiscal year—		
	1974	1975	1976
New inputs (officers)	473	0	0
WO	55	68	68
Enlisted	65	125	125
OMA funds	$2,586,000	$2,181,000	$792,000
MPA funds	$21,408,000	$12,356,000	$6,276,000

ROTC Program

Chairman McClellan. What are the opportunities for enlisted personnel to attend college through an ROTC program? How does this program compare with the others? How many are programmed in fiscal years 1974, 1975, and 1976, and how much is requested in those years?

Secretary Callaway. Enlisted personnel are prohibited by statute from participating in ROTC. They may, however, compete for two-year scholarships and are released from active duty if selected to receive that award. Each year 50 two-year scholarships are set aside for active duty enlisted personnel.

Commissioning Programs Available to Enlisted Personnel

Chairman McClellan. Describe the commissioning programs available to enlisted personnel (OCS, etc.). What are the requirements? What is the planned input and output in fiscal years 1974, 1975, and 1976, and what is the cost?

Secretary Callaway. Enlisted men may pursue a commission through any of the Army's three commissioning programs (OCS, ROTC, USMA). Requirements for OCS require that applicants must have two years of college, be highly motivated and well recommended. Total input to OCS for Fiscal Year 1974, 1975, and 1976 are 500, 500 and 820 respectively. Production for Fiscal Year 1974 was 323. Output for Fiscal Year 1975 and Fiscal Year 1976 are programed at 350 and 500 respectively.

Active duty enlisted personnel may apply for one of the 50 two-year Army ROTC scholarships set aside each year for enlisted personnel. Applicants must have two years of college and at least one year on active duty. Scholarship winners are released from active duty, receive tuition, books, educational fees and $100 per month for up to 20 months and incur a four-year service obligation upon graduation and commissioning. Input for Fiscal Year 1974, Fiscal Year 1975,

and Fiscal Year 1976 will remain at 50 per year. Output is expected to be at least 45 each year.

Approximately 150 Regular Army enlisted men apply for the USMA Preparatory School at Fort Belvoir, Virginia each year. Normally, more than half of the entrants complete the preparatory training and are ultimately appointed to the Military Academy.

Requirement for 30 Divisions

Chairman McClellan. Your statement indicates the requirement for 30 Army divisions. Would you explain the basis for the requirement and the contingencies to which that number of divisions would be applied. What specific contingencies or areas are excluded in a 13- or 16-division force structure that you feel are significant?

General Weyand. Army force requirements are determined in two steps:

The first step is to determine the required minimal risk Army force which is relatively unconstrained by fiscal and manpower considerations. It represents our best military judgment as to the force level required to meet specified contingency situations. It is based on our analysis of the threat, the geographic and physical features of the area concerned, and various studies and analyses conducted at all levels—from field commanders, unified commanders, to the Army and the JCS.

The second step is to determine the "objective force." It is the force level that the JCS recommend be bought and maintained during peacetime to provide a reasonable prospect for successful execution of the strategy at a prudent level of risk. The objective force is derived in consideration of reasonable attainability and is considered supportable by fiscal, manpower, and industrial resources of the United States.

Army minimal risk force requirements are determined for the following contingencies:

[Deleted.]

The three contingencies listed below must be considered secondary to the defense of Europe. [Deleted.] These contingencies could, however, be supported by the same 30-division force. [Deleted] to stabilize the conflict, additional forces would be required to conduct a counter offensive to restore lost territory if a decision were made to do so.

[Deleted.]

Thirty divisions is not considered a reasonable goal in light of the competing priorities within the United States. Thus, the Army's goal is a 24-division force (16 Active and 8 Reserve component division), one that is reasonably attainable during peacetime and one that would be at a prudent level of risk. A 24-division prudent risk force has been validated by the JCS for the past decade.

The most serious threat to US security are the large and growing ground forces of the USSR and its allies deployed forward in Eastern Europe, poised for a possible attack to seize the industrial resources and people of Western Europe. [Deleted.] A 24-division US Army would be required to counter such an attack at a prudent level of risk. Possible deployments in such a situation are as follows:

[Deleted.]

With an objective force of 16 Active divisions (and 8 Reserve component divisions), the specific contingencies that would be excluded when compared with the 30-division (Active and Reserve divisions), minimal risk force would be:

[Deleted.]

Value of 16-Division Force

Chairman McClellan. How does a 16-division force give the Army "a better chance of winning that crucial first battle?" Isn't the likelihood great that only a portion of the force—whether it be 13 or 16 divisions—would be committed at an early stage of any conflict?

General Weyand. Current planning provides for all Active divisions to be deployed [deleted] conflict depending upon the strategic warning time. The three new divisions with warning time will provide more combat power [deleted]. In either case, the added combat power provided by the three new divisions will enable the US to respond with greater strength and speed during the critical initial days of a [deleted], and give us "a better chance of winning that crucial first battle."

Force Level Requests

Chairman McClellan. How was the 785,000 number selected? Does this happen to represent the number the Army felt it could attain in FY 1975—and there

was a desire to go no lower—or does it specifically relate to a 16-division force structured in a certain way?

General WEYAND. There must be no doubt that the fiscal year 1976 end strength of 785,000 requested by the Army relates specifically to both: our desire and plan to achieve a 16-division Active Army; and strength stability to facilitate management of our manpower resources. This is why we are requesting the same force level as last year.

The process which is followed to arrive at a requested end strength carefully analyzes the threat, strategy, required Army force structure, constrained resources, force readiness level and mission requirements. The myriad of peacetime and wartime demands must be met within resource levels. We feel the requested 785,000 Army end strength reflects an acceptable compromise position in light of the competing demands, and provides the nation a sufficient combat ready force capable of accomplishing its assigned missions.

This end-strength request is the foundation upon which we are building the 16-division active force. This is so because a stable end strength is essential if the Army is to optimize its resources to provide the most efficient fighting force. The Army, dealing as it does in the currency of manpower, cannot be run efficiently or can it project to maximum combat power if it must sustain frequent expansions and contractions in its strength.

BALANCE BETWEEN COMBAT AND SUPPORT FORCES

Chairman MCCLELLAN. Your statement indicates the need for equilibrium between combat units and support forces. What do you consider the proper equilibrium in terms of percentage combat and percentage support? Where are we today and where will we be with the 16-division force structure?

General WEYAND. The ideal total force ratio is that which provides a balanced, modern, and ready force capable of conducting sustained combat to execute assigned worldwide missions. The ratio for any theater will be different as the support required depends on the threat, mission, geography, climate, local facilities available and support expected from Allies. Combat in NE Asia requires more support forces than combat in Europe. To meet most worldwide contingencies, current planning force distribution contains from 45% to 55% combat forces. We are reviewing the forces continuously to determine possible support economies while still insuring an adequately supported force.

The predicted combat/support distribution over the next three years, assuming approval of the Army 16-division acceleration plan, is:

[In percent]

	1974		1975		1976	
	Combat	Spt	Combat	Spt	Combat	Spt
Army-wide	45	55	50	50	53	47

ARMY RESERVE READINESS DIVISIONS

Chairman MCCLELLAN. What is the current readiness of each of the Army Reserve divisions? What is it projected to be during the five-year program period?

General WEYAND. All of the Reserve Component combat divisions are in the Army National Guard. The current overall readiness status of the eight Army National Guard divisions (as of 20 October 1974) is as follows:

Unit	*Overall status*
26th Infantry Division	[Deleted.]
28th Infantry Division	
38th Infantry Division	
42d Infantry Division	
47th Infantry Division	
40th Infantry Division (Mech)	
49th Armored Division	
50th Armored Division	

[Deleted] is the major constraint to a better readiness posture for all the divisions.

The Army National Guard divisions are projected to meet their Authorized Level of Organization, [deleted].

Foreign Sales Impact on Readiness

Chairman McClellan. What specific impact have sales of arms to foreign countries had on readiness of both Active and Reserve units? How many years do you anticipate that such transfers have set back your goals of bringing Reserve Forces up to readiness standards?

Secretary Callaway. Sales of arms to foreign countries have had minimal impact on the readiness of existing Active Army units.

The sale of arms from Active Army assets have been from war reserve stocks, equipment programed for rebuild or from new procurement. The loss of rebuild assets directly impacts on modernization of Reserve Forces. Rebuild programs are their prime source for Army major end items.

Diversion of arms for sale to foreign countries from Army stocks, rebuild programs and new procurement, are major factors contributing to the cause for Reserve components remaining at approximately their current level of Army standard equipment for an additional 2 to 4 years.

QUESTIONS SUBMITTED BY SENATOR YOUNG

Chairman McClellan. Before he left the hearing, Senator Young indicated that he also has questions for you to answer for the record. They will be inserted at this time.

[The questions and answers follow:]

16-Division Objective

Senator Young. When does the Army expect to reach its objective of 16 divisions?

Secretary Callaway. It is planned that the activation schedule for the three new divisions will be completed during Fiscal Year 1977 when the 5th Infantry (Mechanized) Division at Fort Polk, and the 24th Infantry Division, Fort Hunter/Stewart, Georgia will each have organized a third Active Army brigade.

At the current time a previously authorized brigade is stationed at each of the planned division posts. The 7th Infantry Division, Fort Ord, California is the only division for which a division headquarters has been activated. If approved, through planned Fiscal Year 1976 activations, and the redesignation and reorganization of two other currently existing brigades, each division will end the fiscal year with a division headquarters and two Active Army brigades. Each of the divisions will be rounded out in Fiscal Year 1976 by a Reserve Component brigade.

In Fiscal Year 1977, when the previously-mentioned Active Army brigades are added to the 5th and 24th Divisions, the Reserve Component round-out brigades will retain a fully affiliated status and form the fourth brigade of the divisions. There are currently no plans to add a third Active Army brigade in the 7th Infantry Division.

Billeting for Additional Divisions

Senator Young. Where will the billets for the 3 additional divisions be derived? What support units will be affected?

Secretary Callaway. Spaces to support the formation of the three new divisions are being derived from the elimination, realignment, consolidation and reduction of headquarters, and training units, and the deletion of some support units from the Active Army force structure. Typical examples of support units affected include postal, finance, transportation, medical, supply, and signal units.

Base Closures

Senator Young. Will the reduction of support units to man the three additional divisions result in base closures and associated civilian reductions? If so, which bases and when will closure be required?

Secretary Callaway. No additional base closures are anticipated solely as a result of the reduction in support units to man and support the three additional divisions. During the fiscal year 1975, reduction actions have focused on fulfill-

ment of Nunn amendment provisions; elimination and consolidation of major command headquarters, both overseas and in CONUS; and the realignment of the depot system in CONUS.

Nunn amendment reductions in conjunction with DOD guidance are resulting in the conversion of support spaces to combat jobs in Europe. Most actions are accomplished by reduction and inactivation of battalion and company level support units whose strengths are relatively small. Nunn amendment actions involve unit strength-reductions through realignment and consolidation of functions and scrubbing out all but essential overhead jobs. Such actions may reduce requirements for facilities, but do not result in installation closures. Support units are normally tenant activities and even their disestablishment represents a small reduction in total base population. The Army's method for achieving the Nunn amendment reductions in fiscal year 1975 has netted the required spaces without resulting in the closure of installations. There are no plans to alter this approach in fiscal year 1976.

Significant reductions in fiscal year 1975 were accomplished in eliminating major management headquarters and parallel actions to consolidate functions and minimize layering in other headquarters and support activities. The reduction of Army air defense activities in CONUS is resulting in closure of three small supporting installations and the reduction of another to Reserve component support status by June 30, 1975. Headquarters reductions in Europe, Hawaii, Alaska, and the Canal Zone did not result in the closure of Army installations.

The realignment of the U.S. Army Materiel Command depot system announced on November 22, 1974, will achieve reductions in support activities which strengthen combat power. In addition, these changes enable timely adjustment to reduce maintenance workload and improvements in services provided by the depots. While the decision to close Frankford Arsenal in Philadelphia was announced in conjunction with the depot realignment, the closure decision was based on cost effectiveness and improved efficiency through consolidation of like functions. The Army's efforts to reduce costs amidst current budget constraints dictate detailed scrutiny of redundant and outmoded facilities in adjusting CONUS support activities. The realignment of Fort Hamilton, New York, provides for improved efficiency in area support for Northeastern recruiting and Reserve component activities.

Reductions in support units during fiscal year 1976 will continue to be aimed at improving economy and efficiency in operations and strengthening the combat forces. While no closure decisions are likely to result from the support to combat unit conversions, additional realignment actions are under consideration, including review of Army Materiel Acquisition Review Committee recommendations.

As has been the case in the past, decisions to close Army installations will be made only after study of analytical data which enable comparison of realistic, economical alternatives. Moreover, each consideration of closure action will include the submission to Members of Congress of data pertinent to each alternative under consideration sufficiently in advance to provide opportunity for the Army to incorporate ideas and suggestions into the decision process.

Effect of Economy on Recruiting

Senator Young. What effect is our economy having on the Army's successful recruiting since last year?

Also, what effect is our present economic situation having on reenlistments?

Secretary Callaway. The current economic situation is undoubtedly having an effect on the Army recruiting effort. However, there are other factors which have increased enlistments particularly of those persons who have a high school diploma in mental categories I–III. First, the recruiting force has been operating at full strength for the entire fiscal year, whereas the first half of last year it had a shortage of about 1,000 recruiters. Second, continuing efforts are being directed at improving enlistment options and programs thereby making them more attractive to the quality men and women that the Army is interested in reaching. Third, recruiter emphasis and direction have focused on higher quality accessions to include mental category I–III high school graduate enlistments in Fiscal Year 1975. It is the opinion of Army analysts that only about 1,300 to 2,600 of the 7,300 to 8,400 expected increase in high school diploma enlistments in mental categories I–III in Fiscal Year 1975 will be directly attributable to the current unemployment situation. Another factor, but unmeasurable, which may also be helping to

improve recruiting is the more positive opinion of the military which is currently held by the American people.

As with enlistments, the present economic situation is also having a favorable effect on increasing the number of soldiers who desire to reenlist. Equally important in viewing the increase in reenlistments, however, is the changing nature of the first-term population of soldiers from that composed primarily of draft and draft-motivated soldiers who presumably had little desire to reenlist to one of soldiers who are true volunteers. Since October 1974, the month that those soldiers who enlisted after the last draft call first became eligible to reenlist, the first-term Regular Army unadjusted reenlistment rate has significantly increased. Whereas this rate at the end of Fiscal Year 1974 was 33.2 percent, in the months between October 1974 and February 1975 the rate has averaged 44.4 percent. If the state of the economy were the sole operative on this increase, we would expect a corresponding significant increase in career reenlistments. Our data do not support that conjecture. Career immediate reenlistments are above our expectations, but not to the degree that our first-term immediate reenlistments are.

Officer-to-Enlisted Ratio

Senator Young. What is the Army's officer-to-enlisted ratio? Is the trend to increase or decrease the number of enlisted to the number of officers?

Secretary Callaway. As of December 1974 the Army's officer-to-enlisted ratio was 1:6.5. The trend is to decrease the officer-to-enlisted ratio to 1:7.0 by the end of Fiscal Year 1976.

Senator Young. What is the ratio of the Top Six enlisted pay grades to all other enlisted personnel?

Secretary Callaway. The Top Six enlisted grade content is projected to be 60.3 percent of the enlisted force by end fiscal year 1975 and 62.3 percent by end fiscal year 1976. This is the approximate level at which we intend to stabilize and is consistent with the long range goals of the Enlisted Force Management Plan.

Equipping of Reserve Units

Senator Young. Is the Army's objective to equip the reserve units with modern weapons such as the M–60 tank, TOW missile, and the Advanced Attack Helicopter?

Secretary Callaway. The Army plans to equip all reserve units with M–60 tanks, when available. TOW is currently planned to be provided at varying authorization levels to selected mechanized, infantry, and airborne Reserve component battalions which deploy in the 90-day scenario. The Army is going to examine the requirement to provide all Reserve component units authorizations identical to Active units. The AAH is planned only for high priority Europe-based and Europe-oriented Active units.

Real Property Maintenance

Senator Young. Does the Army's request contain sufficient funds to reduce real property maintenance backlog to an acceptable level?

Secretary Callaway. The Army's request will not reduce the backlog of maintenance and repair to an acceptable level. The exceptionally high level of our current backlog (over $500 million) makes it impractical and unwise to attempt to achieve a manageable level in one year. Therefore, we have embarked on a multi-year program, which if supported by the Congress, will enable us to reduce the backlog to a manageable level by fiscal year 1982. The funds requested for fiscal year 1976 will permit the Army to halt the continued growth of the maintenance backlog and to reduce it by some $30 million. A portion of the requested funds will be specifically designated for mandatory expenditures on the backlog of maintenance and repair projects.

Advantage of 785,000 Personnel Strength Ratio

Senator Young. What advantages will a stable 785,000 personnel strength give the Army?

General Weyand. The major advantages of a stable end strength are:

(1) It minimizes the personnel turbulence associated with force structure changes and reorganizations caused by end-strength adjustments; and

(2) It provides the basis for making systematic adjustments to improve the force structure thus improving resource utilization.

Restriction of Recruit Enlistments

Senator Young. Will the Defense Department's recently announced policy to restrict recruit enlistments to 3 or more years support or hinder the Army's goal of a stable force?

General Weyand. It supports the Army's goal of a stable force. This policy is consistent with one of the objectives in the Army's long range Enlisted Force Management Plan.

Recruit Comparisons

Senator Young. How does the post-Vietnam volunteer recruit compare with prior year recruits in the areas of devotion, discipline, trainability and dependability?

General Weyand. The post-Vietnam volunteer recruit compares favorably with prior year recruits in all the areas you question. It is recognized that the extent to which these characteristics are satisfactorily demonstrated depends largely on such factors as the opportunity for realistic training, and the soldier's motivational level and perception of the Army. Our personnel management activities are aimed at providing better leadership, meaningful jobs, and creating perceptions among soldiers that they are performing a worthwhile service and that the Army does care for their welfare and the welfare of their families.

Discipline Rate

Senator Young. What is the discipline rate today in the Army? Higher or lower than the Vietnam period?

General Weyand. An analysis of the rates per 1,000 for selected indicators of indiscipline in the Army today as compared to the Vietnam period reveals crime to be higher while absenteeism and courts-martial to be substantially lower. Worldwide rates per 1,000 for the major indicators of indiscipline for calendar years (CY) 1969 to the present are:

	AWOL	Desertion	Crimes of violence	Crimes against property	Drug and marihuana offenses	Courts-martial
Calendar year:						
1969	116.9	46.3	5.13	(1)	(1)	45.73
1970	162.7	66.9	6.13	(1)	(1)	37.94
1971	172.6	68.5	8.10	87.75	19.47	34.47
1972	157.5	52.8	7.67	86.80	19.45	27.21
1973	156.5	51.4	7.96	86.53	31.50	28.88
1974	108.0	32.8	8.25	89.76	[2] 40.72	24.62

[1] Data not available in comparable format.
[2] Marihuana use and possession accounted for 80 percent of these offenses.

Increased Commissary Profits

Senator Young. What effect will the recent decision concerning increased commissary profits to pay civilian workers have on:

(a) Prices of items to the service family?

(b) Morale of personnel?

General Weyand. The Program/Budget Decision which eliminated the subsidization of commissary employee salaries pertains to both military and civilian employees. It is to be put into effect on an incremental basis on 1 October 1975. During the period 1 October 1975 through 30 September 1976, fifty percent of the salary costs will be borne by the customer. This will increase food costs to the customer by approximately five percent. Effective on 1 October 1976, one hundred percent of the salary costs will be paid for by the customer. This will increase food costs by an additional five percent, at which time the total surcharge or markup in Army commissaries will be approximately thirteen percent. These estimated increases are predicated on the assumption that commissary store sales will be constant at the current level ($900 million per year). In the probable event that sales decrease substantially due to the increased prices, further increases in commissary prices will be necessary to meet the payroll costs. This factor is unknown at this time. In a separate, but related action, a pro-

vision in Public Law 93–552, 27 December 1974, provides for increasing prices or assessing an additional surcharge to generate funds for construction of commissary facilities within the United States. Implementation of this legislation will result in an additional one or two percent increase in prices.

It is believed that written and verbal response from individuals concerning an issue is the best barometer in determining effect on morale. The decision to eliminate subsidization of commissary employee salaries has resulted in heavy volume of inquiries and complaints to Members of the Congress, the White House, the Department of Defense, the Military Departments and the news media. Active duty and retired military personnel generally feel that an assumed fringe benefit has been defaulted with an adverse impact on their morale and faith in the benefits of a military career.

QUESTIONS SUBMITTED BY SENATOR THURMOND

Chairman McClellan. Senator Thurmond was not able to attend today's hearing, but he has submitted questions for the record.

[The questions and answers follow:]

Cost of 16-Division Force

Senator Thurmond. Mr. Secretary, what do you see as the first, second and third year cost of the 16-division force?

Secretary Callaway. Designated costs represent the Army's identification of the discrete resource elements associated with our force initiatives that convert support to combat. The designated resources unique to the three new divisions in our fiscal year 1976 budget request total $113 million. This chart illustrates the composition of that amount by appropriation and also provides our best estimate of the extension of designated and unique costs through 1980 that are applicable to these units.

DESIGNATED COSTS UNIQUE TO 3 ADDITIONAL DIVISIONS (2 INFANTRY, 1 MECHANIZED)

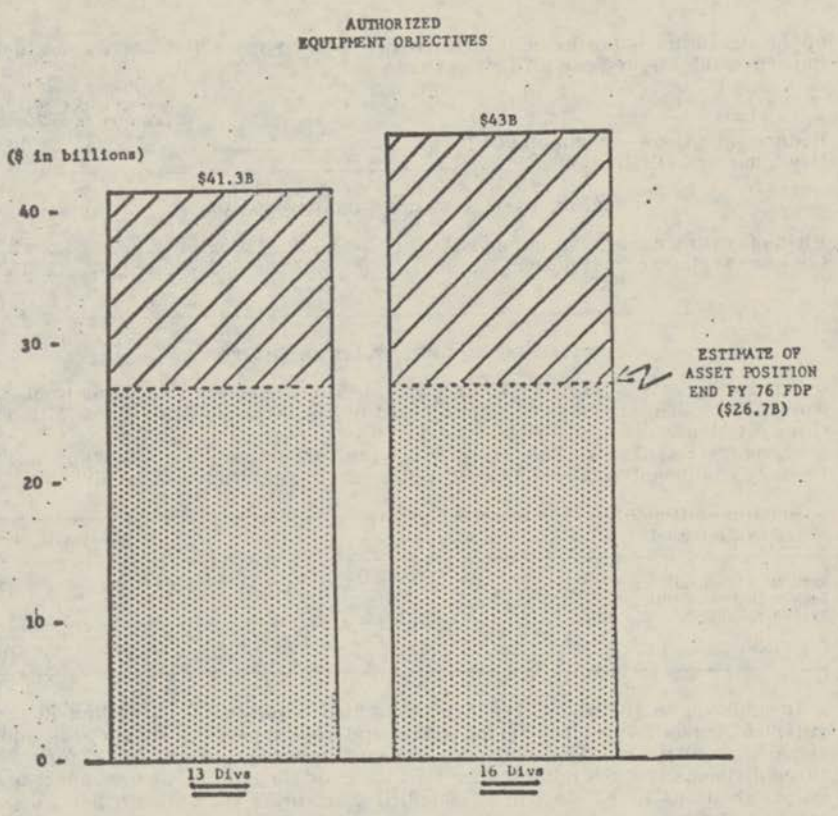
[In millions]

	Fiscal year—					
	1976	1977	1978	1979	1980	Total
OMA	$51	$37	$33	$32	$31	$184
MCA	24	74	103	104	104	409
Procurement	38		[1] 1,262			[2] 1,300
Total	113					1,893
Grand total (billions)			1.9			

[1] Individual year computations are not distinguishable because Army develops inventory (procurement) objectives against its total 5-year requirement. In this case, those costs were $1,300,000,000 over the 5 years. With respect to the $38,000,000 in fiscal year 1976, discrete costs can be developed during budget formulation.

[2] The value of the materiel inventory increase necessary to equip and provide for modernization of the divisions.

The OMA operating costs designated in this appropriation serve two purposes. They provide funds to allow the activation of the unit (one-time cost) and funds to support annual operations. The MCA designated costs are applicable to Forts Ord, Polk and Hunter/Stewart and are basically unique to the components of the new divisions that expand those forces beyond separate brigades at each installation. In procurement the Army has designated $38 million in its fiscal year 1976 budget request as unique to the three additional divisions. The Army plans in fiscal year 1976 to equip the new combat units from prior year procurement, depot stocks and rebuild programs. Resources in fiscal years 1977–1980 are designated to replenish and replace those stocks used initially to equip the new units and also to buy the modernization equipment being acquired from the total force. The following chart provides an illustration of the environment that is indicated relative to Army equipment requirements with or without its conversion initiatives.



This chart illustrates that:

The value of the previously required Army equipment inventory is about $41.3 billion.

The value of the inventory for the new force is about $1.7 billion greater.

$26.7 billion asset level is possible by the end of the Fiscal Year 1976 Funded Delivery Period.

Illustrates that the need for this type expenditure exists regardless of the additional combat forces in our program.

INCREASE IN ANNUAL COST OF 16-DIVISION FORCE

Senator THURMOND. Mr. Secretary, what would be the increased annual cost of the 16-division force?

Secretary CALLAWAY. The Army considers these costs to be operating costs, and for the three new divisions the following has been determined:

Military Personnel.—We do not project any increase in military personnel costs other than to keep pace with inflation and rises in the cost of living.

Training.—There will be no incremental increase in training base costs.

Civilian Personnel.—There is no planned increase in the number of civilian personnel as a requirement to support the new divisions.

Other Operating Costs.—Projected designated increased operating costs for the three new divisions are $51 million in Fiscal Year 1976, $37 million in Fiscal Year 1977, $33 million in Fiscal Year 1978, $32 million in Fiscal Year 1979 and $31 million for Fiscal Year 1981. The Fiscal Year 1976 figure includes one-time costs of $20 million for unit activations.

Senator THURMOND. What savings do you hope to accomplish to offset these costs?

Secretary CALLAWAY. The Army has taken numerous actions to free both manpower and dollar resources for use in restructuring to a 16-division force. Some

of the significant operation and maintenance cost savings actions taken and their impact on the Fiscal Year 1976 budget are:

Action	*Fiscal year 1976 budget savings (dollars in millions)*
Reduce operations—Japan and Okinawa	20.8
Headquarters elimination	8.9
USARPAC, USARSO, USARAL, USAINTC, ARADCOM	
Field operating agency reductions	3.7
Conus base closure/realinement	15.3
Total	48.7

INCREASE IN EQUIPMENT ITEMS FOR FORCE

Senator THURMOND. Mr. Secretary, provide for the record the major items of equipment which will have to be purchased by the Army to equip the additional three divisions.

Secretary CALLAWAY. The Army will have to purchase the following major items of equipment in Fiscal Year 1976 to equip the additional three divisions.

Item of equipment	Quantity	Cost (millions)
Radio set, AN/GRC-103	428	$9.5
Counter, electronic digital	500	1.5
Readout, AN/USM-207		
Total		11.0

In addition to the above, the Army has also requested $27.3 million in procurement funds for replenishment spares and repair parts to support the additional three divisions. The total procurement funds requested in FY 76 for these three divisions is $38.3 million. The remainder of the equipment to support new unit activations in FY 76 will be supplied from prior year procurement, depot stocks and rebuild programs.

During the period FY 77 thru FY 80, the Army has designated $1.262 billion of a $43 billion equipment objective to replenish and replace those stocks used initially to equip the three new divisions and also to buy their modernization equipment.

RESERVE FORCE SUPPLEMENTING OF EXTRA DIVISIONS

Senator THURMOND. Mr. Secretary, will the extra active divisions be supplemented by Reserve forces in any element other than combat brigades or battalions?

Secretary CALLAWAY. Reserve forces will be conducting routine training at the three posts for the three new divisions and will at a local level provide support for the Active Army divisions. This type support will not be considered a direct supplement to the new divisions.

TRAINING OF AFFILIATED UNITS

Senator THURMOND. At what point in time do you expect all affiliated units to be training with the new divisions during their active duty training?

Secretary CALLAWAY. We expect affiliated or roundout brigades of the 5th and 24th Divisions to be training with the new divisions during annual training in 1976. We plan for the brigade rounding out the 7th Division to train with the division during annual training in 1977.

DRAW DOWN OF U.S. FORCES

Senator THURMOND. Mr. Secretary, in the event of some agreement with the Soviets at the MBFR talks, to what level do you feel it would be safe to draw down US forces?

Secretary CALLAWAY. The allied Phase I MBFR force reduction proposal calls for the US [deleted]. In Phase II, [deleted].

General Purpose Force Upgrading

Senator Thurmond. Mr. Secretary, what do you see as the cost in your program to upgrade our general purpose forces?

Secretary Callaway. Sir, I assume that by upgrading the general purpose forces you are referring to the Army's initiatives to increase its combat power to a 16-division force. This involves creation of 48 new combat battalions, 28 of which will go toward the three new divisions and the remainder to non-divisional forces. The designated costs associated with these initiatives for the period fiscal year 1976–1980 are $2.5 billion ($381 million in fiscal year 1976). This includes $1.9 billion for the three new divisions and $0.6 billion for other Army force initiatives during this five-year period. Fiscal year 1976 costs are $113 million and $268 million for the additional divisions and other force initiatives respectively.

TOW Missiles

Senator Thurmond. I note the Marines do not plan to place the TOW missiles in one of their divisions. Does the Army have any similar plans?

Secretary Callaway. No. The Army plans to equip all Active divisions and selected Reserve component units with TOW.

Equipment Shortages

Senator Thurmond. What do you see as the chief equipment shortages or weaknesses in our active duty divisions?

Secretary Callaway. All Active Army divisions achieved their established logistic readiness goals except for the [deleted].

The equipment shortages which affect the readiness goals of the [deleted] are communications/electronics equipment and tactical vehicles.

Discipline Problems

Senator Thurmond. Mr. Secretary, what have been the chief discipline problems in the all volunteer Army?

Secretary Callaway. An analysis of the rates per 1,000 for selected indicators of indiscipline reveals that the chief discipline problems occurring since the start of the all volunteer Army are in the areas of crimes of violence, crimes against property and drug offenses. Worldwide quarterly rates per 1,000 for the major indiscipline indicators since the start of the all volunteer Army, 1 July 1973, are:

	AWOL	Desertion	Crimes of violence	Crimes against property	Drug and marihuana offenses	Courts-martial
Quarter (calendar year):						
3d, 1973	42.9	14.4	1.99	23.27	8.19	7.42
4th, 1973	28.8	9.0	2.01	22.78	8.79	6.88
1st, 1974	30.1	8.8	2.04	21.70	10.84	6.85
2d, 1974	28.1	8.9	1.90	22.21	10.02	6.50
3d, 1974	28.0	8.3	2.21	22.45	9.71	6.02
4th, 1974	21.8	6.8	2.10	23.50	[1] 10.16	5.25

[1] Marihuana use and possession accounted for 80 percent of these offenses.

Declines in Courts Martial

Senator Thurmond. Have courts-martial declined?

Secretary Callaway. The rate per 1,000 for worldwide Army courts-martial has generally declined over the past five years. Calendar year (CY) rates are:

Calendar year:	*Rate per 1,000*
1970	37.94
1971	34.47
1972	27.21
1973	28.88
1974	24.62

SUBCOMMITTEE RECESS

Chairman McClellan. Thank you, gentleman.

We will stand in recess until 10 o'clock Friday morning.

[Whereupon, at 12:05 p.m., Wednesday, March 12, the subcommittee was recessed, to reconvene at 10 a.m., Friday, March 14.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1976

FRIDAY, MARCH 14, 1975

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room 1228, Everett McKinley Dirksen Office Building, Hon. Milton R. Young presiding.

Present: Senators McGee, Young, and Fong.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

PROCUREMENT

STATEMENT OF HON. HAROLD L. BROWNMAN, ASSISTANT SECRETARY OF THE ARMY, INSTALLATIONS AND LOGISTICS

ACCOMPANIED BY:

MAJ. GEN. PETER G. OLENCHUK, ASSISTANT DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION

COL. RALPH J. COOK, CHIEF, MISSILES AND AIR DEFENSE SYSTEMS DIVISION, WEAPONS SYSTEMS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION

LT. COL. JOHN F. BIEMECK, TANK ANALYST, WEAPONS AND COMBAT VEHICLES DIVISION, WEAPONS SYSTEMS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION

LT. COL. ROY B. DICKINSON, AIRCRAFT ANALYST, AVIATION SYSTEMS DIVISION, WEAPONS SYSTEMS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION

LT. COL. ROBERT P. GALL, CHIEF, PRODUCTION BASE TEAM, MUNITIONS DIVISION, COMBAT SUPPORT SYSTEMS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION

LT. COL. GEORGE W. ROSTINE, CHIEF, ARMOR TEAM, WEAPONS AND COMBAT VEHICLES DIVISION, WEAPONS SYSTEMS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION

LT. COL. WESLEY L. TAYLOR, CHIEF, OTHER SUPPORT EQUIPMENT BRANCH, SUPPORT SYSTEMS DIVISION, COMBAT SUPPORT SYSTEMS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION

MAJ. JOSEPH J. FRANCIS, MISSILE ANALYST, MISSILES AND AIR DEFENSE SYSTEMS DIVISION, WEAPONS SYSTEMS, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION

INTRODUCTION OF ASSOCIATES

Senator YOUNG. The subcommittee will come to order.

This morning the subcommittee will receive testimony in support of fiscal year 1976 Army Procurement Appropriation requests.

The principal witness will be the Honorable Harold L. Brownman, Assistant Secretary of the Army, Installations and Logistics, who will be accompanied by Major General Peter G. Olenchuk, Assistant Deputy Chief of Staff for Research, Development and Acquisition.

JUSTIFICATION

Before we begin hearing testimony, however, I think it appropriate to insert material from the justification. Without objection, that information will appear at this point in the record.

[The justification follows:]

51-811 O - 75 - 12

Justification

APPROPRIATION LANGUAGE

For construction, procurement, production, modification, and modernization of aircraft equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor; without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment (1) layaway; and other expenses necessary for the foregoing purposes; [$242,800,000, and in addition, $7,000,000 shall be derived by transfer for "Aircraft Procurement, Army 1974/1976,"] $362,300,000 to remain available for obligation until [June 30 (2) 1977] September 30, 1978. (3)

For Aircraft Procurement, Army for the period July 1, 1976 through September 30, 1976, $59,400,000 to remain available for obligation until September 30, 1978. (4)

(10 U.S.C. 2353, 3012, 4531, 4532, 31 U.S.C. 649c; Department of Defense Appropriation Act, 1975; additional authorizing legislation to be proposed for fiscal year 1976, and the period July 1, 1976, through September 30, 1976.)

EXPLANATION OF LANGUAGE CHANGES

(1) Provides authority to expend funds in connection with Government and contractor-owned equipment layaway.

(2) To change the amount of appropriation requested for FY 1976.

(3) To change the obligation expiration date for the FY 1976 program.

(4) To indicate the amount of appropriation requested and the obligation expiration date for FY 197T (Transition Budget).

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	IDENTIFICATION CODE 07-15-2031-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. AIRCRAFT	.....	27,800	122,000	84	40,695	109,500
	2. MODIFICATION OF AIRCRAFT	116,700	151,860	127,700	110,770	144,000	121,108
	3. SPARES AND REPAIR PARTS	22,700	21,900	54,200	10,932	32,163	53,100
	4. SUPPORT EQUIPMENT AND FACILITIES	38,700	39,900	58,400	24,013	56,759	54,100
	TOTAL DIRECT	177,600	241,460	362,300	145,799	273,617	337,808
	REIMBURSABLE (TOTAL)	129,684	973,900	275,300	91,452	639,475	513,744
10	TOTAL	307,284	1,215,360	637,600	237,251	913,092	851,552
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	-72,677	-95,600	-46,400	-66,021	-95,600	-46,400
13	TRUST FUNDS	-87,407	-887,300	-228,900	-89,595	-887,300	-228,900
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	-95,062	-135,290	-437,558
	AVAILABLE TO FINANCE NEW BUDGET PLANS	-21,269	-41,100	.....	-21,269	-41,100	.....
	REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-25,336	.....	.....	.....	.....	.....
22	UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	-21,400	-7,000	.....	-21,400	-7,000	.....
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	21,400	41,100	.....	21,400	41,100	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	135,290	437,558	223,606
	AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	41,100	.....	.....	41,100	.....	.....
25	UNOBLIGATED BALANCE LAPSING						
	UNOBLIGATED BALANCE LAPSING, BUD PLAN	12,705	.....	.....	12,705	.....	.....
	BUDGET AUTHORITY	154,400	225,460	362,300	154,400	225,460	362,300
	BUDGET AUTHORITY:						
40	APPROPRIATION	154,400	242,800	362,300	154,400	242,800	362,300
40	RECISION OF ENACTED APPROPRIATION NOW PENDING	.....	-5,700	.....	.....	-5,700	.....
41	TRANSFERRED TO OTHER ACCOUNTS	.....	-11,640	.....	.....	-11,640	.....
43	APPROPRIATION (ADJUSTED)	154,400	225,460	362,300	154,400	225,460	362,300
	RELATION OF OBLIGATIONS TO OUTLAYS:						
71	OBLIGATIONS INCURRED, NET				81,635	-69,808	576,252
72	OBLIGATED BALANCE, START OF YEAR				21,991	.....	.....
	RECEIVABLES IN EXCESS OF OBLIGATIONS, START OF YEAR				.....	-1,020	-160,828
74	RECEIVABLES IN EXCESS OF OBLIGATIONS, END OF YEAR				1,020	160,828	.....
	OBLIGATED BALANCE, END OF YEAR				.....	.....	-183,424
90	OUTLAYS				104,646	90,000	232,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2031-0-1-051		1974 ACT	1975 EST	1976 EST
	DIRECT OBLIGATIONS:			
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	124	90	190
22.0	TRANSPORTATION OF THINGS	306	600	900
25.0	OTHER SERVICES	10,935	20,653	39,400
26.0	SUPPLIES AND MATERIALS	25,515	44,450	64,400
31.0	EQUIPMENT	108,919	207,824	232,918
	TOTAL DIRECT OBLIGATIONS	145,799	273,617	337,808
	REIMBURSABLE OBLIGATIONS:			
25.0	OTHER SERVICES	6,860	49,993	38,500
26.0	SUPPLIES AND MATERIALS	16,000	116,650	89,900
31.0	EQUIPMENT	68,592	472,832	385,344
	TOTAL REIMBURSABLE OBLIGATIONS	91,452	639,475	513,744
99.0	TOTAL OBLIGATIONS	237,251	913,092	851,552

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1972 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2031-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. AIRCRAFT	.....	.....	.....	84	.....	.....
	2. MODIFICATION OF AIRCRAFT	.....	.....	.....	986	.....	.....
	3. SPARES AND REPAIR PARTS	.....	.....	.....	1,008	.....	.....
	4. SUPPORT EQUIPMENT AND FACILITIES	.....	.....	.....	1,402	.....	.....
	TOTAL DIRECT	.....	.....	.....	3,480	.....	.....
	REIMBURSABLE (TOTAL)	.....	.....	.....	817	.....	.....
10	TOTAL	.....	.....	.....	4,297	.....	.....
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	.....	.....	-2,389	.....	.....
13	TRUST FUNDS	.....	.....	.....	133	.....	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	-14,794	.....	.....
	AVAILABLE TO FINANCE NEW BUDGET PLANS	-6,652	.....	.....	-6,652	.....	.....
	REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-12,753	.....	.....	.....	.....	.....
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	6,700	.....	.....	6,700	.....	.....
25	UNOBLIGATED BALANCE LAPSING						
	UNOBLIGATED BALANCE LAPSING, BUD PLAN	12,705	.....	.....	12,705	.....	.....
	BUDGET AUTHORITY	.....	.....	.....	.....	.....	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1973 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2031-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. AIRCRAFT	.....	.....	.....	.....	17,195	.....
	2. MODIFICATION OF AIRCRAFT	.....	.....	.....	9,259	2,879	.....
	3. SPARES AND REPAIR PARTS	.....	.....	.....	299	2,088	.....
	4. SUPPORT EQUIPMENT AND FACILITIES	.....	.....	.....	7,094	3,377	.....
	TOTAL DIRECT	.....	.....	.....	16,652	20,539	.....
	REIMBURSABLE (TOTAL)	.....	.....	.....	7,109	16,661	.....
10	TOTAL	.....	.....	.....	23,761	37,200	.....
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	.....	.....	9,045	.....	.....
13	TRUST FUNDS	.....	.....	.....	-2,321	.....	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	-80,268	-37,200	.....
	AVAILABLE TO FINANCE NEW BUDGET PLANS	-14,617	-12,500	.....	-14,617	-12,500	.....
	REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-12,583	.....	.....	.....	.....	.....
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	14,700	12,500	.....	14,700	12,500	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	37,200	.....	.....
	AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	12,500	.....	.....	12,500	.....	.....
	BUDGET AUTHORITY	.....	.....	.....	.....	.....	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2031-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			1974 FISCAL YEAR PROGRAM OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	2. MODIFICATION OF AIRCRAFT	116,700	.....	.....	100,525	12,175	4,000
	3. SPARES AND REPAIR PARTS	22,200	.....	.....	9,625	11,475	1,100
	4. SUPPORT EQUIPMENT AND FACILITIES	38,700	.....	.....	15,517	19,482	3,700
	TOTAL DIRECT	177,600	.....	.....	125,667	43,132	8,800
	REIMBURSABLE (TOTAL)	129,684	.....	.....	83,526	38,514	7,644
10	TOTAL	307,284	.....	.....	209,193	81,646	16,444
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	-72,677	.....	.....	-72,677	.....	.....
13	TRUST FUNDS	-87,407	.....	.....	-87,407	.....	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	-98,090	-16,444
	AVAILABLE TO FINANCE NEW BUDGET PLANS	.....	-28,600	.....	.....	-28,600	.....
22	UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	-21,400	.....	.....	-21,400	.....	.....
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	.....	28,600	.....	.....	28,600	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	98,090	16,444	.....
	AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	28,600	.....	.....	28,600	.....	.....
	BUDGET AUTHORITY	154,400	.....	.....	154,400	.....	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1975 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2031-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. AIRCRAFT	.....	27,800	.....	.....	28,500	3,300
	2. MODIFICATION OF AIRCRAFT	.....	151,860	.....	.....	128,946	15,183
	3. SPARES AND REPAIR PARTS	.....	21,900	.....	.....	18,600	2,200
	4. SUPPORT EQUIPMENT AND FACILITIES	.....	39,900	.....	.....	33,900	4,000
	TOTAL DIRECT	.....	241,460	.....	.....	209,946	24,683
	REIMBURSABLE (TOTAL)	.....	973,900	.....	.....	584,300	340,900
10	TOTAL	.....	1,215,360	.....	.....	794,246	365,583
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	-95,600	.....	.....	-95,600	.....
13	TRUST FUNDS	.....	-887,300	.....	.....	-887,300	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	.....	-421,114
22	UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	.....	-7,000	.....	.....	-7,000	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	421,114	55,531
	BUDGET AUTHORITY	.....	225,460	.....	.....	225,460	.....
	BUDGET AUTHORITY:						
40	APPROPRIATION	.....	242,800	.....	.....	242,800	.....
40	RECISION OF ENACTED APPROPRIATION NOW PENDING	.....	-5,700	.....	.....	-5,700	.....
41	TRANSFERRED TO OTHER ACCOUNTS	.....	-11,640	.....	.....	-11,640	.....
43	APPROPRIATION (ADJUSTED)	.....	225,460	.....	.....	225,460	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2031-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			1976 FISCAL YEAR PROGRAM OBLIGATIONS		
	1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:						
DIRECT:						
1. AIRCRAFT	.....	.....	122,000	.....	.....	106,200
2. MODIFICATION OF AIRCRAFT	.....	.....	127,700	.....	.....	101,925
3. SPARES AND REPAIR PARTS	.....	.....	54,200	.....	.....	49,800
4. SUPPORT EQUIPMENT AND FACILITIES	.....	.....	58,400	.....	.....	46,400
TOTAL DIRECT	.....	.....	362,300	.....	.....	304,325
REIMBURSABLE (TOTAL)	.....	.....	275,300	.....	.....	165,200
10 TOTAL	.....	.....	637,600	.....	.....	469,525
FINANCING:						
RECEIPTS AND REIMBURSEMENTS FROM:						
11 FEDERAL FUNDS	.....	.....	-46,400	.....	.....	-46,400
13 TRUST FUNDS	.....	.....	-228,900	.....	.....	-228,900
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	.....	168,075
BUDGET AUTHORITY	.....	.....	362,300	.....	.....	362,300

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2031-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)	OBLIGATIONS
	TRANSITION	TRANSITION
PROGRAM BY ACTIVITIES:		
DIRECT:		
1. AIRCRAFT	25,200	24,900
2. MODIFICATION OF AIRCRAFT	16,700	23,000
3. SPARES AND REPAIR PARTS	14,800	15,885
4. SUPPORT EQUIPMENT AND FACILITIES	2,700	2,000
16. OBLIGATION FORECAST CHANGE TO BE DISTRIBUTED	.....	220
20. UNDISTRIBUTED	.....	-2,805
TOTAL DIRECT	59,400	63,200
REIMBURSABLE (TOTAL)	66,700	76,100
10 TOTAL	126,100	139,300
FINANCING:		
RECEIPTS AND REIMBURSEMENTS FROM:		
11 FEDERAL FUNDS	-18,400	-18,400
13 TRUST FUNDS	-48,300	-48,300
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	-223,606
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	210,406
BUDGET AUTHORITY	59,400	59,400
BUDGET AUTHORITY:		
40 APPROPRIATION	59,400	59,400
43 APPROPRIATION (ADJUSTED)	59,400	59,400
RELATION OF OBLIGATIONS TO OUTLAYS:		
71 OBLIGATIONS INCURRED, NET		72,600
72 OBLIGATED BALANCE, START OF YEAR		183,424
74 OBLIGATED BALANCE, END OF YEAR		-194,024
90 OUTLAYS		62,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2031-0-1-051		TRANSITION
	DIRECT OBLIGATIONS:	
22.0	TRANSPORTATION OF THINGS	200
25.0	OTHER SERVICES	4,800
26.0	SUPPLIES AND MATERIALS	10,500
31.0	EQUIPMENT	47,700
	TOTAL DIRECT OBLIGATIONS	63,200
	REIMBURSABLE OBLIGATIONS:	
25.0	OTHER SERVICES	5,700
26.0	SUPPLIES AND MATERIALS	13,300
31.0	EQUIPMENT	57,100
	TOTAL REIMBURSABLE OBLIGATIONS	76,100
99.0	TOTAL OBLIGATIONS	139,300

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation: Aircraft Procurement, Army	FY 1974 Actual	FY 1975 Estimate	FY 1976 Estimate
Aircraft	0	27,800	122,000
Modification of Aircraft	116,700	151,860	127,700
Spares and Repair Parts	22,200	21,900	54,200
Support Equipment and Facilities	38,700	39,900	58,400
Total Direct Program	177,600	241,460	362,300
Reimbursable Program	129,684	973,900	275,300
TOTAL PROGRAM REQUIREMENTS	307,284	1,215,360	637,600
Less: Portion of program to be obligated in subsequent fiscal years	98,090	421,114	168,075
Plus: Obligations incurred against prior year program funds	28,057	118,846	382,027
TOTAL OBLIGATIONS	237,251	913,092	851,552

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation: Aircraft Procurement, Army	FY 197T Estimate
Aircraft	25,200
Modification of Aircraft	16,700
Spares and Repair Parts	14,800
Support Equipment and Facilities	2,700
Total Direct Program	59,400
Reimbursable Program	66,700
TOTAL PROGRAM REQUIREMENTS	126,100
Less: Portion of program to be obligated in subsequent fiscal years	35,700
Plus: Obligations incurred against prior year program funds	48,900
TOTAL OBLIGATIONS	139,300

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation: Aircraft Procurement, Army	FY 1977 Estimate
Aircraft	238,800
Modification of Aircraft	159,900
Spares and Repair Parts	72,800
Support Equipment and Facilities	41,700
Total Direct Program	513,200

MISSILE PROCUREMENT, ARMY

APPROPRIATION LANGUAGE

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts and accessories therefor; specialized equipment and training devices, expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; [$416,500,000 and in addition, $15,000,000, of which $10,000,000 shall be derived by transfer from "Missile Procurement, Army, 1974/1976" and $5,000,000 shall be derived by transfer from "Missile Procurement, Army, 1973/1975"], $460,800,000, to remain available for obligation until [June 30, 1977] September 30, 1978. (1) (2) (3)

For Missile Procurement, Army, for the period July 1, 1976 through September 30, 1976, $56,500,000 to remain available for obligation until September 30, 1978. (4)

(10 U.S.C. 2353, 3012, 4531, 4532; 31 U.S.C. 649c; Department of Defense Appropriation Act, 1975; additional authorizing legislation to be proposed for fiscal year 1976, and the period July 1, 1976, through September 30, 1976.)

EXPLANATION OF LANGUAGE CHANGES

(1) Provides authority to expend funds in connection with Government and contractor-owned equipment layaway.
(2) To change the amount of appropriation requested for FY 1976.
(3) To change the obligation expiration date for the FY 1976 program.
(4) To indicate the amount of appropriation requested and the obligation expiration date for FY 197T (Transition Budget).

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2032-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
	1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:						
DIRECT:						
1. ANTI-BALLISTIC MISSILE SYSTEM	159,300	.....	.....	125,499	115,116	3,200
2. OTHER MISSILES	397,500	336,200	380,300	363,649	363,539	390,259
3. MODIFICATION OF MISSILES	11,900	16,200	17,000	17,528	17,444	23,700
4. SPARES AND REPAIR PARTS	37,300	15,600	19,300	24,573	51,887	15,800
5. SUPPORT EQUIPMENT AND FACILITIES	24,700	24,200	44,200	49,052	33,354	25,600
TOTAL DIRECT	630,700	392,200	460,800	580,301	581,340	458,559
REIMBURSABLE (TOTAL)	376,616	900,100	373,600	234,751	962,458	421,050
10 TOTAL	1,007,316	1,292,300	834,400	815,052	1,543,798	879,609
FINANCING:						
RECEIPTS AND REIMBURSEMENTS FROM:						
11 FEDERAL FUNDS	-53,297	-80,600	-43,400	-53,174	-80,600	-43,400
13 TRUST FUNDS	-373,419	-829,900	-330,200	-365,416	-829,900	-330,200
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	-234,023	-388,448	-136,950
AVAILABLE TO FINANCE NEW BUDGET PLANS	-13,470	-55,100	-23,800	-13,470	-55,100	-23,800
REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-29,714	.....	.....	.....	.....	.....
22 UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	-22,000	-15,000	.....	-22,000	-15,000	.....
23 UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	22,000	55,100	.....	22,000	55,100	.....
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	388,448	136,950	91,741
AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	55,100	23,800	23,800	55,100	23,800	23,800
25 UNOBLIGATED BALANCE LAPSING						
UNOBLIGATED BALANCE LAPSING, BUD PLAN	6,184	.....	.....	6,184	.....	.....
BUDGET AUTHORITY	598,700	390,600	460,800	598,700	390,600	460,800
BUDGET AUTHORITY:						
40 APPROPRIATION	601,700	416,500	460,800	601,700	416,500	460,800
41 TRANSFERRED TO OTHER ACCOUNTS	-3,000	-25,900	.....	-3,000	-25,900	.....
43 APPROPRIATION (ADJUSTED)	598,700	390,600	460,800	598,700	390,600	460,800
RELATION OF OBLIGATIONS TO OUTLAYS:						
71 OBLIGATIONS INCURRED, NET				396,462	633,298	506,009
72 OBLIGATED BALANCE, START OF YEAR				622,131	177,693	273,991
74 OBLIGATED BALANCE, END OF YEAR				-177,693	-273,991	-359,000
90 OUTLAYS				840,899	537,000	421,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2032-0-1-051	1974 ACT	1975 EST	1976 EST
DIRECT OBLIGATIONS:			
22.0 TRANSPORTATION OF THINGS	1,232	1,250	7,000
23.0 RENT, COMMUNICATIONS, AND UTILITIES	52	.....	.....
25.0 OTHER SERVICES	315,680	246,218	255,690
26.0 SUPPLIES AND MATERIALS	164,805	106,570	123,197
31.0 EQUIPMENT	98,532	227,302	72,672
TOTAL DIRECT OBLIGATIONS	580,301	581,340	458,559
REIMBURSABLE OBLIGATIONS:			
25.0 OTHER SERVICES	127,704	433,905	229,050
26.0 SUPPLIES AND MATERIALS	66,670	179,810	119,600
31.0 EQUIPMENT	40,377	348,743	72,400
TOTAL REIMBURSABLE OBLIGATIONS	234,751	962,458	421,050
99.0 TOTAL OBLIGATIONS	815,052	1,543,798	879,609

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

1972 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2032-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. ANTI-BALLISTIC MISSILE SYSTEM	.....	.....	.....	60,646	.....	.....
	2. OTHER MISSILES	.....	.....	.....	5,073	.....	.....
	3. MODIFICATION OF MISSILES	.....	.....	.....	677	.....	.....
	4. SPARES AND REPAIR PARTS	.....	.....	.....	5,542	.....	.....
	5. SUPPORT EQUIPMENT AND FACILITIES	.....	.....	.....	28,675	.....	.....
	TOTAL DIRECT	.....	.....	.....	100,613	.....	.....
	REIMBURSABLE (TOTAL)	.....	.....	.....	324	.....	.....
10	TOTAL	.....	.....	.....	100,937	.....	.....
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	.....	.....	10	.....	.....
13	TRUST FUNDS	.....	.....	.....	-2,490	.....	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	-109,641	.....	.....
	REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-11,184	.....	.....	.....	.....	.....
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	5,000	.....	.....	5,000	.....	.....
25	UNOBLIGATED BALANCE LAPSING						
	UNOBLIGATED BALANCE LAPSING, BUD PLAN	6,184	.....	.....	6,184	.....	.....
	BUDGET AUTHORITY	.....	.....	.....	.....	.....	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1973 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2032-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. ANTI-BALLISTIC MISSILE SYSTEM	.....	.....	.....	-14,097	37,966	.....
	2. OTHER MISSILES	.....	.....	.....	19,543	1,972	.....
	3. MODIFICATION OF MISSILES	.....	.....	.....	6,869	2,526	.....
	4. SPARES AND REPAIR PARTS	.....	.....	.....	-1,513	20,331	.....
	5. SUPPORT EQUIPMENT AND FACILITIES	.....	.....	.....	4,477	3,154	.....
	TOTAL DIRECT	.....	.....	.....	15,279	65,949	.....
	REIMBURSABLE (TOTAL)	.....	.....	.....	6,479	7,540	.....
10	TOTAL	.....	.....	.....	21,758	73,489	.....
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	.....	.....	113	.....	.....
13	TRUST FUNDS	.....	.....	.....	10,493	.....	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	-124,389	-73,489	.....
	AVAILABLE TO FINANCE NEW BUDGET PLANS	-17,470	-15,000	.....	-13,470	-15,000	.....
	REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-18,530	.....	.....	.....	.....	.....
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	17,000	15,000	.....	17,000	15,000	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	73,489	.....	.....
	AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	15,000	.....	.....	15,000	.....	.....
	BUDGET AUTHORITY	.....	.....	.....	.....	.....	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1974 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2032-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
	1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:						
DIRECT:						
1. ANTI-BALLISTIC MISSILE SYSTEM	159,300	.....	.....	78,950	77,150	3,200
2. OTHER MISSILES	197,500	.....	.....	339,033	50,467	6,000
3. MODIFICATION OF MISSILES	11,900	.....	.....	9,982	1,718	200
4. SPARES AND REPAIR PARTS	37,300	.....	.....	20,544	15,956	800
5. SUPPORT EQUIPMENT AND FACILITIES	24,700	.....	.....	15,900	8,300	500
TOTAL DIRECT	630,700	.....	.....	464,409	153,591	12,700
REIMBURSABLE (TOTAL)	376,616	.....	.....	227,948	144,818	3,850
10 TOTAL	1,007,316	.....	.....	692,357	298,409	16,550
FINANCING:						
RECEIPTS AND REIMBURSEMENTS FROM:						
11 FEDERAL FUNDS	-53,297	.....	.....	-53,297	.....	.....
13 TRUST FUNDS	-373,419	.....	.....	-373,419	.....	.....
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	-314,959	-16,550
AVAILABLE TO FINANCE NEW BUDGET PLANS	.....	-40,100	.....	.....	-40,100	.....
22 UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	-22,000	.....	.....	-22,000	.....	.....
23 UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	.....	40,100	.....	.....	40,100	.....
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	314,959	16,550	.....
AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	40,100	.....	.....	40,100	.....	.....
BUDGET AUTHORITY	598,700	.....	.....	598,700	.....	.....
BUDGET AUTHORITY:						
40 APPROPRIATION	601,700	.....	.....	601,700	.....	.....
41 TRANSFERRED TO OTHER ACCOUNTS	-3,000	.....	.....	-3,000	.....	.....
43 APPROPRIATION (ADJUSTED)	598,700	.....	.....	598,700	.....	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1975 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2032-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	2. OTHER MISSILES	.....	336,200	.....	.....	311,100	25,100
	3. MODIFICATION OF MISSILES	.....	16,200	.....	.....	13,200	3,000
	4. SPARES AND REPAIR PARTS	.....	15,600	.....	.....	15,600	.....
	5. SUPPORT EQUIPMENT AND FACILITIES	.....	24,200	.....	.....	21,900	2,300
	TOTAL DIRECT	.....	392,200	.....	.....	361,800	30,400
	REIMBURSABLE (TOTAL)	.....	900,100	.....	.....	810,100	81,000
10	TOTAL	.....	1,292,300	.....	.....	1,171,900	111,400
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	-80,600	.....	.....	-80,600	.....
13	TRUST FUNDS	.....	-829,900	.....	.....	-829,900	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	.....	-120,400
	AVAILABLE TO FINANCE NEW BUDGET PLANS	.....	.....	-23,800	.....	.....	-23,800
22	UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	.....	-15,000	.....	.....	-15,000	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	120,400	9,000
	AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	.....	23,800	23,800	.....	23,800	23,800
	BUDGET AUTHORITY	.....	390,600	.....	.....	390,600	.....
	BUDGET AUTHORITY:						
40	APPROPRIATION	.....	416,500	.....	.....	416,500	.....
41	TRANSFERRED TO OTHER ACCOUNTS	.....	-25,900	.....	.....	-25,900	.....
43	APPROPRIATION (ADJUSTED)	.....	390,600	.....	.....	390,600	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1976 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2032-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	2. OTHER MISSILES	.....	.....	380,300	.....	.....	357,159
	3. MODIFICATION OF MISSILES	.....	.....	17,000	.....	.....	20,500
	4. SPARES AND REPAIR PARTS	.....	.....	19,300	.....	.....	15,000
	5. SUPPORT EQUIPMENT AND FACILITIES	.....	.....	44,200	.....	.....	22,800
	TOTAL DIRECT	.....	.....	460,800	.....	.....	415,459
	REIMBURSABLE (TOTAL)	.....	.....	373,600	.....	.....	336,200
10	TOTAL	.....	.....	834,400	.....	.....	751,659
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	.....	-43,400	.....	.....	-43,400
13	TRUST FUNDS	.....	.....	-330,200	.....	.....	-330,200
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	.....	82,741
	BUDGET AUTHORITY	.....	.....	460,800	.....	.....	460,800

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2032-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)	OBLIGATIONS
	TRANSITION	TRANSITION
PROGRAM BY ACTIVITIES:		
DIRECT:		
2. OTHER MISSILES	47,400	112,008
3. MODIFICATION OF MISSILES	1,500	8,200
4. SPARES AND REPAIR PARTS	4,300	3,900
5. SUPPORT EQUIPMENT AND FACILITIES	3,300	11,000
TOTAL DIRECT	56,500	135,108
REIMBURSABLE (TOTAL)	110,000	109,700
10 TOTAL	166,500	244,808
FINANCING:		
RECEIPTS AND REIMBURSEMENTS FROM:		
11 FEDERAL FUNDS	-17,200	-17,200
13 TRUST FUNDS	-92,800	-92,800
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR		
UNOBLIGATED BALANCE AVAILABLE, START OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	-23,800	-23,800
	.....	-91,741
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR		
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	13,433
AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	23,800	23,800
BUDGET AUTHORITY	56,500	56,500
BUDGET AUTHORITY:		
40 APPROPRIATION	56,500	56,500
43 APPROPRIATION (ADJUSTED)	56,500	56,500
RELATION OF OBLIGATIONS TO OUTLAYS:		
71 OBLIGATIONS INCURRED, NET		134,808
72 OBLIGATED BALANCE, START OF YEAR		359,000
74 OBLIGATED BALANCE, END OF YEAR		-432,808
90 OUTLAYS		61,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-7032-0-1-051			TRANSITION
	DIRECT OBLIGATIONS:		
22.0	TRANSPORTATION OF THINGS		400
25.0	OTHER SERVICES		79,320
26.0	SUPPLIES AND MATERIALS		31,800
31.0	EQUIPMENT		23,588
	TOTAL DIRECT OBLIGATIONS		135,108
	REIMBURSABLE OBLIGATIONS:		
25.0	OTHER SERVICES		59,700
26.0	SUPPLIES AND MATERIALS		31,100
31.0	EQUIPMENT		18,900
	TOTAL REIMBURSABLE OBLIGATIONS		109,700
99.0	TOTAL OBLIGATIONS		244,808

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation: Procurement of Missiles, Army	FY 1974 Actual	FY 1975 Estimate	FY 1976 Estimate
Anti-ballistic system	159,300	-0-	-0-
Other missiles	397,500	336,200	380,300
Modification of missiles	11,900	16,200	17,000
Spares and repair parts	37,300	15,600	19,300
Support equipment and facilities	24,700	24,200	44,200
TOTAL DIRECT PROGRAM	630,700	392,200	460,800
Reimbursable Program	376,616	900,100	373,600
TOTAL PROGRAM REQUIREMENTS	1,007,316	1,292,300	834,400
Less: Portion of program to be obligated in subsequent fiscal years	314,959	120,400	82,741
Plus: Obligations incurred against prior years program funds	122,695	371,898	127,950
TOTAL OBLIGATIONS	815,052	1,543,798	879,609

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation:	FY 197T Estimate
Procurement of Missiles, Army	
Anti-ballistic system	-0-
Other missiles	47,400
Modification of missiles	1,500
Spares and repair parts	4,300
Support equipment and facilities	3,300
TOTAL DIRECT PROGRAM	56,500
Reimbursable Program	110,000
TOTAL PROGRAM REQUIREMENTS	166,500
Less: Portion of program to be obligated in subsequent fiscal years	13,433
Plus: Obligations incurred against prior years program funds	91,741
TOTAL OBLIGATIONS	244,808

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation:	FY 1977 Estimate
Procurement of Missiles, Army	
Anti-ballistic system	-0-
Other Missiles	578,900
Modification of Missiles	41,900
Spares and Repair Parts	17,300
Support Equipment and Facilities	45,900
TOTAL DIRECT PROGRAM	684,000

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

APPROPRIATION LANGUAGE

For construction, procurement, production, and modification of weapons and tracked combat vehicles equipment, including ordnance, spare parts and accessories therefor; specialized equipment; training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and Procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment lay-away; and other expenses necessary for the foregoing purposes; [$344,800,000 and in addition $3,000,000, which shall be derived by transfer from "Procurement of Weapons and Tracked Combat Vehicles, Army, 1974/1976"], $989,300,000, to remain available for obligation until [June 30, 197T] September 30, 1978. (1) (2) (3)

For Procurement of Weapons and Tracked Combat Vehicles, Army, for the period July 1, 1976 through September 30, 1976, $282,300,000, to remain available for obligation until September 30, 1978. (4)

(10 U.S.C. 2353, 3012, 4531, 4532; 31 U.S.C. 649c; Department of Defense Appropriation Act 1975; additional authorizing legislation to be proposed for fiscal year 1976, and the period July 1, 1976, through September 30, 1976.)

EXPLANATION OF LANGUAGE CHANGES

(1) Provides authority to expend funds in connection with Government and Contractor-owned equipment layaway.

(2) To change the amount of appropriation requested for FY 1976.

(3) To change the obligation date for the FY 1976 program.

(4) To indicate the amount of appropriation requested and the obligation expiration date for FY 197T (Transition Budget).

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	IDENTIFICATION CODE 07-15-2033-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. TRACKED COMBAT VEHICLES	251,900	388,500	915,000	236,066	370,402	825,328
	2. WEAPONS AND OTHER COMBAT VEHICLES	48,500	41,400	74,300	45,405	50,851	75,400
	TOTAL DIRECT	300,400	429,900	989,300	281,471	421,253	900,728
	REIMBURSABLE (TOTAL)	933,453	522,000	431,200	787,475	529,261	471,255
10	TOTAL	1,233,853	951,900	1,420,500	1,068,946	950,514	1,371,983
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	-87,830	-62,300	-49,800	-87,719	-62,300	-49,800
13	TRUST FUNDS	-857,623	-469,700	-381,400	-850,383	-469,700	-381,400
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	-50,949	-194,580	-195,966
	AVAILABLE TO FINANCE NEW BUDGET PLANS	.....	-18,500	-1,400	.....	-18,500	-1,400
	REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-13,924	.....	.....	.....	.....	.....
22	UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	.....	-81,500	.....	.....	-81,500	.....
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	.....	18,500	.....	.....	18,500	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	194,580	195,966	244,483
	AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	18,500	1,400	1,400	18,500	1,400	1,400
25	UNOBLIGATED BALANCE LAPSING						
	UNOBLIGATED BALANCE LAPSING, BUD PLAN	2,424	.....	.....	2,424	.....	.....
	BUDGET AUTHORITY	295,400	339,800	989,300	295,400	339,800	989,300
	BUDGET AUTHORITY:						
40	APPROPRIATION	295,400	344,800	989,300	295,400	344,800	989,300
41	TRANSFERRED TO OTHER ACCOUNTS	.....	-5,000	.....	.....	-5,000	.....
43	APPROPRIATION (ADJUSTED)	295,400	339,800	989,300	295,400	339,800	989,300
	RELATION OF OBLIGATIONS TO OUTLAYS:						
71	OBLIGATIONS INCURRED, NET				130,844	418,514	940,783
72	OBLIGATED BALANCE, START OF YEAR				123,127	.....	.....
	RECEIVABLES IN EXCESS OF OBLIGATIONS, START OF YEAR				.....	-16,505	-17,991
74	RECEIVABLES IN EXCESS OF OBLIGATIONS, END OF YEAR				16,505	17,991	.....
	OBLIGATED BALANCE, END OF YEAR				.....	.....	-313,792
90	OUTLAYS				270,476	420,000	609,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2033-0-1-051	1974 ACT	1975 EST	1976 EST
DIRECT OBLIGATIONS:			
22.0 TRANSPORTATION OF THINGS	2,401	3,100	7,950
25.0 OTHER SERVICES	51,510	66,240	191,260
26.0 SUPPLIES AND MATERIALS	56,294	64,700	193,700
31.0 EQUIPMENT	171,266	287,213	507,818
TOTAL DIRECT OBLIGATIONS	281,471	421,253	900,728
REIMBURSABLE OBLIGATIONS:			
22.0 TRANSPORTATION OF THINGS	209	180	195
25.0 OTHER SERVICES	144,110	76,900	89,350
26.0 SUPPLIES AND MATERIALS	157,495	84,050	97,650
31.0 EQUIPMENT	485,661	368,131	284,060
TOTAL REIMBURSABLE OBLIGATIONS	787,475	529,261	471,255
99.0 TOTAL OBLIGATIONS	1,068,946	950,514	1,371,983

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1972 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2033-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. TRACKED COMBAT VEHICLES				4,353		
	2. WEAPONS AND OTHER COMBAT VEHICLES				497		
	TOTAL DIRECT				4,850		
	REIMBURSABLE (TOTAL)				-7,067		
10	TOTAL				-2,217		
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS				143		
13	TRUST FUNDS				-246		
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR				-104		
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS						
	REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-2,424					
25	UNOBLIGATED BALANCE LAPSING						
	UNOBLIGATED BALANCE LAPSING, BUD PLAN	2,424			2,424		
	BUDGET AUTHORITY						

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

1973 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2033-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. TRACKED COMBAT VEHICLES	.....	.....	.....	13,113	2,513	.....
	2. WEAPONS AND OTHER COMBAT VEHICLES	.....	.....	.....	3,288	5,971	.....
	TOTAL DIRECT	.....	.....	.....	16,401	8,484	.....
	REIMBURSABLE (TOTAL)	.....	.....	.....	1,473	5,532	.....
10	TOTAL	.....	.....	.....	17,874	14,016	.....
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	.....	.....	-32	.....	.....
13	TRUST FUNDS	.....	.....	.....	7,486	.....	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	-50,845	-14,016	.....
	AVAILABLE TO FINANCE NEW BUDGET PLANS	.....	-11,500	.....	.....	-11,500	.....
	REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-11,500	.....	.....	.....	.....	.....
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	.....	11,500	.....	.....	11,500	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	14,016	.....	.....
	AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	11,500	.....	.....	11,500	.....	.....
	BUDGET AUTHORITY	.....	.....	.....	.....	.....	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1974 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2033-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. TRACKED COMBAT VEHICLES	251,900	.....	.....	218,600	30,800	2,500
	2. WEAPONS AND OTHER COMBAT VEHICLES	48,500	.....	.....	41,620	6,380	500
	TOTAL DIRECT	300,400	.....	.....	260,220	37,180	3,000
	REIMBURSABLE (TOTAL)	933,453	.....	.....	793,069	93,529	46,855
10	TOTAL	1,233,853	.....	.....	1,053,289	130,709	49,855
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	-87,830	.....	.....	-87,830	.....	.....
13	TRUST FUNDS	-857,623	.....	.....	-857,623	.....	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	-180,564	-49,855
	AVAILABLE TO FINANCE NEW BUDGET PLANS	.....	-7,000	.....	.....	-7,000	.....
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	.....	7,000	.....	.....	7,000	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	180,564	49,855	.....
	AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	7,000	.....	.....	7,000	.....	.....
	BUDGET AUTHORITY	295,400	.....	.....	295,400	.....	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1975 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2033-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
	1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:						
DIRECT:						
1. TRACKED COMBAT VEHICLES	.....	388,500	.....	.....	337,089	26,779
2. WEAPONS AND OTHER COMBAT VEHICLES	.....	41,400	.....	.....	38,500	4,200
TOTAL DIRECT	.....	429,900	.....	.....	375,589	30,979
REIMBURSABLE (TOTAL)	.....	522,000	.....	.....	430,200	65,700
10 TOTAL	.....	951,900	.....	.....	805,789	96,679
FINANCING:						
RECEIPTS AND REIMBURSEMENTS FROM:						
11 FEDERAL FUNDS	.....	-62,300	.....	.....	-62,300	.....
13 TRUST FUNDS	.....	-469,700	.....	.....	-469,700	.....
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	.....	-146,111
AVAILABLE TO FINANCE NEW BUDGET PLANS	.....	.....	-1,400	.....	.....	-1,400
22 UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	.....	-81,500	.....	.....	-81,500	.....
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	146,111	49,432
AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	.....	1,400	1,400	.....	1,400	1,400
BUDGET AUTHORITY	.....	339,800	.....	.....	339,800	.....
BUDGET AUTHORITY:						
40 APPROPRIATION	.....	344,800	.....	.....	344,800	.....
41 TRANSFERRED TO OTHER ACCOUNTS	.....	-5,000	.....	.....	-5,000	.....
43 APPROPRIATION (ADJUSTED)	.....	339,800	.....	.....	339,800	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1976 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-15-2033-0-1-051

		BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. TRACKED COMBAT VEHICLES	.....	.....	915,000	.....	.....	796,049
	2. WEAPONS AND OTHER COMBAT VEHICLES	.....	.....	74,300	.....	.....	70,700
	TOTAL DIRECT	.....	.....	989,300	.....	.....	866,749
	REIMBURSABLE (TOTAL)	.....	.....	431,200	.....	.....	358,700
10	TOTAL	.....	.....	1,420,500	.....	.....	1,225,449
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	.....	-49,800	.....	.....	-49,800
13	TRUST FUNDS	.....	.....	-381,400	.....	.....	-381,400
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	.....	195,051
	BUDGET AUTHORITY	.....	.....	989,300	.....	.....	989,300

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 97-15-2033-0-1-051	BUDGET PLAN (AMOUNTS FOR PROCUREMENT ACTIONS PROGRAMED)	OBLIGATIONS
	TRANSITION	TRANSITION
PROGRAM BY ACTIVITIES:		
DIRECT:		
1. TRACKED COMBAT VEHICLES	272,600	383,871
2. WEAPONS AND OTHER COMBAT VEHICLES	9,700	16,500
TOTAL DIRECT	282,300	400,371
REIMBURSABLE (TOTAL)	105,000	107,200
10 TOTAL	387,300	507,571
FINANCING:		
RECEIPTS AND REIMBURSEMENTS FROM:		
11 FEDERAL FUNDS	-23,200	-23,200
13 TRUST FUNDS	-81,800	-81,800
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR		
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	-244,483
AVAILABLE TO FINANCE NEW BUDGET PLANS	-1,400	-1,400
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR		
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	124,212
AVAILABLE TO FINANCE SUBSEQUENT YEAR BUDGET PLANS	1,400	1,400
BUDGET AUTHORITY	282,300	282,300
BUDGET AUTHORITY:		
40 APPROPRIATION	282,300	282,300
43 APPROPRIATION (ADJUSTED)	282,300	282,300
RELATION OF OBLIGATIONS TO OUTLAYS:		
71 OBLIGATIONS INCURRED, NET		402,571
72 OBLIGATED BALANCE, START OF YEAR		313,792
74 OBLIGATED BALANCE, END OF YEAR		-557,363
90 OUTLAYS		159,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-15-2033-0-1-051			TRANSITION
	DIRECT OBLIGATIONS:		
22.0	TRANSPORTATION OF THINGS		3,100
25.0	OTHER SERVICES		53,200
26.0	SUPPLIES AND MATERIALS		57,300
31.0	EQUIPMENT		286,771
	TOTAL DIRECT OBLIGATIONS		400,371
	REIMBURSABLE OBLIGATIONS:		
22.0	TRANSPORTATION OF THINGS		40
25.0	OTHER SERVICES		19,600
26.0	SUPPLIES AND MATERIALS		21,400
31.0	EQUIPMENT		66,160
	TOTAL REIMBURSABLE OBLIGATIONS		107,200
99.0	TOTAL OBLIGATIONS		507,571

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation:	FY 1974 Actual	FY 1975 Estimate	FY 1976 Estimate
PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY			
Tracked combat vehicles	251,900	388,500	915,000
Weapons and other combat vehicles	48,500	41,400	74,300
TOTAL DIRECT PROGRAM	300,400	429,900	989,300
Reimbursable Program	933,453	522,000	431,200
TOTAL PROGRAM REQUIREMENTS	1,233,853	951,900	1,420,500
Less: Portion of program to be obligated in subsequent fiscal years	180,564	146,111	195,051
Plus: Obligations incurred against prior year program funds	15,657	144,725	146,534
TOTAL OBLIGATIONS	1,068,946	950,514	1,371,983

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation:	FY 1977 Estimate
PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY	
Tracked Combat Vehicles	272,600
Weapons and Other Combat Vehicles	9,700
TOTAL DIRECT PROGRAM	282,300
Reimbursable Program	105,000
TOTAL PROGRAM REQUIREMENTS	387,300
Less: Portion of program to be obligated in subsequent fiscal years	70,000
Plus: Obligations incurred against prior year program funds	190,271
TOTAL OBLIGATIONS	507,571

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation:	1977 Estimate
PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY	
Activity 1 - Tracked Combat Vehicles	1,051,200
Activity 2 - Weapons and Other Combat Vehicles	77,800
TOTAL DIRECT PROGRAM	1,129,000

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1976
SUMMARY

P-1 Line No: 32
Appropriation: Missile Procurement, Army
Activity 5 - Support Equipment and Facilities

Installation	Project No.	Nomenclature	Cost Estimate (Millions)	Page No.
Redstone Arsenal, Alabama	32169	Production Support and Equipment	0.4	1
Redstone Arsenal, Alabama	32176	Modernization - Construct Oxidizer Facility	1.9	3

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1976

P-1 Line No: 26
Appropriation: Weapons and Tracked Combat Vehicles Procurement, Army
Activity 1 -

Installation	Project No.	Nomenclature	Cost Estimate (Million)	Page No.
Detroit Arsenal Tank Plant	4764565	Rehabilitation and modernization of Detroit Arsenal Tank Plant	6.7	5

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1976
SUMMARY

P-1 Line No: 80
Appropriation: Procurement of Ammunition, Army
Activity 2 - Production Base Support

Army Ammunition Plants	Project No.	Nomenclature	Cost Estimate (Millions)	Page No.
Volunteer, Tennessee	65312	Production Support and Equipment Replacement	1.9	7
Joliet, Illinois	65313	"	1.3	9
Louisiana, Louisiana	65314	"	1.3	11
Twin Cities, Minnesota	65315	"	.7	13
Lone Star, Texas	65316	"	1.8	14
Milan, Tennessee	65317	"	1.9	16
Badger, Wisconsin	65323	"	2.4	18
Radford, Virginia	65326	"	1.9	19
Longhorn, Texas	65327	"	2.5	21
Holston, Tennessee	65328	"	4.6	23
Kansas, Kansas	65329	"	.6	25
Indiana, Indiana	65330	"	2.9	26
Lake City, Missouri	65332	"	2.8	28

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1976
SUMMARY

P-1 Line No: 80
Appropriation: Procurement of Ammunition, Army
Activity 2 - Production Base Support

Army Ammunition Plants	Project No.	Nomenclature	Cost Estimate (Millions)	Page No.
Iowa, Iowa	65333	Production Support and Equipment Replacement	2.2	30
Scranton, Pennsylvania	65342	"	1.1	32
Riverbank, California	65343	"	1.3	34
Milan, Tennessee	62290	Modernization - 60/81mm Assembly	8.2	35
Riverbank, California	62346	Modernization - Plant Support Facilities for Production of Shell, 81mm M374A2 Metal Parts	2.9	36
Twin Cities, Minnesota	62584	Expansion - Initial Production Facilities for Aerial Denial Artillery Munitions Program	1.4	38
Indiana, Indiana	62613	Modernization - Additive Liner Manufacturing Operations	1.4	39
Longhorn, Texas	62679	Modernization - Illuminant Mixing and Consolidation Facilities	13.9	41
Ravenna, Ohio	62690	Modernization - Expansion of Water Utilities	5.5	43
Iowa, Iowa	62765	Modernization - Line 6 L/A/P Detonator Facility and Backline Mechanization	20.9	44
Mississippi, Mississippi	63142	Expansion - Provision of Integrated 155mm M483 Metal Parts Facility	45.2	46

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 197T
SUMMARY

P-1 Line No: 80
Appropriation: Procurement of Ammunition, Army
Activity 2 - Production Base Support

Army Ammunition Plants	Project No.	Nomenclature	Cost Estimate (Millions)	Page No.
Lone Star, Texas	62532	Modernization - 105mm Projectile Facility	88.7	48
Holston, Tennessee	62664	Modernization - Renovate Administration Building	2.9	50
Louisiana, Louisiana	62683	Modernization - Railroad Overpass Area "X"	2.6	52
Iowa, Iowa	62728	Modernization - Construction of Access Roads in Storage Areas	3.2	54
Radford, Virginia	62981	Modernization - Receiving, Inspection, Shipping Facility	1.3	55

BIOGRAPHIES AND PREPARED STATEMENT

Senator YOUNG. Mr. Secretary, we will place your statement, together with biographical sketches, in the record in its entirety and you may summarize it.

Mr. BROWNMAN. Yes, sir.

[The biographies and statement follow:]

BIOGRAPHY OF HONORABLE HAROLD L. BROWNMAN

Mr. Brownman became Assistant Secretary of the Army (Installations and Logistics) on October 9, 1974. As Assistant Secretary he is responsible for materiel requirements, procurement and production, material management, logistics service, the military assistance program (less financial management), industrial mobilization, installations planning and programing, facilities and real property management, construction, family housing and small business.

Mr. Brownman was born in New York City on May 21, 1923. He attended the Polytechnic Institute of Brooklyn and received his B.E.E. in 1944. In 1949, he received his M.E.E. from the Polytechnic Institute.

Mr. Brownman served in the Army Air Force from 1944 to 1946. He joined the teaching staff of the Polytechnic Institute in 1946. In 1948, he became an engineer with the Fairchild Engine and Airplane Company. From 1950 to 1952, he was an engineer with Servo Mechanisms before joining TELE Register Corporation as an engineer. In 1954, he became Senior Engineer of the American Bosch Arma Corporation.

From 1957 to 1958, Mr. Brownman was Laboratory Manager of the Fairchild Controls Corporation after serving as Research Engineer of the Fairchild Camera and Instrument Corporation. In 1958, he served as Program Director of the Fairchild Camera and Instrument Corporation. He was assistant to the Division Director of Airborne Instruments Laboratory, which is a Division of Cutler Hammer, from 1958 to 1967. In 1967, he became Vice President of Systems for LTV Electrosystems, Inc. Mr. Brownman joined the U.S. Central Intelligence Agency in 1970 where he held the position of Director of Special Projects until March 1973 when he became Deputy Director for Management and Services.

BIOGRAPHY OF MAJOR GENERAL PETER GEORGE OLENCHUK

Major General Peter G. Olenchuk was born July 14, 1922, in Bayonne, New Jersey, attended public schools in Bayonne and received a Bachelor of Science Degree in 1942 from Lebanon Valley College.

He enlisted in the Army Corps of Engineers in 1943 and served as a Sergeant in North Africa and the China-Burma-India theaters in World War II. In 1945 he was commissioned a Second Lieutenant in the Chemical Warfare Service and was assigned troop and training duties until 1950. He earned a Master of Science Degree from the University of Wisconsin in 1951, and then served at Pine Bluff Arsenal, Arkansas, and Fort Detrick, Maryland.

In 1955, General Olenhcuk commanded a Supply Control Agency in France followed by logistic and operations staff assignments in Headquarters, US Army, Europe. In 1959 he graduated from the Army Command and General Staff College and was assigned to the Army General Staff in the Office of the Chief of Research and Development. He graduated from the Industrial College of the Armed Forces in 1963 and simultaneously earned a Master of Business Administration Degree from the George Washington University.

Upon graduation, he was assigned to the Combat Operations Branch, J-3, Headquarters, US Military Assistance Command, Vietnam. In 1964, he joined the Plans and Policy Directorate of the Joint Chiefs of Staff; and in early 1965, while in this capacity, General Olenchuk returned to Vietnam on a special survey mission for the Chairman, Joint Chiefs of Staff.

In 1966 he was appointed Commanding Officer of Fort Detrick, Maryland. He then became Chief of Staff of the Army Munitions Command, Dover, New Jersey, and Deputy Commander in 1969. In February 1970, he asssumed command of the Army Ammunition Procurement and Supply Agency, Joliet, Illinois. In this capacity, he managed the major Defense ammunition procurement, production, and supply complex with 25 ammunition production plants, valued at $11 billion, with an annual volume of business from $2 to $4 billion.

He was assigned to the Army General Staff, Office of the Deputy Chief of Staff for Logistics in October 1972, as Director of Plans, Doctrine and Systems, and in January 1973 as Director of Materiel Acquisition. In May 1974, General Olenchuk was assigned as the Director of Materiel Plans and Programs, Office, Chief of Research, Development ad Acquisition. On 7 March 1975, General Olenchuk became Assistant Deputy Chief of Staff for Research, Development, and Acquisition—the position he now holds.

General Olenchuk has been awarded the Legion of Merit with three Oak Leaf Clusters, the Air Medal with Oak Leaf Cluster, the Joint Service Commendation Medal, and a number of US and foreign service awards.

General Olenchuk is married to the former Ruth A. Clement of Baltimore, Maryland. They have three children: Nancy (Mrs. Robert B. Shaw), Jane and Mary (deceased).

Introduction

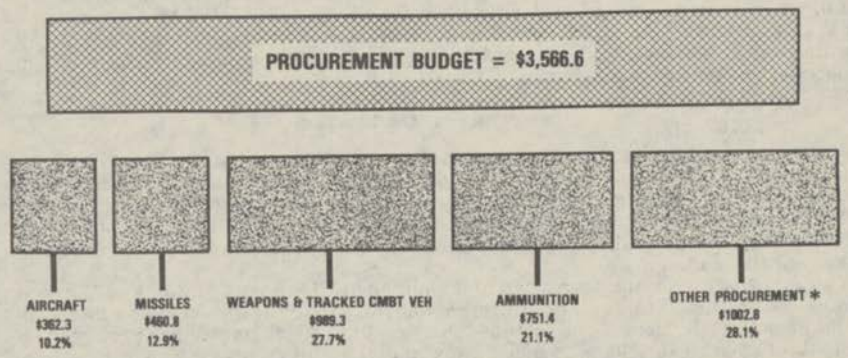
Mr. Chairman and Members of the Committee:

We are pleased to appear before your Committee to present the Army's Procurement budget request for FY 1976 and the Transition period.

Our FY 1976 Procurement budget request, shown by appropriation and percentage on Chart 1, is three billion 566.6 million dollars.

CHART 1 - DISTRIBUTION OF FY 1976 PROCUREMENT BUDGET REQUEST

(MILLIONS OF DOLLARS)



* INCLUDES TACTICAL AND SUPPORT VEHICLES, COMMUNICATIONS AND ELECTRONICS EQUIPMENT, AND OTHER SUPPORT EQUIPMENT

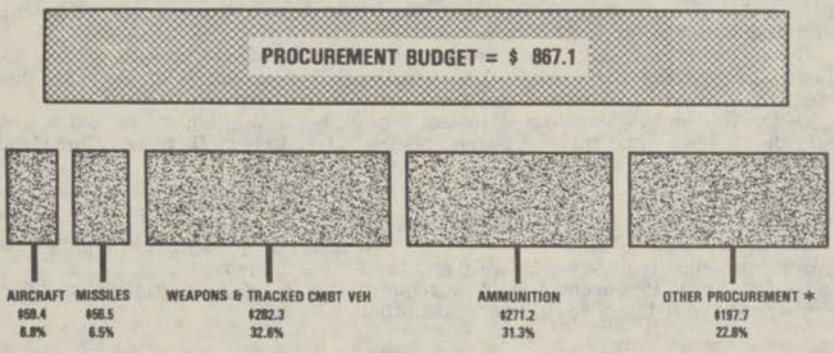
Other Procurement

Other Procurement, one billion 2.8 million dollars, accounts for 28.1 percent of the request. Weapons and Tracked Combat Vehicles, $989.3 million, is 27.6 percent of our request. Our three remaining appropriations account for about 44 percent of the FY 1976 budget request.

The three month Transition budget request, Chart 2, is $867.1 million. Weapons and Tracked Combat Vehicles, $282.3 million, and Ammunition, $271.2 million, account for about 64 percent of the amount requested.

CHART 2 - DISTRIBUTION OF TRANSITION PERIOD PROCUREMENT BUDGET REQUEST

(MILLIONS OF DOLLARS)



* INCLUDES TACTICAL AND SUPPORT VEHICLES, COMMUNICATIONS AND ELECTRONICS EQUIPMENT, AND OTHER SUPPORT EQUIPMENT

General Objectives

Before discussing our request for the five Procurement Appropriations in detail, we will cover our general objectives for the years concerned, compare the FY 1975 program and the FY 1976 request, comment on actions taken to comply with your guidance of last year, and discuss significant actions to strengthen materiel acquisition management.

Procurement Objectives

Although a delicate balance in strategic capability exists, our adversaries have a clear superiority in numbers of men and equipment for conventional warfare. This numerical advantage becomes even sharper when one considers the materiel sophistication observed in the hands of the Arab forces during the 1973 Middle East conflict and the massive losses suffered by both sides during that engagement.

In addition to having more men and equipment, the Soviet Union and Warsaw Pact conventional forces are equipped and oriented toward rapid penetration and exploitation. Hence, our fortunes in a conflict of this nature are predicted on capabilities we can commit immediately and the ability of our production base to meet surge requirements. Further, pressures to avoid a general nuclear war may produce rapid negotiation after an initial clash; consequently, we must be prepared to win the first battle and avoid being presented with a *fait accompli*. In brief, the challenge of fielding an effective, combat ready Army requires that we take steps now to insure our force can win the first battle and be sustained after this initial clash.

Our Procurement budget request, which has the three basic objectives shown on Chart 3, is tailored to give us this capability.

Chart 3.—*Procurement Objectives*

Improve Active and Reserve Force Readiness
Expand and Modernize Our Ammunition Production Base
Balance Quality and Quantity of Weapons

Improve Active and Reserve Force Readiness

Three billion, 140 million dollars, or 88 percent of our FY 1976 request, is programmed for procurement of major items, spares and repair parts, asso-

ciated support equipment, ammunition, and modification of equipment. This will enable us to gain and maintain a high level of materiel readiness for our Active combat divisions, and improve the authorized readiness posture of our Reserve Components.

The Active combat divisions and ready Reserve combat divisions will provide the Nation with a credible Army for the next decade or so. This force will have markedly increased capabilities, result in a much better balanced Army, and will provide an improved means to integrate Active and Reserve Component units. It also will enhance foreign perceptions of U.S. resolve and commitment to the defense of Western Europe, while increasing our capability to meet other worldwide commitments.

Expand and Modernize Our Ammunition Production Base

The second basic objective is to continue our program to modernize the conventional ammunition production base at Government-owned, contractor-operated plants. FY 1976 marks the seventh increment of our long range program to modernize this base. We propose a $190.2 million funding level for the FY 1976 modernization and expansion effort; this is 5 percent of our total budget request. Our request for the Transition period is $148.6 million, or 17 percent of the total amount requested. The revised modernization and expansion plan, which will be discussed later, will improve our capability to provide our fighting forces with more modern and effective ammunition items.

Balance Quality and Quantity of Weapons

We also are taking several actions to strike a realistic balance between the quality and quantity of our weapons. First, as the Secretary of the Army stated in his Posture Statement, we are looking more closely at the purchase of weapons developed by our allies. Commonality of equipment benefits both us and our allies by reducing development costs, lowering unit costs through increased quantity procurement, and by improving the logistic posture of NATO. Additionally, we also are continuing to make a maximum effort to product improve existing systems as a means of obtaining the most for our money. For example, our requests contain $15 million to improve the performance of the AH–1 (COBRA/TOW) Attack Helicopter to provide an urgently needed heliborne anti-armor capability in the near term; $19.9 million to improve the operational capability of the OH–58 Observation Helicopter to perform the aerial scout mission until the Advanced Scout Helicopter becomes available in the 1980's; and, $112 million to improve the reliability, maintainability, mobility, night operational capability and main gun hit probability of the M60 Series Tank. Finally, we will continue to employ the High-Low Mix concept in an effort to insure that selected front line fighting forces are equipped with adequate numbers of quality weapons, while in the interest of economy, retaining older systems with lesser capabilities in other units.

The quantitative conventional superiority possessed by our adversaries dictates that we continue our efforts to strike a realistic balance between the quality and quantity of our weapons systems. The actions outlined above and the management improvement actions we have taken and will discuss later, particularly with respect to our organization for material acquisition, will facilitate the accomplishment of this important objective.

In summary, our procurement budget request has been carefully structured to meet our most urgent requirements. We will now present some highlights of the FY 1976 request.

Trend in Requests

Chart 4 compares our FY 1976 request with the FY 1975 program. It should be noted that the FY 1975 information is the amount appropriated by the Congress adjusted by subsequent reprograming actions and program budget decisions at the time of budget submission. This chart shows that our FY 1976 request is three billion 566.6 million dollars. This is one billion 49.6 million dollars more than the FY 1975 program.

CHART 4.—SUMMARY COMPARISON OF FISCAL YEAR 1975 PROGRAM AND FISCAL YEAR 1976 REQUEST

[In millions of dollars]

Appropriation	Fiscal year— 1975 [1]	1976	Differences
Aircraft	241.5	362.3	+120.8
Missiles	392.2	460.8	+68.6
Weapons and tracked combat vehicles	429.9	989.3	+559.4
Ammunition	808.4	751.4	−57.0
Other procurement	645.0	1,002.8	+357.8
Total	2,517.0	3,566.6	+1,049.6

[1] Amount appropriated by the Congress adjusted by subsequent reprograming actions and program budget decisions at time of budget submission.

Aircraft Appropriation

In FY 1976 we require $362.3 million for the aircraft appropriation. The increase over the FY 1975 program, $120.8 million, is attributable to the increased number and types of aircraft we intend to procure. Our FY 1976 request of $122 million to procure 20 U–X and two Short Take-Off and Landing (STOL) Utility Airplanes; 38 AH–1S (COBRA/TOW) Attack, 12 CH–47C Cargo, and 48 UH–1H Utility Helicopters; and, long lead time items for the AH–1S.

In addition to procuring new aircraft, we are requesting $127.7 million to upgrade our existing aircraft fleet. This effort, which accounts for 35 percent of the FY 1976 Aircraft Appropriation request, will extend the useful life of our aircraft fleet and increase its operational capabilities.

Missile Appropriation

We are asking for $460.8 million in the FY 1976 Missile Procurement budget, an increase of $68.6 million over the FY 1975 program. Eighty-three percent of the FY 1976 request is for procurement of surface-to-air and anti-tank/assault missile systems. In the former category, we require $37.5 million to procure 52 sets of ground support equipment for two CHAPARRAL/VULCAN Battalions, and $78.2 million to procure 520 Improved HAWK missiles and three sets of ground support equipment.

We also intend to bolster our anti-tank capability through continued procurement of the DRAGON ($106.8 million) and TOW ($140.2 million) missile systems. Our buys will be integrated with significantly increased allied requirements for these systems.

Weapons and Tracked Combat Vehicles

For Weapons and Tracked Combat Vehicles we request $989.3 million in FY 1976. The tracked combat vehicles portion of the request, $915 million, will significantly improve the combat effectiveness and readiness of our tank and other mechanized units.

We had 7,940 tanks in our inventory on December 31, 1974, excluding those committed to security assistance customers. However, only 5,017 were diesel powered M60 series tanks mounting the 105mm or 152mm gun capable of consistently penetrating the Soviet tank at longer ranges. Of these 5,017, only 3,463 were prime M60A1/M60A2 tanks of the type currently in production. The remaining 2,923 tanks on hand on 31 December 1974 were older M48 series tanks. The Reserve Components had 2,161 M48 series, 90mm gun tanks and only 637 M60 series tanks on 31 December 1974. There is a strong need to modernize our Reserve Component tank fleet.

Our FY 1976 request is designed to accelerate the pace of inventory replenishment and the modernization of our Reserve Components. To accomplish this we are requesting: $99.9 million to convert 504 existing M48A1 tanks to a dieselized, 105mm gun, M48A5 configuration; $87.6 million to procure modification kits that will improve the reliability, maintainability, mobility, night operational capability and man gun hit probability of the M60 series tank; $6.2 million to procure long lead time components and special tooling for the M60A1; and, $387.8 million to support M60 series new tank procurement. The FY 1976 request of $387.8 million includes funds for 562 Product Improved M60A1 Tanks, 100

new M60A1E3 Tanks, special tooling and start-up costs associated with procuring the M60A1E3, and funds to expand the tank production base. The foregoing programs, which total $581.5 million, will sharply improve the readiness and combat effectiveness of our active and reserve tank forces.

The tracked combat vehicles portion of the FY 1976 request also includes $103.6 million to procure 1,320 M113A1 Armored Personnel Carriers; $65.3 million for 144 M88A1 Medium Recovery Vehicles; $38.9 million for 210 M578 Light Recovery Vehicles; and $53.6 million to procure modification kits to improve the reliability, maintainability, and operational capabilities of other tracked combat vehicles such as the 8'' Howitzer and M551 Armored Reconnaissance Airborne Assault Vehicle.

Ammunition Procurement

Our FY 1976 Ammunition Procurement budget request, $751.4 million, is $57 million less than the FY 1975 program. Our request includes $444.2 million for ammunition items and $307.2 million for ammunition production base support. The $444.2 million for ammunition items provides for world-wide training consumption and inventory losses; selected procurement of modern hardware; build-up of war reserves to meet acquisition objectives; and, maintaining an active ammunition production base for key ammunition items. Tank gun ammunition, $150.4 million, accounts for 34 percent of the FY 1976 ammunition hardware request.

The $307.2 million requested for production base support will provide for: production support and replacement of government-owned facilities and equipment required to support scheduled end item procurement programs; planning and facility prove-out of production lines; layaway of facilities; and, continuation of a major multi-year effort to rehabilitate and improve the Army's ammunition production base.

The primary production base support effort in FY 1976 will be the continuation of our Production Base Modernization and Expansion Program for conventional ammunition facilities. We are requesting $190.2 million for this purpose in FY 1976. Major projects include a 105mm projectile metal parts facility at Lone Star Ammunition Plant in Texarkana, Texas; the first phase of a project to establish an ammunition manufacturing facility at the National Space Technology Laboratories in Picayune, Mississippi; the design phase of a project to establish an explosive manufacturing facility for RDX/HMX compounds at a site yet to be determined; the initial funding of the modernization of government-owned ammunition plant equipment packages located in private industry; and, the establishment of an initial production facility for binary chemical munitions at Pine Bluff Arsenal, Arkansas. A more detailed discussion of this last project will be presented later.

Other Procurement

Our request for the Other Procurement, Army Appropriation is one billion 2.8 million dollars in FY 1976; this is $357.8 million higher than the FY 1975 program. Our request includes $225 million for tactical and support vehicles, $399.4 million for communications and electronics equipment, and $378.4 million for other support equipment.

Our tactical and support vehicle request is the minimum required to replace peacetime losses of tactical trailers and associated equipment; replace overage commercial vehicles on a limited basis; improve gradually our inventory levels and percentage fill of authorized acquisition objectives; and, continue implementing our program to substitute commercial for military design vehicles. With respect to the last point, $93.5 million, or 42 percent of the request for tactical and support vehicles, will be used to procure commercial substitute vehicles during FY 1976. $82.1 million of this amount is for the procurement of 12,144 1¼ ton commercial pickup trucks which will replace overage military design M37 ¾ and M715 1¼ ton assets.

The $399.4 million request for communications and electronics equipment in FY 1976 will insure responsive, reliable, communications support within Army field commands by providing switchboards, field telephones, and tactical single channel and multichannel radios such as the AN/PRC–25/77 and the AN/GRC–103; support our part of the Defense Communications and Ground Environmental Satellite Communications Systems; procure equipment such as TSEC/KG–30 Electronic Key Generators and TSEC/KY–57 Speech Security Equipment to se-

cure tactical and non-tactical communications systems in furtherance of the Army's communications security goals; provide tactical and non-tactical automatic data processing equipment; and procure tactical electronic detection and surveillance equipment.

Our request of $378.4 million for other support equipment will procure combat support equipment to include protective chemical equipment, bridging equipment and bridges, and major assemblages for our mobile hospital units; permit continuation of our program to procure commercial construction equipment in lieu of military design equipment; and, provide for the procurement of floating and medical support equipment.

ACTIONS TAKEN TO COMPLY WITH COMMITTEE GUIDANCE, FISCAL YEAR 1975

We have taken action to respond to the guidance and intent of the Committee. The major procurement related issues, which are based on your comments as a result of the Committee's review of our budget last year, are shown on Charts 5 and 6.

CHART 5.—Senate Appropriation Committee Issues, Fiscal Year 1975

Issue	*Status/Corrective Action*
Foreign Military Sales	Information requested is being provided by OSD.
Proliferation of Missiles	OSD conducted analysis of guided weapons programs; Army initiated study in September 1974.
War Reserve Stocks for Allies (WRSA Program)	Complied with PL 93–559; need for program still exists; OSD has submitted proposed amendment to PL 93–559; present request contains funds for program.

FOREIGN MILITARY SALES

The Committee expressed concern regarding the dramatic increase in cash sales of U.S. military equipment to foreign governments and the potential impact of such sales on readiness, budget requests, and long-term U.S. security interests. Accordingly, the Committee stated it will require prior notification of military cash sales of military equipment to foreign governments which exceed $25,000,000; provide for the introduction of new weapons systems to the inventory of foreign armed forces; or when cumulative military cash sales to any foreign government exceed $50,000,000 in any fiscal year.

The Office of the Secretary of Defense is providing the information requested by the Committee.

PROLIFERATION OF MISSILES

The second major area of concern shown on Chart 5 involves the proliferation of missiles. Specifically, the Committee questioned whether better coordination between the military services would not provide for a reduction in the quantity and types of missiles in the Department of Defense inventory. The Committee directed the Department of Defense to prepare and submit a comprehensive study to assist in Congressional review of the various missile programs. Accordingly, OSD has prepared and submitted to the Congress a study entitled, Department of Defense Guided Weapons Programs.

Further, in developing the current antitank program, the Army did consider complementary antitank weapons of other Services. Studies simulating the employment of all weapons (including weapons delivered by fixed wing aircraft) have examined weapon systems requirements in the context of the overall threat, expected duration of postulated campaigns, and the geography of the expected area of conflict. In these studies damage inflicted on the enemy by each weapon is assessed to insure that no overkill occurs. In view of recent indications of changes in the threat and in conjunction with the continuing process of revalidating Army requirements, a study effort was initiated in September 1974 to reevaluate antitank capabilities and requirements. This evaluation includes an analysis of other Service contributions to the battle in order to arrive at the optimum mix of antitank weapons required to meet the threat in Europe. It is anticipated that the Army study will be completed in time to support the FY 1977 Procurement budget submission.

War Reserve Stocks for Allies (WRSA) Program

Current U.S. foreign policy calls for greater reliance on other nations to defend themselves. To make this concept realistic, the U.S. must be prepared to provide its allies with some logistic support, particularly for those countries with limited resources and production capabilities. The Military Assistance Program (MAP) helps to equip such allies prior to the start of hostilties. But once war starts, they must be sustained until their production capabilities, and ours, can supply the material required to bring the fighting to an acceptable conclusion. The WRSA Program provides us this capability.

With respect to the FY 1975 WRSA Program, the House and Senate Appropriation Committee Conferees agreed that "No funds appropriated to the Department of Defense in this Act may be used to transfer war materials to any foreign country, unless such transfers are specifically authorized by law." Subsequently, the Foreign Assistance Act of 1974 (PL 93-559) added Section 514 to Chapter 2 of part II of the Foreign Assistance Act of 1961. This section prohibits our procuring stocks for the WRSA Program. Accordingly, we have not entered into any contractual agreements after December 31, 1974 that would result in a violation of Public Law 93-559. The Secretary of Defense has requested that Section 514 be amended and has submitted proposed legislation to this effect.

Contingent on the outcome of the above request, we are requesting $87.2 million in FY 1976 for the WRSA Program. It should be noted that stocks procured for the WRSA Program are not committed or authorized for transfer to any nation. They are for war consumption, or other contingencies, and remain U.S. property until the President, with appropriate Congressional consultation and authorization, determines that these stocks should be released to a specific ally.

Chart 6.—Senate Appropriation Committee Issues, Fiscal Year 1975

Issue	Status/Corrective Action
Selected Acquisition Reports	Revised DODI to incorporate two recommendations; third recommendation under consideration.
Binary Ammunition Production Facility	Reviewed chemical munitions program; binary production capability deemed essential; FY 76 request includes $8.8 million to establish initial production capability; no decision made to produce munitions.
Inflation Impact/Projections	SAR's standardized and improved; Services directed to use OSD developed inflation rates for out-year cost estimates; action underway to develop Army unique inflation rates for near term.

Selected Acquisition Reports (SAR's)

Department of Defense Instruction (DODI) 7000.3 on SAR's was reviewed and revised in light of the Committee's recommendations for improvement. Specifically, the DODI now provides for: the reporting of all estimates to provide visibility and trackability from a program's inception; and, a comparison of planned and current cost, schedule, and performance status. The Committee also recommended that information pertaining to the expected capability of the system to accomplish a particular mission or counter a specific threat be included in SAR's; this recommendation will be considered when subsequent revisions to the DODI are being formulated.

Binary Ammunition Production Facility

The Committee denied our FY 1975 request to establish initial production facilities for the 155mm binary chemical munition program. Subsequently, we thoroughly reviewed our chemical munition program. In view of the threat and the present status of our retaliatory capability, we feel that the binary chemical munition program is essential to the maintenance of a viable, chemical deterrant/retaliatory capability. Accordingly, we have included $8.8 million in our

FY 1976 request to establish a 155mm binary chemical production facility at Pine Bluff Arsenal, Arkansas. These funds will be used to establish an initial production facility. Approval of our request will not constitute authority to produce binary chemical munitions. Rather, approval will enable us to provide only the capability to produce such munitions, when and if a production decision is made.

Inflation Impact/Projections

Finally, the Committee expressed its concern regarding the: need for a consistent and rational approach to the problem of providing for inflation in program estimates; desirability of including allowances for inflation in major program cost estimates or in SAR's; capability of the individual Services to make realistic inflation estimates.

During the last year, several actions have been taken in light of the Committee's comments. First, SAR's have been modified to identify the impact of inflation and they now also provide better visibility and trackability of program costs. Second, the Services have been directed to employ Office of the Secretary of Defense developed out-year inflation rates to estimate program costs. Finally, within the Army, we have taken steps to establish near term Army unique inflation indices. These indices will facilitates assessments of contractors provided procurement cost estimates, thereby improving our ability to perform the procurement function.

We will now discuss briefly some of the more significant management improvement actions taken during the last year. Following this, we will discuss each appropriation in detail.

Management Improvement Actions

Army Materiel Acquisition Review Committee

The Secretary of the Army established the Army Materiel Acquisition Review Committee (AMARC) in December 1973. This committee was tasked to conduct a comprehensive review of the Army's materiel acquisition process and provide recommendations for improvement.

The AMARC, headed by Dr. Wendell B. Sell, President of Hoffman Electronics of Los Angeles, primarily was a nongovernmental group. The final AMARC report, submitted on 1 April 1974, contained several significant recommendations. Some of the major AMARC recommendations impacting on the procurement area already have been implemented; these are shown on Chart 7.

Chart 7.—AMARC Management Improvement Recommendations

Single Staff Manager for Six Investment Accounts
Cost Control
Encourage Small Business
Survey Production Facilities

Single Staff Manager for Six Investment Accounts

The Army's organization for material acquisition has been strengthened by vesting the responsibility for the Research, Development, Test and Evaluation (RDTE) Appropriation and the five Procurement Appropriations in a single staff manager, the Deputy Chief of Staff for Research, Development, and Acquisition. This new management concept will enable the Army to integrate the research, development, and procurement functions under a single manager to insure an appropriate balance and to improve efficiency.

Cost Control

The second item on Chart 7 concerns the importance of controlling weapons system costs. Actions in this regard include measures to enhance the stature of cost estimators; this will decrease the institutional downward cost bias and result in more realistic appraisals and better control of weapons system costs. Independent parametric cost estimates also are being used as a means of checking the cost estimates prepared by the hardware proponents. Both estimates are considered and differences are highlighted at Army Systems Acquisition Review Council meetings. Further, the AMARC specifically addressed the problem of high

support costs for weapons. The Army is promulgating policy or has initiated actions to implement the AMARC recommendations in this area which are shown on Chart 8.

CHART 8.—AMARC Recommendations on High Support Costs

Assess Future Operation and Maintenance Costs During Development period of Weapon System
Stress Increased Use of Life Cycle Cost Procurement of High Dollar Value Components and Parts
Include Logstic Assessment In Planning Documents
Recognize Uncertainty Associated With Estimating Costs

ENCOURAGE SMALL BUSINESS

An office within Headquarters, Army Materiel Command has been established to simplify the conduct of Army business by small business contractors.

SURVEY PRODUCTION FACILITIES

A study to determine industrial capability to meet government requirements that are currently satisfied in-house was completed in January 1975. This study recommends maximum reliance on private industry but stresses in-house production capability should be retained where industry does not have the capability or is not willing to meet Government requirements. A study to identify idle facilities which should be disposed of or placed in standby status is being conducted.

SHOULD COST

We are continuing to apply "should cost" techniques to major procurements. This involves the use of a highly competent Government team to determine a reasonable cost estimate for a system. This estimate is compared to the bidder's estimate and becomes the basis for our objective in negotiating a contract price. Also, it helps to insure that programs are adequately prepared and funded.

REVIEW OF ARMY MOBILIZATION PLANNING STUDY

Industrial Preparedness Planning with private industry must be a continuous process if the Army is to be assured that commercial manufacturing sources are capable of meeting requirements. This planning process is particularly important at this time of inflation and material shortages. Accordingly, the Army has initiated a immediate and intense short range study, Review of Army Mobilization Planning (RAMP).

The objectives of the RAMP Study are to: determine the validity of existing Army industrial mobilization plans for selected major end items under present day conditions; and, develop definitive recommendations for corrective actions and areas for further study.

AMMUNITION BASE MODERNIZATION AND EXPANSION

The Army chairs the Joint Conventional Ammunition Production Coordinating Group, the JCAP/CG. The JCAP/CG recently completed its initial plan for modernization and expansion of the Department of Defense ammunition production base. This coordinated plan is designed to eliminate duplication of Service effort.

Within the Army, we recently revised our modernization and expansion plan. This improved plan incorporates long range planning goals for ammunition and utilizes the JCAP/CG recommended increased production planning factors. Further, the major thrust of the Army's revised modernization and expansion plan during the next five to six years has been changed. Previously, the thrust was to modernize present facilities. The thrust of the revised plan is to provide the additional capacity required to produce new ammunition items. These items include improved conventional munitions, fuzes, and scatterable mines.

Our ammunition base is vital to our overall defense effort and we have taken and will continue to initiate positive management actions to have the best possible program.

Review of Wartime Active Replacement Factors

A Wartime Replacement Factor, WARF, is derived by determining the number of expected non-repairable losses of an item with respect to the authorized level of that item in the theater of operations. A WARF normally is expressed as the average percent of non-repairable losses per 30 days of war and is used to compute peacetime stockage requirements.

A long range WARF Study to review loss ratios used in the Army's Planning, Programing, and Budgeting System, should be completed in May of 1975. The study will enable us to assure that requirements estimates reflect the needs on modern battlefields instead of relying entirely on the experience of World War II and Korea.

Interim results of the on-going WARF Study have shown that the old attrition factors were below expected levels for modern armed conflict. Lessons learned from the latest Middle East Conflict also indicated that WARF rates currently being used are understated. Therefore, interim factors for tanks and armored personnel carriers, reflecting these higher rates are being used to compute their Authorized Acquisition Objectives (AAO's).

Special Analysis of Net Radio Study

The Special Analysis of Net Radio (SPANNER) Study was completed on 30 June 1974, and the final recommendations are being implemented. When the recommendations are fully implemented in the Army's authorization documents, we expect to derive some benefits. These benefits include a redistribution of first line radios to Reserve Component units, thus enhancing their readiness posture.

This concludes our introductory remarks. We will now discuss each appropriation separately.

Aircraft Procurement, Army

Our request for the Aircraft Procurement Appropriation is distributed over the four activities shown on Chart 9.

CHART 9.—AIRCRAFT PROCUREMENT, ARMY

[In millions of dollars]

Activity	Fiscal year 1976	Transition
Aircraft	122.0	25.2
Modification of aircraft	127.7	16.7
Spares and repair parts	54.2	14.8
Support equipment and facilities	58.4	2.7
Total	362.3	59.4

Activity 1: Aircraft

The funds being requested for Budget Activity 1, Aircraft, will procure 20 U–X and two STOL fixed wing aircraft; 60 AH–1S (COBRA/TOW) Attack, 12 CH–47C Cargo, and 48 UH–1H Utility Helicopters; and will support the advance procurement of long lead components for the AH–1S. (See Chart 10.)

CHART 10.—PROCUREMENT OF AIRCRAFT, ARMY

	Fiscal year 1976		Transition	
	Quantity	Millions of dollars	Quantity	Millions of dollars
Fixed wing:				
Airplane, utility, U–X	20	14.0		
Airplane, utility, STOL U–( )	2	2.0		
Rotary:				
Helicopter, attack AH–1S (COBRA/TOW)	38	(45.9)	22	(25.3)
Less: advance procurement		(−2.9)		(−.1)
Total		43.0		25.2
Helicopter, attack AH–1S (COBRA/TOW)		1.8		
Advance procurement				
Helicopter, cargo CH–47C (CHINOOK)	12	36.4		
Helicopter, utility UH–1H (IROQUOIS)	48	24.8		
Total		122.0		25.2

FIXED WING

AIRPLANE, UTILITY, U–X

The U–X is an all metal, low wing, twin turboprop aircraft that will support major field commands and Military Assistance Advisory Groups and Missions throughout the world. We are requesting $14 million in FY 1976 to procure 20 of these aircraft.

To meet the requirement for this type aircraft, the Army and Air Force jointly procured the Beech A200 Aircraft with FY 1973 funds in August of 1974.

Our FY 1976 request is part of a planned multi-year program which will enable us to replace 100 aging U–8 aircraft. The average age of our existing U–8 fleet is approximately 15.6 years.

AIRPLANE, UTILITY, STOL, U–( )

We are requesting $2 million in FY 1976 to procure two high wing, twin engine, short take-off and landing (STOL) utility airplanes. These aircraft, equipped with skis, wheels and/or floats, will be capable of operating from small unimproved landing sites and water under day or night instrument flight rule (IFR) conditions. The two aircraft being requested will support the operational requirements of remote and widely dispersed elements of the First and Second Scout Battalions of the Alaska Army National Guard.

ROTARY

HELICOPTER, ATTACK, AH–1S (COBRA/TOW)

Our request of $68.2 million for FY 1976 and the Transition period will procure 60 AH–1S COBRA/TOW Attack Helicopters. The AH–1S will contain an improved engine and drive train.

The AH–1S, a single rotor, two place, attack helicopter, is powered by a single gas turbine engine. Although primarily designed for an anti-armor role, this helicopter can also conduct multiple missions to include reconnaissance by fire, fire support, and escort for troop carrying helicopters.

Our request continues a planned five-year procurement program to provide the Army with 305 additional attack helicopters by the end of FY 1979. This program, and our AH–1 (COBRA) Attack Helicopter modification program, which will be discussed later, provides an urgently needed heliborne anti-armor capability in the near time frame, pending introduction of the Advanced Attack Helicopter.

HELICOPTER, ATTACK, AH–1S (COBRA/TOW) ADVANCE PROCUREMENT

The $1.8 million requested for advance procurement for the AH–1S Attack Helicopter supports the procurement of long lead time avionics items such as the AN/ARC–114 Standard Lightweight Avionics Equipment (SLAE) FM radio and the AN/ARN–89 automatic direction finding navigation system.

HELICOPTER, CARGO, CH–47C (CHINOOK)

We also are requesting $36.4 million in FY 1976 to procure 12 CH–47C Medium Cargo Helicopters. These helicopters are used for tactical movement of heavy bulky cargo, troop transport and recovery of downed aircraft from remote areas. This request will enable us to maintain a warm production base and attain 95 percent of our Authorized Acquisition Objective.

HELICOPTER, UTILITY, UH–1H (IROQUOIS)

Our request includes $24.8 million in FY 1976 for 48 UH–1H Utility Tactical Helicopters. The UH–1H helicopter, the mainstay of our existing utility tactical fleet, is used for troop and cargo transport and aero-medical evacuation missions. This planned procurement will enable use to maintain a warm production base and attain 90 percent of our Authorized Acquisition Objective.

ACTIVITY 2: MODIFICATION OF AIRCRAFT

Our request for Modification of Aircraft, shown on Chart 11, provides for increased operational capabilities, improved flight safety, better reliability and maintainability, and extends the useful life of our aircraft fleet.

CHART 11.—MODIFICATION OF AIRCRAFT

[In millions of dollars]

	Fiscal year 1976	Transition
Airplane, Observation, STOL, OV-1 (MOHAWK)	50.1	0.1
Helicopter, Attack AH-1 (COBRA)	22.2	.3
Helicopter, Cargo, CH-47 (CHINOOK)	6.1	1.2
Helicopter, Observation, OH-58 (KIOWA)	17.0	10.8
Helicopter, utility, UH-1 (IROQUOIS)	14.5	3.3
Airborne Sigint	12.1	
Other programs [1]	5.7	1.0
Total	127.7	16.7

[1] Includes modifications for the U-8 (Seminole), U-21 (Ute), CH-54 (Tarhe), OH-6 (Cayuse), Airborne avionics and modifications under $500 000

We will now describe some of the more significant modification programs contained in this request.

AIRPLANE, OBSERVATION, STOL, OV-1 (MOHAWK)—(MODIFICATION)

Chart 12 shows the modifications planned for the OV-1 MOHAWK Airplane.

CHART 12.—OV-1 AIRCRAFT MODIFICATIONS

[In millions of dollars]

	Fiscal year 1976	Transition
OV-1C to OV-1D conversion	29.5	
OV-1B to RV-1D (quick look II)	19.5	0.1
Other modifications	1.1	
Total	50.1	.1

We request $29.5 million in FY 1976 to convert twelve OV-1C airplanes to the OV-1D configuration. Conversion of the older OV-1C aircraft to a standardized OV-1D configuration includes providing: stronger landing gears; engines with increased horsepower; addition of two fuselage access doors; and, improved Side Looking Airborne Radar (SLAR) or Infrared (IR) sensor equipment.

The improved SLAR and IR sensor equipment is more effective than currently installed equipment and provides increased ability to detect battlefield targets. The OV-1D capability to operate with either the improved SLAR or IR, coupled with real time cockpit display, provides a valuable battlefield surveillance capability immediately responsive to the tactical commander.

We are also requesting $19.5 million in FY 1976 to continue converting OV-1B airplanes to an RV-1D, Electronic Surveillance, configuration, the second item shown on Chart 12. The RV-1D airplane will be employed at Corps level.

The $1.1 million in FY 1976 requested for Other Modifications will provide for navigational system and engine modifications to improve safety and operational features.

HELICOPTER, ATTACK, AH-1 (COBRA)—(MODIFICATION)

The AH-1 series helicopter equipped with the TOW anti-tank missile system will be a major part of the attack helicopter fleet through the late 1980's. Accordingly, we initiated a two-phased program to improve the operational capability of the AH-1 series helicopter. The first phase involved use of FY 1974 and FY 1975 funds to install the TOW missile system on 290 AH-1 series helicopters. The second phase involves installing a more powerful engine and improved drive train components on these 290 TOW equipped helicopters.

CHART 13.—AH–1 HELICOPTER MODIFICATIONS

[In millions of dollars]

	Fiscal year 1976	Transition
Improved armament/agility/maneuverability	15.0	
Aircraft survivability	.2	
Other modifications	7.0	0.3
Total	22.2	.3

We are requesting $15 million in FY 1976 to modify the remaining 145 AH–1 series helicopters mentioned above. Upon completion of this program, these helicopters will be designated as the AH–1S.

Further, we are requesting $0.2 million in FY 1976 to improve the survivability of the AH–1 series helicopter. The funds requested will procure 90 airframe kits for the AN/APR–39 Radar Warning Receiver.

Finally, the $7 million FY 1976 and $0.3 million Transition period requests for Other Modifications will provide airframe and avionics modifications to improve safety, reliability and maintainability. Included herein are programs involving the installation of updated navigation radio receivers, battery monitors, and an improved antitorque control system.

HELICOPTER, CARGO TRANSPORT, CH–47 (CHINOOK)—(MODIFICATION)

Chart 14 shows the modifications planned for the CH–47 CHINOOK Helicopter.

CHART 14.—CH–47 HELICOPTER MODIFICATIONS

[In millions of dollars]

	Fiscal year 1976	Transition
Long-range navigation system (loran)	0.4	
T–55 engine modifications	2.1	
Aircraft survivability	.8	
Other modifications	2.8	1.2
Total	6.1	1.2

We are requesting $6.1 million in FY 1976 to apply a total of thirteen modifications to our CH–47 medium helicopter fleet. $0.4 million of this amount is required for installation engineering of the Long Range Navigation (LORAN) airborne subsystem. This system will allow Army aircraft to navigate between any two points in the combat zone with near all-weather, 24 hour capability.

Three modifications are also included to continue reliability improvement of the T–55 engine. During FY 1976 these programs will cost $2.1 million.

In the area of aircraft survivability, we are requesting $0.8 million in FY 1976 to procure AN/APR–39 Radar Warning Receivers and airframe kits for 44 CH–47 Helicopters.

The last item on Chart 14, $2.8 million in FY 1976 and $1.2 million in the transition period for Other Modifications, will provide for improved safety, reliability and maintainability of the CH–47 Helicopter.

HELICOPTER, OBSERVATION, OH–58 (KIOWA)—(MODIFICATIONS)

Our modification request for the OH–58 KIOWA Helicopter will support thirteen modification programs that have been categorized into the three major areas shown on Chart 15.

CHART 15.—OH-58 HELICOPTER MODIFICATIONS

[In millions of dollars]

	Fiscal year 1976	Transition
Interim scout	11.6	8.3
Aircraft survivability	.9	
Other modifications	4.5	2.5
Total	17.0	10.8

The basic OH–58 helicopter was designed for observation use only and the present engine does not provide the power required to perform adequately the aerial scout mission. Further, the basic OH–58 must be improved if it is to operate with the AH–1 (COBRA/TOW) Attack Helicopter. The first category of modifications will improve the operational capability of the OH–58 Helicopter for the combat reconnaissance mission and provide an interim scout capability until the Advanced Scout Helicopter becomes available in the 1980's. Specific modifications planned for FY 1976, at a cost of $11.6 million, include providing an improved engine and transmission, a stabilized optics system for target acquisition, and a radar altimeter which will provide the crew with an absolute altitude indication during low level operations and periods of reduced visability. Our Transition period request for $8.3 million will enable us to continue these programs.

The aircraft survivability modification is a continuation of our efforts to improve the OH–58's survivability. Specifically, we are requesting $0.9 million in FY 1976 for 142 AN/APR–39 Radar Warning Receiver airframe installation kits and 552 Infrared Suppressors.

The last item on Chart 15 contains several airframe and avionics modification programs that will improve safety, reliability, and maintainability. We are requesting $4.5 million in FY 1976 and $2.5 million in the transition period for these programs.

HELICOPTER, UTILITY, UH–1 (IROQUOIS)—(MODIFICATIONS)

Chart 16 summarizes our proposed modification program for the UH–1 IROQUOIS Helicopter.

CHART 16.—UH-1 HELICOPTER MODIFICATIONS

[In millions of dollars]

	Fiscal year 1976	Transition
UH–1H EH–1H configuration (quick fix)	1.6	.1
Navigation radio receivers	6.3	2.1
Aircraft survivability	1.9	
Other modifications	4.7	1.1
Total	14.5	3.3

The first program, which requires $1.6 million in FY 1976 and $0.1 million during the Transition period, involves the conversion of UH–1H Helicopters to an EH–1H QUICK FIX configuration. The funds requested for FY 1976 and the Transition period will support essential engineering efforts.

We also are requesting $6.3 million in FY 1976 and $2.1 million during the Transition period to install navigation radio receivers that will match the new frequencies of Federal Aviation Administration (FAA) facilities.

In the area of Aircraft Survivability, we are requesting $1.9 million in FY 1976 to procure 80 AN/APR–39 Radar Warning Receivers and airframe installation kits.

Finally, in the Other Modifications area we are requesting $4.7 million in FY 1976 to procure 2,004 Air Traffic Identification System (AIMS) altimeters; 1,068 Nichel Cadmium Battery Monitors with airframe installation kits; and, 175 AN/APN–209 Radar Altimeters. The AIMS altimeter automatically transmits

altitude information to a ground controller to ensure adequate traffic separation and is required by the FAA in 63 high density areas in the Continental United States. The battery monitor will reduce the possibility of battery boilover or rupture. Our request for $1.1 million in the Transition period will continue the Radar Altimeter and NICAD Battery Monitor programs.

Airborne SIGINT (Signal Intelligence)—(Modifications)

Our request for $12.1 million in FY 1976 is to modify 12 RU–21H GUARDRAIL aircraft to improve their operational capability and to convert 4 RU–21E Aircraft. These modifications will update the GUARDRAIL system for potential employment in worldwide contingency operations.

Other Modification Programs

The Final item to be addressed on Chart 11 is our request for Other Modification Programs which totals $5.7 million in FY 1976 and $1 million in the Transition period. These requests will fund numerous modification programs to improve safety, reliability and maintainability and operational capability of the Army aircraft fleet.

Activity 3: Spares and Repair Parts

The spares and repair parts request provides for centrally managed, high dollar value depot repairable assemblies and components, such as engines, transmissions and gear boxes needed to support our fleet of approximately 8,750 aircraft. The $54.2 million requested in FY 1976 contains $17.3 million for replenishment components for all Army aircraft; $24.1 million to procure critical items for our mobilization war reserve stocks and $12.8 million for initial provisioning of the AH–1 COBRA/TOW modification program and the AH–1S, and new avionics items procurement programs.

The $14.8 million requested in the Transition period contains $5 million for replenishment components; $5.4 million for mobilization war reserve stocks; and, $4.4 million for initial provisioning of the AH–1S and new avionics items procurement programs.

Activity 4: Support Equipment and Facilities

Our request for Support Equipment and Facilities, $58.4 million in FY 1976 and $2.7 million during the Transition period includes funds for Ground Support Avionics Equipment and Aircraft Support Equipment.

Ground Support Avionics

The request for Ground Supports Avionics, Chart 17, will support the procurement of seven types of equipment. No Transition period funds are being requested for Ground Support Avionics Equipment.

CHART 17.—GROUND SUPPORT AVIONICS EQUIPMENT

	Fiscal year 1976	
	Quantity	Amount (millions)
Avionics shop shelter mounted AN/ASM–189	104	$4.2
AN/ASM–190 avionics shop, semitrailer MTD (STOR)	63	1.6
LF radio beacon, AN/TRN–30 V1	100	2.0
LF radio beacon, AN/TRN–30 V2	75	3.0
Manpack visual facility, AN/TSQ–97	99	(2.5)
Less: Advance procurement		(−1.4)
Total		1.1
Manpack visual facility, AN/TSQ–97 advance procurement		.8
Survival radio, AN/PRC–90	4,000	1.2
Test set transponder, AN/APM–305	134	1.3
Total		15.2

AVIONICS SHOP, SHELTER MOUNTED (REPAIR), AN/ASM–189 AND AN/ASM–190, AVIONICS SHOP, SEMI-TRAILER MOUNTED (STORAGE)

The first two items on Chart 17 are air or vehicular transportable. The AN/ASM–189 maintenance shop is a mobile facility for direct and general support bench testing, trouble shooting, alignment and repair of airborne electronic equipment and components. We require $4.2 million in FY 1976 to procure 104 AN/ASM–189s.

The AN/ASM–190 is used to store repair parts and the maintenance float components of major end items. We are requesting $1.6 million in FY 1976 to procure 63 AN/ASM–190s which will be used in conjunction with the AN/ASM–189 discussed above.

LOW FREQUENCY RADIO BEACONS, AN/TRN–30 (V–1) AND AN/TRN–30 (V–2)

The third and fourth items on Chart 17 are low frequency radio beacons that provide signals to aircraft equipped with automatic direction finding navigation systems. The V–1 model is a manpack version used in the forward area of the battlefield. The V–2, a larger, semi-fixed version, is used in rear area fixed airfields. In FY 1976 we are requesting $2 million to procure 100 V–1 models and $3 million to procure 75 V–2 versions of the AN/TRN–30 Low Frequency Radio Beacon.

MANPACK VISUAL FACILITY, AN/TSQ–97 LESS ADVANCE PROCUREMENT

The AN/TSQ–97 Manpack Visual Facility provides ground to air voice communications and limited meterological equipment for use by a single controller in forward tactical areas. We require $1.1 million in FY 1976 to procure 99 AN/TSQ–97s.

MANPACK VISUAL FACILITY, AN/TSQ–97, ADVANCE PROCUREMENT

We are requesting $0.8 million in FY 1976 for advance procurement of government furnished equipment, primarily 82 AN/ARC–164 Standard Lightweight Avionics Equipment (SLAE) radios. Advance procurement funding is essential because of the long lead time for the SLAE radios. These are required to support the planned FY 1977 AN/TSQ–97 procurement.

SURVIVAL RADIO, AN/PRC–90

We require $1.2 million to procure 4,000 survival radios in FY 1976. These radios are carried on all Army aircraft and are standard for all Services. They weigh 24 ounces, transmit a tone to rescue aircraft and transmit or receive voice on two channels.

TEST SET TRANSPONDER, AN/APM–305

We request $1.3 million in FY 1976 to procure 134 AN/APM–305 Transponder Test Sets. This test set is used by avionics maintenance units and is needed for testing the AN/APX–72 Air Traffic Indentification System transponder.

AIRCRAFT SUPPORT EQUIPMENT

Our request for Aircraft Support Equipment is shown on Chart 18.

CHART 18.—AIRCRAFT SUPPORT EQUIPMENT

[Dollar amounts in millions]

	Fiscal year 1976		Transition	
	Quantity	Amount	Quantity	Amount
Common ground equipment		$6.8		
Component improvement		7.5		$0.7
1st destination transportation		.4		.1
Items less than $500,000		5.6		1.8
Production base support		3.0		.1
Synthetic flight trainer, 2B24	6	19.9		
Total	6	43.2		2.7

COMMON GROUND EQUIPMENT

We are requesting $6.8 million in FY 1976 for Common Ground Equipment which is needed to continue our program for filling shortages in Active and Reserve units. This program supports the implementation of our new tool set concept and includes shop shelters, shop set components and individual and organizational tool sets.

COMPONENT IMPROVEMENT

Our request for Component Improvement is $7.5 million in FY 1976 and $0.7 million in the Transition period. This program seeks to improve reliability, maintainability and safety of flight by evaluating the life limiting features of the T55–L–11A engine used in the CH–47C Cargo Helicopter. The requested funds will procure engine hardware and test time to reduce vulnerability to in-flight failures and avoid high retrofit costs. The objective of this program is to increase the time between overhaul from the present 900 hours to 1800 hours and to achieve an increase in the mean time before removal for all causes from the present 238 hours to 1031 hours.

FIRST DESTINATION TRANSPORTATION

The $0.4 million in FY 1976 and $0.1 million for the Transition period being requested for First Destination Transportation, the third item on Chart 18, cover the cost of moving new aircraft to a point of first acceptance within the United States.

ITEMS LESS THAN $500,000

Our request of $5.6 million in FY 1976 and $1.8 million during the Transition period will procure test sets and maintenance kits for general support maintenance and support of new avionics/electronics systems being installed on Army aircraft as a result of various modification programs. These new avionics/electronics systems include the improved sensors being procured in the OV–1 modification program and the new navigation package being installed in most aircraft to meet FAA requirements.

PRODUCTION BASE SUPPORT

In the area of Production Base Support, we are requesting $3 million in FY 1976 and $0.1 million in the Transition period. The FY 1976 request will finance nine projects including one provision of industrial facilities project which provides for procurement and installation of N-Ray (Neutron Radiography Multiplier Systems with Real Time Imaging) equipment for nondestructive inspection of composite materials. The remaining eight projects for which funds are being requested in FY 1976 are production engineering measure projects associated with manufacturing methods and technology. The Transition period request provides for similar projects that are designed to improve our production capability.

SYNTHETIC FLIGHT TRAINER 2B24

The final item in our Aircraft Appropriation request is the UH–1 Helicopter flight trainer. Each trainer consists of four UH–1 utility helicopter cockpits tied to a central instructor/operator console with a computer data system used for simulating instrument flying and emergency procedures. These trainers offer several other significant advantages. They conserve fuel normally consumed in our flying programs and enable us to conduct training without regard to adverse weather conditions. Finally, due to the use of computer programed instruction, they also enable the Army to provide better, more standardized training.

The funds requested in FY 1976, $19.9 million, will procure six trainers. These trainers will be installed at locations having major concentrations of aviators. We presently plan to substitute 15 hours of flight and trainer time for an equivalent amount of required annual instrument flight time for each aviator. A 15-hour annual reduction in UH–1 flight time per aviator will save approximately $3,000 dollars in operating costs per aviator, which includes 1,350 gallons of JP–4 fuel. Further, it is estimated that the cost of a trainer is amortized over a three year period at those installations having 1,000 or more assigned aviators.

The Army recognizes the increasing emphasis by the GAO, OMB and OSD for greater use of simulators to reduce costs of flight training without degrading pilot proficiency. We intend to take full advantage of advancements in technology

which are continually improving the flight trainer's capability to duplicate the characteristics of flying and the flight environment.

This concludes our discussion of the Aircraft Procurement, Army Appropriation. We shall now discuss the Missile Procurement, Army Appropriation request.

Missile Procurement, Army

The Missile Procurement Appropriation request, shown on Chart 19, includes the cost of missiles, ground support equipment and warheads, less Energy Research and Development Administration items.

CHART 19.—MISSILE PROCUREMENT, ARMY

[In millions of dollars]

Activity	Fiscal year 1976	Transition
Antiballistic missile system		
Other missiles	380.3	47.4
Modification of missiles	17.0	1.5
Spares and repair parts	19.3	4.3
Support equipment and facilities	44.2	3.3
Total	460.8	56.5

ACTIVITY 1: Anti-Ballistic Missile System (SAFEGUARD)

We have no funds in our budget for anti-ballistic missile system except for $1.9 million in FY 1976 to procure replenishment repair parts for the SAFEGUARD System. These funds are contained in the Spares and Repair Parts Activity portion of the request which will be addressed later.

ACTIVITY 2: Other Missiles

In the Other Missiles Activity, we require funds to procure the six missile systems shown on Chart 20.

CHART 20.—OTHER MISSILES

[In millions of dollars]

	Fiscal year 1976	Transition
Surface-to-air missile system:		
CHAPARRAL	37.5	1.0
Improved HAWK	78.2	
Antitank/assault missile system:		
DRAGON	106.8	25.1
TOW	140.2	20.5
LANCE	1.0	
PERSHING	16.6	.8
Total	380.3	47.4

Surface-to-Air Missile System

Chaparral (Air Defense System)

The CHAPARRAL Missile System, our primary fair weather, low altitude air defense system, is used in the division area, as well as for the defense of selected key installations. This system, standardized in 1969, consists of a missile and launch control unit mounted on a tracked vehicle.

Our FY 1976 request of $37.5 million will procure 52 sets of ground support equipment and equip two CHAPARRAL/VULCAN Battalions. The $1 million requested in the Transition period is to provide essential government and contratcor engineering services.

Improved HAWK (Air Defense System)

The Improved HAWK Missile System, our primary low and medium altitude Air Defense System, is used in the Corps area, as well as for the defense of air

bases and rear area logistical complexes. The Improved HAWK System, replaces Basic HAWK. This improved system was standardized in December 1971 and the first Improved Hawk Battalion became operational in Europe in November 1972. Conversion of European based Basic HAWK batteries to the Improved Hawk configuration is underway.

Our FY 1976 request contains $78.2 million to procure 520 Improved HAWK missiles and three sets of ground support equipment.

Anti-Tank/Assault Missile Systems

DRAGON (Anti-Tank Weapon)

DRAGON is employed at the infantry platoon level and will replace the 90mm Recoilless Rifle. It provides the infantryman a lighter weapon (31.9 pounds for DRAGON vs 44 pounds for the "90"), greater lethality, and a better single shot probability against a moving target. Dragon successfully passed its engineering/expanded service tests and was standardized in March 1973.

We require $106.8 million in FY 1976 to procure 19,300 missiles, 1,624 trackers, and associated test and training equipment; and $25.1 million in the Transition period to procure 5,940 missiles and 530 trackers.

In FY 1976, the fifth year of DRAGON missile and tracker production, the Army will continue using a combination of McDonnell Douglas Astronautics (prime source), Raytheon and Kollsman Instrument Company (second sources). Both the prime and second source contractors will be utilized competitively in FY 1976. Competition leading to a single source "winner take all" contract is planned for the remaining quantities in the Transition period and beyond.

TOW (Antitank/Assault Weapon)

The next item on Chart 20 is the TOW Missile System; a tube launched, optically tracked, wire guided, antitank missile system with minimum and maximum ranges of 65 and 3,000 meters.

TOW replaces the 106mm Recoilless Rifle and is used to defeat the heaviest known armored vehicles and for the assault of bunkers and other hard point targets. It can be manpacked and employed from a tripod or mounted on a variety of military vehicles. The missile also can be fired from helicopters when the necessary airborne control equipment is provided. To engage a target, the gunner has only to track it with an optical sight; deviations from the intended path are sensed automatically by the sight sensor and corrections are transmitted via a wire link to the missile.

We request $140.2 million for 23,813 missiles and 1,842 launchers in FY 1976 and $20.5 million for 6,000 missiles in the Transition period.

We fielded TOW without a night sight, since development was behind that of the delivery system. Development of the gated laser night sight was terminated in December 1972 because of weight (58 pounds), limited range (1000–1250 meters) and advances in the state-of-the-art which indicated improvements in weight and performance could be provided by a thermal imaging night sight. Development of a TOW thermal night sight, the AN/TAS–4, using far infrared technology is in progress. The change in the technical approach will achieve a greater range and a significant weight reduction. Reliability and accuracy of the TOW system have continued to remain high.

LANCE (Artillery)

The LANCE Missile System, the fifth item on Chart 20, is a surface-to-surface field artillery misile system designed to provide general fire support to Army corps. Launched from a self-propelled track vehicle or a light weight towed launcher, LANCE is capable of providing nuclear fire support. The Lance system is replacing the Honest John and Sergeant systems in the Active Army.

We are requesting $1 million in FY 1976 to procure 63 non-nuclear LANCE warheads for training purposes in lieu of the XM–252 Practice Warhead. These warheads will be procured from a warm production base (opened by Foreign Military Sales) and will satisfy projected training requirements.

ASARC and DSARC reviews, scheduled for April and May of 1975, will address the procurement and deployment of non-nuclear LANCE in the Army. If a decision is made to include the non-nuclear tactical capability in the Army

inventory, a request for the necessary procurement funds will be included in the FY 1977 budget submission.

PERSHING (ARTILLERY)

The Pershing Missile System, is a two-stage, solid propellant, air transportable, surface-to-surface ballistic missile system with selective range capability of 100–400 nautical miles. PERSHING's primary mission is to provide nuclear fire support to the Supreme Allied Commander, Europe (SACEUR). Initially deployed in 1964, PERSHING continues to fill an important role as part of the NATO deterrent.

Our request of $16.6 million in FY 1976 will procure 72 Automatic Reference Systems (ARS) at a cost of $14.2 million, and 20 telemetry sets for support of the annual firing program. The FY 1976 request will complete our planned ARS Procurement Program. The $0.8 million requested for the Transition period will procure five additional telemetry sets.

The ARS employs gyro compass techniques similar to those used in ship and aircraft navigation. The advantages of equipping units with the ARS are: a significant reduction in reaction time in the follow-on general support role through elimination of dependency on presurveyed firing positions; and, increased crew/equipment survivability. We estimate a platoon equipped with the ARS can move to a randomly selected firing site and perform the survey in less than one half of the current reaction time.

ACTIVITY 3: MODIFICATION OF MISSILES

Our request for Modification of Missiles, shown on Chart 21, involves three missile systems.

CHART 21.—MODIFICATION OF MISSILES

[In millions of dollars]

Item	Fiscal year 1976	Transition
Hawk	10.3	1.0
Lance	3.2	.5
Shillelagh	3.5	0
Total	17.0	1.5

HAWK (AIR DEFENSE SYSTEM)—(MODIFICATION)

$10.3 million is being requested in FY 1976 to modify the HAWK System. $7 million of this amount will be used to improve missile performance against multiple and maneuvering targets. The remaining $3.3 million will provide improved communications equipment.

The Transition period request of $1 million will continue the missile performance improvement program.

LANCE (ARTILLERY)—(MODIFICATION)

The $3.2 million is requested for modification of the LANCE Missile System in FY 1976.

The Transition request of $0.5 million will enable continuation of the component improvement program, which is scheduled for completion in FY 1979.

SHILLELAGH (GUIDED MISSILE)—(MODIFICATION)

The SHILLELAGH is a direct line-of-sight, antitank guided missile system adapted for use on the M551 Armored Reconnaissance Airborne Assault Vehicle (SHERIDAN) and the M60A2 Tank.

In FY 1976 we are requesting $3.5 million to modify the SHILLELAGH Missile System. $2.5 million of this amount is to modify the Conduct of Fire Trainer; this improvement will increase the reliability and maintainability of the trainer and improve gunner proficiency. The remaining $1 million will permit the Army to modify 12,000 warheads from a tactical to a training missile configuration. This is being done because we have an excess of tactical missiles resulting from a reduction in requirements and a critical shortage of training missiles.

Activity 4: Spares and Repair Parts

Our request for Spares and Repair Parts, Chart 22, supports major item procurement programs and will replenish inventory levels of selected, high unit cost, repair parts. We are requesting $19.3 million in FY 1976 and $4.3 million in the Transition period for Spares and Repair Parts. The FY 1976 request includes $1.9 million for SAFEGUARD.

CHART 22.—SPARES AND REPAIR PARTS

[In millions of dollars]

	Fiscal year 1976	Transition
Spares and repair parts—Safeguard	1.9	
Spares and repair parts—All other	17.4	4.3
Total	19.3	4.3

Activity 5: Support Equipment and Facilities

The Support Equipment and Facilities portion of the Missile Procurement, Army request is shown on Chart 23.

CHART 23.—SUPPORT EQUIPMENT AND FACILITIES

[Dollar amounts in millions]

	Fiscal year 1976		Transition	
	Quantity	Amount	Quantity	Amount
Air Defense Command/Cont. System AN/TSQ-73		$6.9		$1.2
Air defense targets		7.9		.1
Interim airborne target acquisition system		23.8		
Items less than $500,000		.1		
First dest. trans. (except Safeguard)		1.0		.4
Production base support (except Safeguard)		4.5		1.6
Total		44.2		3.3

Air Defense Command and Control System, AN/TSQ-73 (Missile Minder)

The AN/TSQ-73 Missile Minder provides an improved air defense command and control capability and interfaces with other Services tactical control systems. It replaces the aging AN/MSG-4 Missile Monitor, our current Air Defense Command and Control System which is deployed in Europe and Korea for use with NIKE HERCULES and HAWK missile systems. The currently deployed system provides an automatic target tracking capability, but relies on relatively slow manual procedures for initial target acquisition, target evaluation, and assignment of fire missions to specific missile firing units. The Missile Minder, an automatic, high speed, microminiaturized air defense system, will coordinate the air defense activities of multiple air defense batteries against hostile aircraft. Its design goals are near-real-time data processing, high reliability, ease of logistical support, and low operating costs.

The new missile Minder can coordinate the air defense activities of multiple air defense batteries against hostile aircraft. It will also track targets at higher altitudes and faster speeds than the old system. The current demonstrated mean time between failure for the new Missile Minder during testing was 202 hours (vs 23 hours for the old system), while its current demonstrated mean time to repair was 34 minutes (vs 60 minutes for the Missile Monitor).

The AN/TSQ—73 has completed developmental and operational testing (DT/OT II) and been type classified "limited procurement." The Army has also exercised the first production option for four systems and proceeded into low rate initial production.

The $6.9 million requested in FY 1976 for the AN/TSQ-73 will enable us to implement necessary engineering change proposals, provide for product assurance, procure training devices, support continuation of government and con-

tractor services pertaining to the early production phase, and, conduct further developmental and operational testing (DT/OT III). These tests will be completed in early FY 1977. The Army does not intend to enter into full production until DT/OT III is completed.

Our request for $1.2 million in the Transition period will ensure continuation of the government and contractor services required to support continuation of low rate initial production.

Air Defense Targets

The $7.9 million requested in FY 1976 for air defense target missiles and towed targets includes $1.7 million for procurement of 3,000 Ballistic Aerial Target missiles (BATS) and $4.3 million to initiate full scale production and procure 99 Variable Speed Training Targets (VSTT).

The BATS is a ground launched, roll-stabilized, free-flight rocket target. It provides a low cost, limited maintenance, troop operated, variable performance target to meet annual training requirements for air defense personnel and can be fired on most military installations.

The VSTT, a ground launched, command guided, turbojet engine powered target, will be used to train air defense units at Fort Bliss, Texas. This is the second year buy for the VSTT which will replace the MQM–34D target presently in use. The VSTT's unit and flight presentation cost will be approximately 50 percent less than those of the MQM–34D.

Our request for $0.1 million in the Transition period provides for product assurance and government and contractor engineering services.

Interim Airborne Target Acquisition System

The Interim Airborne Target Acquisition System (IATAS) is a tactical, all weather, day or night, target acquisition and surveillance drone system. This system which consists of 12 drones, two launchers, and associated test equipment, will be used to acquire targets and intelligence information.

We propose to procure three systems in FY 1976 at a cost of $23.8 million. Two of these systems are planned for deployment in Europe. The third system will be assigned to a unit based at Fort Sill, Oklahoma, that supports the Field Artillery School and is scheduled for early deployment overseas in the event of hostilities.

Items Less Than $500,000

The $0.1 million in FY 1976 for Items Less Than $500,000 will procure tool kits and shop sets peculiar to missile system maintenance and repair.

First Destination Transportation (Except SAFEGUARD)

The $1 million in FY 1976 and the $0.4 million in the Transition period indicated for First Destination Transportation cover the cost of moving missile system end items and associated equipment to a point of first acceptance within the Continental United States or to a port for movement to a second destination.

Production Base Support (Except SAFEGUARD)

The $4.5 million in FY 1976 and $1.6 million in the Transition period for Production Base Support will support various manufacturing methods and technoloy, layaway of industrial facilities, and provision of industrial facilities projects.

This concludes our discussion of the Missile Procurement request. We shall now discuss the Weapons and Tracked Combat Vehicles Appropriation.

Procurement of Weapons and Tracked Combat Vehicles, Army

The Procurement of Weapons and Tracked Combat Vehicles, Army Appropriation has two major budget activities. Our request for each of these activities is shown on Chart 24.

CHART 24.—WEAPONS AND TRACKED COMBAT VEHICLES

[In millions of dollars]

Activity	Fiscal year 1976	Transition
Tracked combat vehicles	915.0	272.6
Weapons and other combat vehicles	74.3	9.7
Total	989.3	282.3

Activity 1: Tracked Combat Vehicles

Procurement of Tracked Combat Vehicles

Our request for funds to procure Tracked Combat Vehicles, the first major sub-element of Activity 1, is shown on Chart 25.

CHART 25.—PROCUREMENT OF TRACKED COMBAT VEHICLES

[Dollar amounts in millions]

	Fiscal year 1976		Transition	
	Quantity	Amount	Quantity	Amount
Carrier, armored personnel, M113A1	1,320	$103.6	330	$27.9
Recovery vehicle, medium, FT, M88A1	144	65.3		
Recovery vehicle, light, FT, M578	210	38.9		
Tank combat 105mm gun M60A1	662	(393.5)	248	(150.2)
Less: Advance procurement		(−5.7)		(−2.8)
Subtotal		387.8		147.4
Tank, combat, 105mm gun, M60A1, advance procurement		6.2		17.9
Bulldozer, earth moving tank mounting, M-9	76	3.6		
Total		605.4		193.2

Carrier, Armored Personnel, M113A1

The M113A1 Armored Personnel Carrier (APC) is a full tracked, lightly armored vehicle designed to transport Infantry and Combat Engineer Squads in the forward battle area. The M113A1, which provides limited protection against small arms fire and shell fragments, is the mainstay of our mechanized forces. It also is scheduled to replace the M114 Command and Reconnaissance Vehicle which is being phased out of the inventory.

To improve our asset position, we propose to procure 1,320 APCs in FY 1976 at a cost of $103.6 million and 330 APCs in the Transition period for $27.9 million. These proposed programs will enable us to attain about 80 percent of our Authorized Acquisition Objective by the end of the Transition funded delivery period.

The Mechanized Infantry Combat Vehicle (MICV), scheduled for low rate initial production in FY 1977, will form the High portion of the Army's planned High-Low mix of armored carriers and will be issued to selected Active units. The M113A1 will continue to form the Low portion of this mix, and will be issued to the remaining Active units and the Reserve Components.

Recovery Vehicle, Medium, FT, M88A1

The M88 Recovery Vehicle, last produced in 1961, is the only vehicle in the Army's inventory capable of performing battlefield rescue and recovery of the medium tank. The M88A1, a diesel powered vehicle, has greater reliability, maintainability and life expectancy than its gasoline powered predecessor.

We are requesting $65.3 million in FY 1976 to procure 144 M88A1's. The FY 1976 program will be the second increment of a three-year multi-year program started in FY 1975. In addition to this planned procurement action, we are

converting existing M88 assets to the M88A1 configuration. This modification program will be discussed later.

Recovery Vehicle, Light, FT, M578

We propose to procure 210 M578 Recovery Vehicles in FY 1976 at a cost of $38.9 million; this request is the third and final year of our planned multi-year M578 procurement program.

The M578, the only full tracked, light recovery vehicle in our inventory is capable of recovering vehicles weighing up to 30 tons. It has a tow-winch capacity of 30 tons and a hoisting capacity of 15 tons and will be issued to Active and Reserve Component units.

Tank, Combat, Full Tracked, 150mm Gun, M60A1

Examination of the military operations of both the Arab and Israeli Armies has reinforced our conclusion that the tank is still the most truly offensive capable weapon system on the battlefield. The tank's value stems from its ability to deliver high volumes of extremely accurate fire while maneuvering with and deriving mutual protection from supporting mechanized infantry and infantry units. Further, as you are aware, the Secretary of the Army has initiated an accelerated tank production program to improve our asset posture and our tank production capability.

As mentioned, we had 7,940 tanks in our inventory on 31 December 1974, excluding those committed to security assistance customers. However, only 5,017 were diesel powered M60 series tanks mounting the 105mm or 152mm gun capable of consistently penetrating the Soviet tank at longer ranges. Of these 5,017, only 3,465 were prime M60A1/M60A2 tanks of the type currently in production. The remaining 2,923 tanks on hand on 31 December 1974 were older M48 series tanks. The Reserve Components had 2,161 M48 series, 90mm tanks and only 637 M60 series tanks on 31 December 1974. There is a strong need to modernize our Reserve Component tank fleet.

From October 1973 to January 1975 we shipped a large quantity of M60 series and M48 series tanks to allies. During this same period, additional quantities of M60 and M48 series tanks were approved for shipment in support of security assistance requirements. With the exception of 300 M60A1 tanks to be delivered from new production and 15 M48A3 tanks from the Marine Corps, a total of 1,333 tanks will be removed from Army inventories as a result of security assistance requirements. These withdrawals reduced our war reserves and slowed our modernization program for the Reserve Components.

We initiated a comprehensive review in May of 1974 to assess the capability of the tank production base to respond to current and projected requirements. This review concluded that the existing production base could not replace Army inventory losses and concurrently meet on-going and projected requirements in a responsive manner because of capacity constraints. The most significant constraint on capacity was an inadequate ability to produce tank hull and turret castings. The Army, accordingly, initiated an FY 1975 reprograming action that included $26.9 million to begin the establishment of a second source producer for turret and hull castings and related expansion. This request is under consideration by the Congress at this time.

Our request for FY 1976 and the Transition period will enable us to expand tank production capacity and simultaneously accelerate inventory replenishment.

The FY 1976 request of $387.8 million includes funds for 562 Product Improved M60A1 Tanks, 100 new M60A1E3 Tanks, special tooling and start-up costs associated with procuring the M60A1E3, and funds to expand the tank production base.

The FY 1976 M60A1 Tank will have five product improvements: a gun stabilization system with a shoot-on-the-move capability; an improved steel track; a more reliable engine; an improved electrical system; and a more efficient air cleaner. The 100 M60A1E3 Tanks being requested in FY 1976 are scheduled to have eight product improvements. The five mentioned for the M60A1 plus a laser rangefinder, solid state ballistic computer and passive night vision capability. The laser rangefinder and solid state computer will allow the tank to achieve significantly higher hit probabilities and extend the maximum effective range of the 105mm gun. The passive night vision equipment increases the night combat effectiveness of the tank. The cost effectiveness analysis for these latter improvements is scheduled to be completed this summer. We will keep this Committee informed as this process evolves.

Our Transition period request of $147.4 million will provide an additional 158 M60A1 and 90 M60A1E3 Tanks.

In summary, we have carefully developed the tank procurement and production capacity expansion program just outlined. Though it represents a significant expense, it is one that is considered essential to meeting the enemy tank threat.

Advance Procurement, Tank, Combat FT, 105mm Gun, M60A1

$6.2 million is required in FY 1976 to procure long lead time components (guns and gun mounts) and special tooling to support procurement of the M60A1 Tank in the Transitional period and FY 1977. The special tooling is for the tube-overbar suspension, planned for incorporation on the FY 1977 production tank.

The $17.9 million advance procurement monies requested for the Transition period will procure guns, gun mounts, and add-on stabilization units to support the FY 1977 procurement program. The guns and gun mounts for the FY 1977 program must be procured with Transition period monies because of long production leadtime. The procurement of add-on stabilization units is anticipated to be a one time advance procurement requirement necessitated by the change in fiscal year. The Army has a multi-year contract for these items and the funds provided during the Transition period preserve the contractual agreement and avoid possible termination costs.

Bulldozer, Earth Moving Tank Mounting, M-9

We require $3.6 million in FY 1976 to procure 76 bulldozer blades for mounting on M60 series tanks.

Modification of Tracked Combat Vehicles

The Modification of Tracked Combat Vehicles portion of our request is shown on Chart 26.

CHART 26.—MODIFICATION OF TRACKED COMBAT VEHICLES

[In millions of dollars]

	Fiscal year 1976	Transition
Rangefinder, laser, f/M-551 SHERIDAN	7.2	
Carrier, personnel, ft, armored, M-113	2.3	1.2
Howitzer, heavy, sp, 8-in M-110E2	17.0	9.0
Recovery vehicle, lt, ft M-578	7.2	
Recovery vehicle, medium, ft, M-88	19.5	8.8
Tank, combat, 105-mm gun, M-60 series	87.6	24.4
Tank, combat, 90-MM gun, M-48 series	99.9	27.8
Modifications under $500,000	.4	
Total	241.1	71.2

Rangefinder (Laser), f/M551 SHERIDAN (Modification)

Our FY 1976 request contains $7.2 million to procure the last increment (124) of laser rangefinders for the M551 SHERIDAN Armored Reconnaissance Airborne Assault Vehicle. This rangefinding device will improve the SHERIDAN's conventional gun's first-round hit probability at extended ranges.

Carrier, Armored, Personnel, M113 (Modification)

The $2.3 million requested in FY 1976 will initiate a program to convert the current fleet of gasoline-powered M113 vehicles to the M113A1 diesel-powered configuration. The FY 1976 request will procure kits to convert 131 M113's. The request for the Transition period ($1.2 million) will procure 57 kits.

Howitzer, Heavy, SP, FT, 8'', M110E2 (Modification)

The M110E2 SP 8'' Howitzer has a longer tube life than the M107 SP 175mm Gun and a greater range than the M110 SP 8'' Howitzer. We initiated a program to convert existing M110 Howitzers to the M110E2 configuration and intend to pursue this program throughout the two funding periods being addressed. We also plan to modify the M107 175mm Gun to the M110E2 configuration after the XM198 Howitzer is fielded.

In FY 1976, $17 million is requested to procure modification kits for conversion of 293 M110 Howitzers to the new improved Howitzer; and, 367 long

lead time forgings to support our planned FY 1977 procurement of additional modification kits.

Our request for the Transition period, $9 million will procure 120 modification kits and 240 long lead time forgings.

Recovery Vehicle, Light, FT, M578 (Modification)

$7.2 million is being requested in FY 1976 to procure 1,410 modification kits for the M578 Recovery Vehicle. These kits are designed to increase reliability and maintainability of nine high-failure-rate items and will improve safety by providing a locking device to secure the driver's hatch during movement.

Recovery Vehicle, Medium, FT, M88 (Modification)

As mentioned previously, we initiated a program in FY 1974 to convert existing gasoline-powered M88 Recovery Vehicles to the dieselized M88A1 configuration. This program will continue through FY 1978.

$19.5 million in FY 1976 is being requested to procure 189 conversion kits. The kit modifies the transmission so the power output is compatable with the diesel engine, and provides the engine, personnel heater and auxiliary power unit. We also are requesting $8.8 million in the Transition period to procure 81 modification kits.

Tank, Combat, FT, 105mm Gun, M60 Series (Modification)

We require $87.6 million in FY 1976 and $24.4 million in the Transition period to procure modification kits that will improve the reliability, maintainability, mobility, night operational capability and main gun hit probability of the M60 Series Tank. Items to be procured are: improved air cleaners; improved reliability engines; improved electrical systems; gun stabilization kits; laser rangefinders and solid state ballistic computers; passive night sights for the tank commander and gunner; and, the initial procurement of passive night viewers for the tank driver.

Tank, Combat, FT, 90mm, M48 Series (Modification)

As previously mentioned, the Reserve Components will be provided with 105mm gun tanks as a part of the recently conducted tank modernization review. The funds requested for the M48 Series Tank Modification Program will provide modification kits to achieve this goal.

We are requesting $99.9 million in FY 1976 and $27.8 million during the Transition period to convert 636 existing gasoline powered, 90mm gun, M48A1 Tanks to a dieselized, 105mm gun, M48A5 configuration. The FY 1976 monies will enable us to procure hardware kits to convert 504 tanks; the Transition monies will fund the remaining hardware kits to convert an additional 132 M48A1s.

Modifications Under $500,000

Our request for Modifications Under $500,000 is $0.4 million in FY 1976. These funds will support several programs including the procurement of modification hardware to improve the maintainability characteristics of the M548 Tracked Cargo Carrier and the M551 Armored Reconnaissance Airborne Assault Vehicle (SHERIDAN).

Support Equipment and Facilities

Our request for the Support Equipment and Facilities portion of Activity 1, Tracked Combat Vehicles, is shown in Chart 27.

CHART 27.—SUPPORT EQUIPMENT AND FACILITIES

[In millions of dollars]

	Fiscal year 1976	Transition
Spares and repair parts	40.9	7.3
1st destination transportation	2.8	.9
Production base support	24.8	
Total	68.5	8.2

Spares and Repair Parts

In the Spares and Repair Parts area, we are requesting $40.9 million in FY 1976 and $7.3 million during the Transition period. Our request provides for procurement of initial provisioning spares and replenishment secondary items needed for tracked combat vehicles.

First Destination Transportation

The request for $2.8 million in FY 1976 and $0.9 million during the Transition period for First Destination Transportation will fund the cost of transporting tracked combat vehicles from the point of production to designated Army depots and/or other first destination points.

Production Base Support

Our request for $24.8 million in FY 1976 will fund a total of 15 Production Base Support projects. These projects include annual support of the Detroit Army Tank Plant, layaway of industrial plant equipment at Rock Island Arsenal, and efforts to improve manufacturing methods and technology (MM&T) aimed at reducing manufacturing costs and improving reliability, availability, and maintainability. For example, one project involves fabricating armored vehicles by the electron beam welding process. The objective of this project is to improve economy and productivity by eliminating expensive filler materials used to weld the joints of armored vehicles. The MM&T techniques developed and used normally are not available in industry. The FY 1976 request also contains $11 million to complete the establishment of a second source producer for tank hull castings. As previously discussed, this project is to implement the Army's plan to increase tank production to a rate of 103 per month.

This concludes our discussion of Activity 1 of the Weapons and Tracked Combat Vehicles Appropriation. We will now discuss Activity 2, Weapons and Other Combat Vehicles.

Budget Activity 2: Weapons and Other Combat Vehicles

Procurement of Weapons and Other Combat Vehicles

Our request to procure Weapons and Other Combat Vehicles, the first major sub-element of Activity 2, is shown on Chart 28.

CHART 28.—PROCUREMENT OF WEAPONS AND OTHER COMBAT VEHICLES

[Dollar amounts in millions]

	Fiscal year 1976		Transition	
	Quantity	Amount	Quantity	Amount
Howitzer, light, towed, 105 MM, XM-204	19	$6.6		
Howitzer, medium, towed, 155 MM, XM-198	19	7.7		
Machinegun, caliber .50, M-85	984	7.8	504	$4.0
Total		22.1		4.0

Howitzer, LT, Towed, 105mm, XM204

The Army has two 105mm howitzers in the inventory, the M101A1 and M102. The M101A1 was developed in World War II. It has a range of 11,000 meters, and is used by our allies and reserve forces. The lightweight M102 howitzer, in use since the mid-1960s, has a range of 11,500 meters and is helicopter transportable. Both weapons are outranged by the Soviet 122mm howitzer D-30, which fires to a range of 15,300 meters.

The towed 105mm XM204 Howitzer, the first item on Chart 28, has a greater range and will provide improved reliability and stability characteristics. Its most significant improvement is a new soft recoil system. Specifically, when fired, the tube travels forward before ignition so that firing momentum is balanced by the forward movement of the tube. This significantly reduces recoil forces, permitting greater reliability, and eliminates the need for trails or ground anchors for stability.

We are requesting $6.6 million in FY 1976 for the XM204 Howitzer. The FY 1976 request will provide for initial production facilities and the low rate initial production and procurement of 19 XM204's; these weapons will be used for production validation, and operational testing.

Howitzer, Medium, Towed, 155mm, XM198

The second item on Chart 28 is the 155mm XM198 Towed Howitzer. The XM198 will replace the current M114A1 towed 155mm howitzer which has been in the inventory since 1942. The XM198 has a range of 24,000 meters with conventional projectiles and will have a range of about 30,000 meters with rocket assisted projectiles. This combination of extended range, helicopter transportability and increased reliability will make the XM198 unique among artillery pieces in the world. The XM198 will be used by Active and Reserve Component units.

Our FY 1975 program contains $1.5 million for hard tooling to support full production on the XM198 Howitzer. We are requesting $7.7 million in FY 1976 to continue establishment of initial production facilities, and, procure 19 XM198's for testing.

Machine Gun, Cal .50, M85

The M85 Machine Gun, the final item on Chart 28, is used on the M60 series tank and the M728 Combat Engineer Vehicle. We are requesting $7.8 million in FY 1976 and $4 million during the Transition period to procure 1,488 guns. These procurements will enable us to replace peacetime losses, provide additional weapons to support future vehicle deliveries, and provide for maintenance float and post D-Day consumption requirements.

Modification of Weapons and Other Combat Vehicles

Our request for Modification of Weapons and Other Combat Vehicles, is shown on Chart 29.

CHART 29.—MODIFICATION OF WEAPONS AND OTHER COMBAT VEHICLES

[In millions of dollars]

	Fiscal year 1976	Transition
Gun, AD, 20 mm, M-163/M-167 (Vulcan)	20.8	0.2
Howitzer, light, towed, 105 mm, M-102	.6	
Machinegun, 7.62 mm, M-219	.5	
Modifications under $500,000	.9	
Total	22.8	.2

Gun, AD, 29mm, M163/M167 (VULCAN)—(Modification)

The $20.8 million requested in FY 1976 and the Transition period request of $0.2 million essentially will complete the procurement of modification kits to enhance the reliability, availability, and maintainability of our towed and self-propelled VULCAN weapon systems.

Howitzer, Light Towed, 105mm, M102—(Modification)

The modification kits being requested for the M102 Howitzer in FY 1976 ($0.6 million) will: simplify field maintenance and reduce recoil mechanism replacement costs; improve reliability and maintainability of the breech mechanisms; eliminate internal fogging of the azimuth counter; prevent reticle and image tilting; and correct chronic electrical illumination breakdowns. The M102 will be fielded until 1983 when we will complete its replacement with the XM204 Howitzer.

Machine Gun, 7.62mm, M219—(Modification)

$0.5 million is requested in FY 1976 to procure modification kits to convert M73 and M73A1 Machine Guns to the M219 configuration. These modifications will upgrade functional characteristics, increase relability and maintainability, and increase life expectancy of the existing inventory. This is a continuation of

our program to modify all existing weapons in the inventory to the M219 configuration. The FY 1976 request will provide funds to modify an estimated 2,000 weapons.

Modifications Under $500,000

We are requesting $0.9 million in FY 1976 for Modifications Under $500,000, the final item on Chart 29. Included herein are funds to modify the M115 Panoramic Telescope, used on the M110 Howitzer, and the M14 Rifle, which will be used as a National Match weapon. Improvements to the M1 Collimator used on artillery weapons are also programed.

Support Equipment and Facilities

The request for Support Equipment and Facilities, the final major sub-element of Activity 2, is shown on Chart 30.

CHART 30.—SUPPORT EQUIPMENT AND FACILITIES

[In millions of dollars]

	Fiscal year 1976	Transition
Items less than $500,000	0.8	
Spares and repair parts	15.1	3.1
1st destination transportation	.6	.2
Production base support	12.9	2.2
Total	29.4	5.5

Items Less Than $500,000

$0.8 million is being requested in FY 1976 for items with an individual procurement value of less than $500,000. These funds will procure a number of items to include tools sets, shop sets for armament and fire control and organizational maintenance kits.

Spares and Repair Parts

Our request for Spares and Repair Parts, the second item on Chart 30, will procure depot repairable assemblies and repair parts. We are requesting $15.1 million in FY 1976 and $3.1 million during the Transition period for this purpose.

First Destination Transportation

The monies requested for First Destination Transportation will fund the cost of transporting weapons and other combat vehicles from the point of production to a designated Army depot and/or other first destination point. We are requesting $0.6 million in FY 1976 and $0.2 million during the Transition period for this program.

Production Base Support

Our request for $12.9 million in FY 1976 provides for 45 Production Base Support projects. Three projects totaling $8.8 million are for annual support of Watervliet and Rock Island Arsenals. The remaining 42 projects provide for the layaway and provision of industrial facilities.

The $2.2 million requested for the Transition period will preserve contract agreements and insure continuity of effort during this period.

This concludes our discussion of the Weapons and Tracked Combat Vehicles, Army request.

Procurement of Ammunition, Army

Our requests for Procurement of Ammunition, $751.4 million in FY 1976 and $271.2 million during the Transition period, are shown on Chart 31.

CHART 31.—PROCUREMENT OF AMMUNITION, ARMY

[In millions of dollars]

	Fiscal year 1976	Transition
Activity 1—Ammunition Hardware:		
Atomic materiel	3.4	
Conventional ammunition	403.4	82.6
Miscellaneous	37.4	17.5
Subtotal	444.2	100.1
Activity 2—Ammunition production base support:		
Provision of industrial facilities	256.4	159.3
Layaway of industrial facilities	15.8	5.0
Production engineering measures	35.0	6.8
Subtotal	307.2	171.1
Total	751.4	271.2

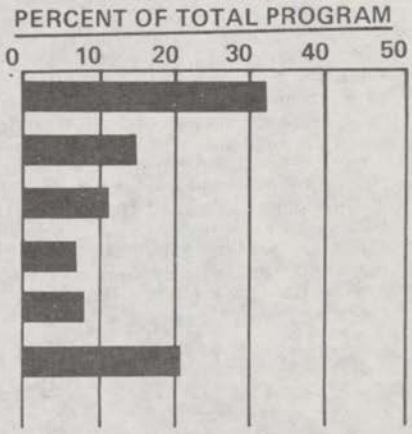
Activity 1: Ammunition

The $444.2 million in FY 1976 and the $100.1 million during the Transition period requested for ammunition hardware provides for: (1) Worldwide training consumption and losses to inventories through the FY 1976 funded delivery period and the Transition period; (2) Selected procurement of modern hardware; (3) Buildup of war reserves to meet the acquisition objective; and (4) Maintaining an active production base for key ammunition items.

Charts 32 and 33 on the next page show the distribution of our FY 1976 and Transition period ammunition hardware requests by type of ammunition. Tank Gun Ammunition accounts for 33.9 percent of the total in FY 1976 and 52 percent of the total in the Transition period.

CHART 32 - FY 1976 AMMUNITION HARDWARE REQUEST BY TYPE OF AMMUNITION

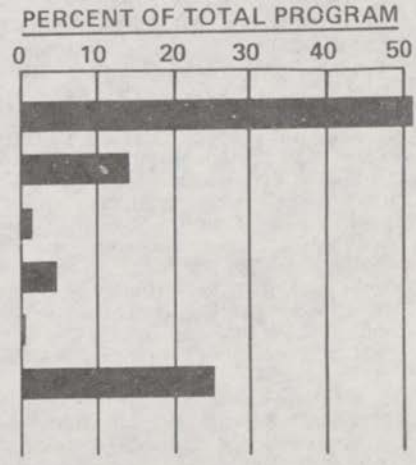
	MILLIONS OF DOLLARS
TANK GUN AMMO	150.4
FUZES	69.0
ARTILLERY AMMO	55.6
SMALL ARMS AMMO	39.4
MORTAR AMMO	38.8
OTHER*	91.0
TOTAL	444.2



*Includes First Destination Transportation, Components for Renovation, etc.

CHART 33 - TRANSITION PERIOD AMMUNITION HARDWARE REQUEST BY TYPE OF AMMUNITION

	MILLIONS OF DOLLARS
TANK GUN AMMO	52.1
FUZES	14.2
ARTILLERY AMMO	2.2
SMALL ARMS AMMO	4.0
MORTAR AMMO	1.3
OTHER*	26.3
TOTAL	100.1



*Includes First Destination Transportation, Components for Renovation, etc.

We will continue to monitor ammunition procurements closely to assure that we buy only what is needed, while assuring the maintenance of a warm production base on key items.

Activity 2: Ammunition Production Base Support

We also require $307.2 million in FY 1976 and $171.1 million during the Transition period for Production Base Support. The funding levels requested are essential for: (1) Production support and replacement of Government-owned facilities and equipment, including machine tool replacement, required in direct support of the scheduled end item procurement program; (2) Providing those engineering measures and pilot production lines necessary for both planning and facility prove-out of production lines for components and end items; (3) Layaway of facilities for which current production has been completed, but where future requirements exist for peacetime or mobilization procurement; and (4) The accomplishment of the seventh and eighth increments of a multi-year effort to rehabilitate and improve this critical, deteriorated, and obsolete portion of the Army's industrial base, and to provide the industrial capacity to produce new munitions being introduced into the inventory.

(U) Chart 34 on the next page summarizes our Production Base Support request.

CHART 34.—PRODUCTION BASE SUPPORT

[In millions of dollars]

	Fiscal year 1976	Transition
Provision of industrial facilities:		
Annual support	41.2	6.7
Modernization and expansion	190.2	148.6
Initial production facilities	25.0	4.0
Subtotal	256.4	159.3
Lawaway of industrial facilities	15.8	5.0
Production engineering measures	35.0	6.8
Total	307.2	171.1

Provision of Industrial Facilities

The Provision of Industrial Facilities effort accounts for 83.4 and 93.1 percent of the total Production Base Support funds being requested in FY 1976 and the Transition period respectively. This category consists of three basic areas of effort, but modernization and expansion far exceeds the others in terms of dollar funding.

The annual support funds of $41.2 million in FY 1976 and $6.7 million for the Transition period provide for maintaining production capacity at government-owned facilities planned to be active in each period. Each active Army ammunition plant and arsenal has one annual support project that provides for replacement of worn out equipment and plant upkeep. This requirement can be reduced in the future as ammunition production requirements decrease and facilities become inactive.

As indicated, the primary effort in both periods will be in ammunition facilities modernization and expansion. Our requests of $190.2 million in FY 1976 and $148.6 million during the Transition period for the Production Base Modernization/Expansion Program provide only the most essential projects. The modernization projects were selected to provide a more responsive mobilization production base and as being the most promising in terms of improving pollution abatement, decreasing costs, and improving safety, quality, and efficiency. Expansion projects are designed to insure that new items to be introduced into the end item inventory can be mass produced, and that material required for incorporation into component parts is available. Future projects planned in the continuing effort to moderize the base and expand for production of new items will provide for continuation of these efforts in the areas of propellant and explosive plants; load, assemble and pack plants; metal parts or component plants; and small arms facilities.

Initial production facilities provide for the tooling, equipment, and production line set-up to support initial low rate production of ammunition end items or components. The FY 1976 budget request of $25 million provides for the initial production facilities for the 155mm binary chemical projectile at Pine Bluff Arsenal, Arkansas. Also, included in the request are facilities for the 155mm artillery delivered anti-personnel and anti-tank mines and the XM732 proximity fuze. The Transition period request of $4 million provides the initial production facilities for the product-improved 105mm smoke munition and the improved conventional munition (ICM), XM170.

As mentioned, we are requesting funds to insure that the production capacity required to produce new items of ammunition coming into the Army's inventory is available. Major projects in this year's request include a 105mm projectile metal parts facility at Lone Star Army Ammunition Plant in Texarkana, Texas, at a cost of $110 million; the first phase, at a cost of $45.2 million, of a project to establish an ammunition manufacturing facility at the National Space Technology Laboratories in Picayune, Mississippi, for a total cost of $228.5 million; the design phase of a $311 million project to establish an explosive manufacturing facility for RDX/HMX compounds at a site yet to be determined; the establishment of an $8.8 million binary chemical production facility at Pine Bluff Arsenal, Arkansas; and the initial funding of the modernization of government-owned ammunition plant equipment packages located in private industry.

Layaway of Industrial Facilities

The $15.8 million in FY 1976 and $5 million during the Transition period requested for layaway provide for the inactivation, preservation, and long range storage of Army-owned production facilities no longer needed for current production, but still required for mobilization. Our request is based on the projected impact of production requirements on the active ammunition base. As plans become firm to idle production capability, individual projects will be developed. Should ammunition production requirements decrease in future years, the funding required for layaway will increase.

Production Engineering Measures

Production engineering measures provide the effort to plan and prove-out advanced production techniques for components and end items. This effort is essential since it supports both modernization and expansion efforts.

This concludes our discussion of the Ammunition Appropriation. We will now discuss the final appropriation, Other Procurement, Army.

Other Procurement, Army

The Other Procurement Appropriation has three activities; Tactical and Support Vehicles; Communications and Electronic Equipment; and, Other Support Equipment as shown on Chart 35.

CHART 35.—OTHER PROCUREMENT, ARMY

[In millions of dollars]

Activity	Fiscal year 1976	Transition
Tactical and support vehicles	225.0	44.5
Communications and electronics equipment	399.4	64.4
Other support equipment	378.4	88.8
Total	1,002.8	197.7

Activity 1: Tactical and Support Vehicles

Chart 36 highlights the funds being requested for Activity 1, Tactical and Support Vehicles.

CHART 36.—TACTICAL AND SUPPORT VEHICLES

[In millions of dollars]

	Fiscal year 1976		Transition	
	Quantity	Amount	Quantity	Amount
Tactical vehicles:				
Dolly set, transportable shelter, 5¼ ton, M840 (MUST)	200	$2.1		
Semitrailer, breakbulk/container, 22½ ton	291	5.2		
Semitrailer, breakbulk/container, 34 ton (commercial)	272	2.5	408	$4.1
Semitrailer, low bed, 35-40 ton (commercial)	250	5.4		
Semitrailer, low bed, 52½ ton, M747	246	16.7		
Semitrailer, van, electronic, 6 ton, 2 wheel, M373A2	233	6.4		
Truck, 1¼ ton, ABT (commercial)	12,144	82.1	5,155	34.8
Truck, maintenance, telephone utility (commercial)	56	3.5		
¼ ton, 1¼ ton 6x6, 2½ ton product improvements		5.5		
Subtotal		129.4		38.9
Commercial vehicles		59.9		0
Modification of vehicles		3.5		0
Support equipment and facilities:				
Generator, starter, alternator regulator rectifier test stand	25	1.6		
Items less than $500,000		8.3		1.8
Spares and repair parts		15.8		2.7
First destination transportation		4.3		1.1
Production base support		2.2		
Subtotal		32.2		5.6
Total		225.0		44.5

The funding level for this activity has been increased to enable the Army to implement its program of substituting commercial vehicles for those of a military design where feasible. $132.4 million, or approximately 79 percent of the total monies being requested for the Tactical Vehicles portion of Activity 1, will be used to procure commercial and commercial substitute vehicles during FY 1976 and the Transition period. $116.9 million of this amount, or 69 percent of the total being requested, is for the procurement of 17,299 1¼ Ton commercially designed trucks. These trucks will replace higher cost military design vehicles.

Before discussing specific items, we would like to point out that the requested funding levels for Activity 1 are considered to be the minimum level required in view of the necessity to replace peacetime losses of tactical trailers and associated equipment, replace overage commercial vehicles on a limited basis, and improve gradually our inventory levels and percentage fill of authorized acquisition objectives. A failure to achieve required inventory levels with newer vehicles will magnify future overage problems, due to the large numbers of overage vehicles that are currently in the inventory.

Tactical Vehicles

Dolly Set, Transportable Shelter, 5¼ Ton, M840 (MUST)

$2.1 million is requested in FY 1976 to procure 200 dolly sets. These sets are required to transport Medical Unit Self Contained (MUST) hospital elements.

Semitrailer, Breakbulk/Container, 22½ Ton

We require $5.2 million in FY 1976 for the initial procurement of 291 dual purpose 22½ ton semitrailers. These semitrailers will move a standard container to the forward battle area, thereby enabling the Army to realize the economical advantages associated with containership operations.

Semitrailer Breakbulk/Container, 34 Ton (C/S)

The 34 ton commercial semitrailer will transport two standard containers from ports to the rear area of the combat zone where they will be transferred to the 22½ ton military design semitrailer just discussed for subsequent movement forward. The 34 ton semitrailer is being procured on a multiyear contract.

The funds requested, $2.5 million in FY 1976 and $4.1 million in the Transition period, are required to replace overage military design vehicles and insure continuous production.

Semitrailer, Low Bed, 35–40 Ton (C/S)

$5.4 million in FY 1976 is requested to procure 250 35–40 ton commercial low bed semitrailers. These semitrailers are used to transport heavy engineer equipment, commercial construction equipment, and other high density cargo. FY 1976 is the third year of a three year multiyear contract for this item.

Semitrailer, Low Bed, 52½ Ton, M747

We are asking for $16.7 million in FY 1976 to procure 246 military design, 52½ ton semitrailers. This special purpose semitrailer is used in maintenance, engineer and transportation units to transport tanks and other heavy equipment. FY 1976 is the third year of a multiyear contract for this item.

Semitrailer, Van, Electronic, 6 Ton, M373A2

$6.4 million is required in FY 1976 to procure 233 M373A2 semitrailer vans. These vans are used to transport avionics shop sets and the NCR 500 computer system used in support of maintenance operations.

Truck, 1¼ Ton, ABT (C/S)

The 1¼ ton vehicle is a commercial production line pickup truck capable of carrying a 2,500 pound load and towing a 3,000 pound loaded trailer. We are requesting $82.1 million in FY 1976 and $34.8 million during the Transition period to procure 17,299 of these vehicles to replace overage military design M37 ¾ ton and M715 1¼ ton assets. We plan to issue the 12,144 trucks procured in FY1976 to active units; the 5,155 trucks planned for the Transition period will support our Reserve Component Modernization Program.

Truck, Maintenance, Telephone, Utility (C/S)

We need $3.5 million in FY 1976 to procure 56 telephone maintenance trucks. This commercial vehicle will replace two military design vehicles by combining capabilities. Tactical units will use this vehicle to install and maintain telephone poles and lines.

¼ Ton, 1¼ Ton 6x6, 2½ Ton Product Improvements

$5.5 million is being requested in FY 1976 to update the technical data packages of three military design vehicles. These updates are required to prepare engineering packages for future procurements. They will incorporate the latest environmental standards, improve fuel economy, and improve the reliability, availability, maintainability, and durability of the three vehicles.

Commercial Vehicles

Our request includes $59.9 million in FY 1976 for the Commercial Vehicles category of the Tactical and Support Vehicles Activity. These funds will be used to procure 7,090 commercial vehicles. Included herein are 1,276 light sedans at a cost of $5.1 million; 1,357 pickup trucks at a cost of $5.3 million; and, 306 dump trucks at a cost of $5.8 million. Buses, other cargo trucks, and semitrailers are also included. These requests will enable us to replace overage or uneconomically reparable vehicles.

Modification of Vehicles

We are requesting a total of $3.5 million in FY 1976 for Modification of Vehicles.

Support Equipment and Facilities

The fourth and final category to be discussed under the Tactical and Support Vehicles Activity is Support Equipment and Facilities. In FY 1976 we are requesting $32.2 million for this effort. $1.6 million to procure 25 test stands capable of testing major electrical components; $8.3 million for items costing less than

$500,000; $15.8 million for repair parts for the various tactical and support vehicles in the Army inventory; $4.3 million for first destination transportation to cover the cost of equipment deliveries during FY 1976; and, $2.2 million for production base support projects.

Our Transition period request of $5.6 million contains $1.8 million for items less than $500,000, $2.7 million for spares and repair parts, and $1.1 million for first destination transportation.

This completes our discussion of the Tactical and Support Vehicles Activity. We will now discuss the Communications and Electronics Equipment Activity.

Activity 2: Communications and Electronics Equipment

Our requests for Activity 2, Communications and Electronics Equipment, are shown on Chart 37.

CHART 37

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

[In millions of dollars]

	Fiscal year 1976	Transition
Telecommunications equipment:		
Combat service support communications	49.7	1.5
Joint tactical communications program (TRI-TAC)	4.1	19.2
STARCOM (non-DCS)	4.2	
STARCOM (DCS)	14.6	
Satellite communications ground environment	91.9	7.5
Communications security equipment	37.7	.5
Base communications	13.6	14.4
Other telecommunications equipment	11.8	1.7
Subtotal	227.6	44.8
Other electronics systems equipment:		
Intelligence support	(1)	
Army Security Agency	(1)	
General defense intelligence program	3.4	
Electronic warfare	(1)	
Automatic data processing equipment	24.3	
Special projects	6.0	
Tactical electronics	67.8	15.3
Modification of tactical system/equipment	6.1	
Support equipment and facilities	20.7	4.3
Subtotal	171.8	19.6
Total	399.4	64.4

[1] Classified.

Telecommunications Equipment

For the Telecommunications Equipment category we are requesting $227.6 million in FY 1976 and $44.8 million during the Transition period. The more significant aspects of the current request are summarized below.

Combat Service Support Communications

The $49.7 million requested for Combat Service Support Communications in FY 1976 is necessary to insure responsive, reliable command and control within the Army's field commands. The request includes $12 million to procure 11,027 AN/PRC-25/77 Radios which are transistorized, lightweight FM radios used at battalion and company level; $9.5 million for 428 AN/GRC-103 lightweight, general purpose radios used for multichannel communications throughout the Army; $6.8 million for spares and repair parts; and, $7.7 million for items costing less than $500,000. In addition, funds are being requested for many diverse items such as field telephones and multiplexers.

The $1.5 million requested for the Transition period will procure essential spares and repair parts.

Joint Tactical Communications Program (TRI-TAC)

For FY 1976 we require $4.1 million. $0.9 million is to procure 300 power supply units (PP-6224) which convert 115/230 volt AC current to 24 volt DC cur-

rent; and, $3.2 million to procure long lead time items for the SB–3614 unit level switchboard which we plan to procure during the Transition period.

The SB–3614 is a fully automatic switchboard which provides switching and interconnection of both analog and digital signals. We are requesting $19.2 million in the Transition period to procure 682 of these switchboards.

STRATEGIC ARMY COMMUNICATIONS: NON-DEFENSE COMMUNICATIONS SYSTEM—STARCOM (NON–DCS)

We are requesting $4.2 million in FY 1976 to fund various projects categorized as STARCOM (Non-DCS). The STARCOM (Non-DCS) effort provides long haul strategic communications systems peculiar to Army requirements. It is not a part of the DCS nor does it duplicate any required DCS services.

STRATEGIC ARMY COMMUNICATIONS: DEFENSE COMMUNICATIONS SYSTEM—STARCOM (DCS)

$14.6 million is required in FY 1976 to support the Army portion of the Defense Communications System. This request includes projects which provide world-wide, long haul, multichannel global communications systems in support of military and other government agencies. The largest request included in this category is $8.6 million for Transmission Media. These funds will be used to rehabilitate or replace obsolete equipment which fails to meet current DCS standards, is technically obsolete, and, is becoming logistically unsupportable due to a discontinuance of repair parts and sub-assemblies production.

SATELLITE COMMUNICATIONS GROUND ENVIRONMENT

$91.9 million is required in FY 1976 to support the Satellite Communications Ground Environment area. Included herein are requests of: $59.6 million to procure ground terminals and associated equipment for the Army's portion of the Defense Satellite Communications System; $22.7 million to buy Satellite Terminals for Army Ground Mobile Forces worldwide; and $8.6 million for spares, repair parts, and equipment for the satellite communications effort.

The $7.5 million requested for the Transition period provides for the procurement, integration and on-site installation of digital modulation/multiplex equipment, which is scheduled to arrive on-site worldwide coincident with delivery of Heavy Satellite Terminals that are currently under contract.

COMMUNICATIONS SECURITY (COMSEC) EQUIPMENT

In furtherance of the Army's security goals, $37.7 million is being requested in FY 1976 for COMSEC equipment. Included herein is $5.8 million to procure 502 TSEC/KG–30 Electronic Key Generators. The KG–30 is a general purpose, full duplex, tactical, electronic Key Generator for tactical and fixed station applications. Also included is $5.2 million for spares and repair parts, $9.7 million for 1,753 TSEC/KY–57's and $6.9 million for 1,200 TSEC/KY–65's.

The $0.5 million requested in the Transition period will procure 42 additional TSEC/KG–30's.

BASE COMMUNICATIONS

$13.6 million is requested in FY 1976 to improve our base communications. This includes $4.3 million for the Pentagon Telecommunications Center. The Army has been assigned the responsibility of consolidating the Pentagon Telecommunications Center for all Services. Each staff service center will have min-processors consolidated into the existing Army system which employs dual IBM 360/50. Our FY 1976 request also contains $8.4 million under the Army Telecommunications Automation Program to reduce writer to reader service times and decrease manpower requirements.

The $14.4 million requested for the Transition period includes $10.6 million to procure equipment currently leased under the Army Telecommunications Automation Program, and $3.8 million to procure equipment currently leased in the Pentagon Telecommunications Center.

OTHER TELECOMMUNICATIONS EQUIPMENT

The funds requested for Other Telecommunications Equipment, $11.8 million in FY 1976 and $1.7 million in the Transition period, will support a wide

variety of projects. Included in our FY 1976 program are specific requests of: $1.7 million to improve air defense command and control communications; $1.8 million to upgrade and modernize fixed telecommunications terminals at the Alternate National Military Command Center; $1.9 million for the Minimum Essential Emergency Communications Network; and, $4 million for support of Cryptologic Communications activities.

The $1.7 million requested for the Transition period will procure essential communication equipment to be used by the U.S. Readiness Command.

Other Electronic Systems Equipment

Intelligence support, Army Security Agency, General Defense Intelligence Program, and Electronic Warfare

The request for Intelligence Support, the Army Security Agency Consolidated Program, General Defense Intelligence Program, and Electronic Warfare, represent the Army's Share of intelligence equipment procurement developed in the National Security Agency and Defense Intelligence Agency communications objectives.

Automatic Data Processing Equipment

The Automatic Data Processing Equipment request of $24.3 million for FY 1976 includes $7.3 million for the Tactical Fire Direction System (TACFIRE). TACFIRE is an integrated on-line automated computer system which performs selected tactical and technical fire direction functions as the battalion division, group and corps artillery levels, and is connected by standard tactical wire and/or radio.

We also require $9.3 million in FY 1976 for Other Non-Tactical ADPE systems to enhance the standardization and mechanization of Army operations in the areas of military personnel and logistic operations.

Special Projects

We require $6 million in FY 1976 to procure audio visual equipment for Walter Reed Army Medical Center ($1.4 million), the Armed Forces Radio and Television System ($2.6 million), and the Combat Arms Training Board ($2 million).

Tactical Electronics

In the area of Tactical Electronics, we are requesting $67.8 million in FY 1976. $47.5 million of this amount is for the procurement of second generation night vision devices. This includes $36 million for the first competitive procurement of the night vision goggles AN/PVS–5 which will greatly improve military operations during hours of darkness. Also included in our request is $8 million to procure 4 Atmospheric Sound Systems, AN/UMQ–7, which will improve the effectiveness of field artillery units; and $5.5 million to buy 400 LORAN Back-Pack locator systems.

The $15.3 million requested in the Transition period includes $4 million for 1,000 Crew Served Weapons Night Vision Sights, and $5.3 million for 1,500 Individual Weapons Night Vision Sights. The remaining $6 million is for 1,000 Xenon searchlights, AN/VSS–3 which are used on tracked vehicles such as the tank.

Modification of Tactical Systems/Equipment

Our FY 1976 request for Modification of Tactical Systems and Equipment is $6.1 million. The funds requested will support several modification programs whose individual cost is less than $500,000.

Support Equipment and Facilities

The final area to be discussed under Other Electronic Systems and Equipment is Support Equipment and Facilities. $20.7 million is needed in FY 1976 to meet requirements in this area. This includes $1.1 million for items less than $500,000, $4.2 million for spares and repair parts, $13.4 million for production base support and $2 million for first destination transportation costs.

The $4.3 million requested for the Transition period includes $3.8 million for spares and repair parts and $0.5 million for first destination transportation.

Mr. Chairman, this concludes our discussion of the Communications and electronics Equipment Activity. We will now discuss the final activity of the Other Procurement Appropriation, Other Support Equipment.

Activity 3: Other Support Equipment

Our requests for Activity 3, Other Support Equipment, are shown on Chart 38.

CHART 38

OTHER SUPPORT EQUIPMENT

[In millions of dollars]

	Fiscal year 1976	Transition
Combat support equipment	95.7	25.4
Construction equipment	50.1	19.6
Floating and rail equipment	12.3	
Generators and associated equipment	32.1	4.5
Materials handling equipment	34.2	4.3
Medical support equipment	36.0	8.8
Modification of in-service equipment	13.9	2.3
Support equipment and facilities:		
Pollution control	8.9	1.4
Items less than $500,000	29.3	10.9
Spares and repair parts	16.2	2.6
Special equipment for user testing	5.7	1.4
Training devices, nonsystem	21.2	2.3
1st destination transportation	6.2	1.9
Production base support	16.6	3.4
Subtotal	104.1	23.9
Total	378.4	88.8

Combat Support Equipment

Our FY 1976 request for Combat Support Equipment, $95.7 million, includes: $17.1 million for bridging equipment and bridges; $11.6 million for protective chemical equipment; $18.5 million for major assemblages for the Medical Unit Self-Contained Transportable (MUST) Hospital; $10.7 million for POL dispensing and water purification equipment; and, $13.4 million for maintenance and repair shop equipment sets.

The $25.4 million Transition period request contains $10.3 million for protective chemical equipment; $2 million for refrigerated shipping containers; $4.5 million for maintenance and repair shop equipment sets; and $3.6 million for POL dispensing and water purification equipment.

Construction Equipment

The request for Construction Equipment totals $50.1 million in FY 1976 and $19.6 million in the Transition period. $34 million, or 67.8 percent, of the FY 1976 request will be used to procure commercial construction equipment. Examples of such equipment include specific requests of $4.6 million for 50 high speed compactors; $14.3 million for 157 25-ton hydraulic cranes; $3.2 million for 40 8 cubic yard concrete trucks; and $7.2 million for 210 20-ton dump trucks. In the Transition period, $18.1 million, or 92.3 percent, of the total being requested will be used to procure commercial construction equipment. Specific requests include: $3.9 million for 40 25-ton hydraulic cranes; $10.1 million for 84 T–11 size crawler tractors; $2 million for 20 8 cubic yard concrete trucks; and, $2.1 million for 60 20-ton dump trucks.

Floating and Rail Equipment

The FY 1976 request for Floating and Rail Equipment includes $8.7 million for 206 bridge erection boats; and, $2.8 million for assault landing and reconnaissance boats.

GENERATORS AND ASSOCIATED EQUIPMENT

$32.1 million is requested in FY 1976 for procurement of 4,653 generators of various sizes and output capacities and 412 specialized mountings for power units. The Transition period request of $4.5 million will procure 550 generators.

MATERIALS HANDLING EQUIPMENT

In FY 1976, $34.2 million is required for procurement of 1,116 forklifts and warehouse tractors, and 200 mobile container loading ramps. The $4.3 million requested in the Transition period will procure four types of forklifts.

MEDICAL SUPPORT EQUIPMENT

Our requests of $36 million in FY 1976 and $8.8 million for the Transition period will support Army medical facilties and programs worldwide.

MODIFICATION OF IN-SERVICE EQUIPMENT

The request of $13.9 million for the Modification of Other Support Equipment in FY 1976 includes $5.6 million for the modification of calibration equipment sets, and $8.3 million for modification of various types of heavy construction and materials handling equipment to comply with Federal safety statutes.

The $2.3 million requested for the Transition period includes $1.7 million for the modification of calibration equipment and $0.6 million for modification of various other pieces of equipment.

SUPPORT EQUIPMENT AND FACILITIES

The remainder of the request for the Other Support Equipment Activity totals $104.1 million in FY 1976 and $23.9 million for the Transition period.

Our FY 1976 request for this category includes $29.3 million for items costing less than $500,000; $16.2 million for spares and repair parts; $21.2 million for nonsystem training devices; and $16.6 million for 25 production base support projects.

The Transition period request provides for a continuation of these efforts and includes: $10.9 million for items costing less than $500,000; $2.6 million for spares and repair parts; $2.3 million for nonsystem training devices; and, $3.4 million for 9 production base support projects.

CONCLUSION

Mr. Chairman, in summary, our request for the five Procurement Appropriations is three billion 566.6 million dollars in FY 1976 and $867.1 million during the Transition period.

We are making progress in the management of our procurement programs. You can be assured we will continue to stress the prudent use of these resources. We believe our budget is realistic, and one that will provide a significant improvement to materiel readiness and the fighting capability of your Army. We earnestly request your approval of our Procurement budget request and support of our objective to provide our country with an Army of which we can be proud.

We welcome your questions.

BUDGET REQUEST

Mr. BROWNMAN. Mr. Chairman and members of the committee, it is a privilege to appear before your committee in support of the Army's procurement budget request.

Our request for the five procurement appropriations is $3.6 billion in fiscal year 1976 and $0.9 billion during the transition period. In developing our requests, we sought to increase essential combat materiel levels, and provide improved equipment capabilities to our forces through balanced procurement and modification programs.

We are requesting $421.7 million for aircraft procurement in fiscal year 1976 and the transition. Our program will procure 142 new aircraft at a total cost of $147.2 million. The more significant planned procurements are: 20 U-X utility airplanes; 12 OH–47C cargo, 48 UH–1H utility, and 60 AH–1S COBRA/TOW attack helicopters.

In addition, we require $144.4 million for fixed wing and rotary aircraft modifications. These programs provide for improved flight safety, better reliability and maintainability, increased operational capabilities, and will extend the useful life of our aircraft fleet.

The fiscal year 1976 and transition requests for missile procurement total $517.3 million; 79 percent of the request is for the procurement of Chaparral and improved Hawk air defense missile systems, and the continued procurement of the Tow and Dragon antitank missile systems.

The weapons and tracked combat vehicles requests for fiscal year 1976 and the transition, which total $1.3 billion, will significantly improve the combat effectiveness of our tank and mechanized forces. We intend to procure 1,650 M113A1 armored personnel carriers and are proposing several significant tank programs.

We conducted a comprehensive analysis of the existing tank production base and concluded this base could not replace Army inventory losses and concurrently meet ongoing and projected requirements in a responsive manner because of capacity constraints. The most significant constraint on capacity was an inadequate ability to produce tank hull and turret castings. Accordingly, we requested congressional reprograming of fiscal year 1975 funds to accelerate and expand production and begin the establishment of a second source for tank turret and hull castings. Our fiscal year 1976 and transition authorization requests continue this initiative and also include $559.3 million to acquire 910 M60 series tanks.

To improve our tank capability further, while at the same time obtaining the most for our money, we also intend to convert 636 M48A1, gasoline powered, 90mm gun tanks to a dieselized, 105mm gun, M48A5 configuration and, improve the reliability, maintainability, mobility, night operational capability, and main gun hit probability of the M60 series tank.

In our estimation, the tank is still the most truly capable offensive ground weapon system on the battlefield; and we are resolved to improve sharply our capability in this area. Our proposed tank programs are a significant but necessary expense for combat readiness.

Our ammunition procurement budget request for fiscal year 1976 and the transition period is $1,022.6 million; $544.3 million of this amount is for ammunition items and $478.3 million is for ammunition production base support. Tank gun ammunition, $202.5 million, accounts for 37 percent of the total being requested for ammunition items.

The primary production base support effort will be the continuation of our production base modernization and expansion program for conventional ammunition facilities. We are requesting a total of $338.8 million for this purpose.

Our fiscal year 1976 and transition requests for the other procurement, Army appropriation total $1.2 billion. Included in these requests

are funds to procure: commercial and commercial substitute vehicles to replace peacetime losses and overage vehicles; communications and electronics equipment, to include communications security, automatic data processing and tactical electronic detection and surveillance equipment; combat support equipment, to include protective chemical equipment, bridging equipment and bridges, and major assemblages for our mobile hospital units; and, funds to procure commercial construction equipment in lieu of military design equipment.

Mr. Chairman, in summary, our requests for the five procurement appropriations are $3.6 billion in fiscal year 1976 and $0.9 billion during the transition period. These requests will enable us to improve the combat effectiveness of our forces, continue our conventional ammunition base modernization and expansion program, and will enable us to strike a better balance between the quantity and quality of our weapon systems.

The economic problems confronting this Nation require prudent use of all resources provided by the Congress. Recognizing this, we have strengthened our organization for materiel acquisition by combining the research, development, and procurement functions for maximum efficiency under a single staff agency. We will continue to emphasize improved management and the most economic use of all resources this Congress provides.

We feel our budget request is realistic and consistent with our needs and we request your support for our procurement budget requests.

Mr. Chairman, this concludes my summary statement.

Senator McGee [presiding]. Thank you for your statement, Mr Secretary. The first explanation we need for the record is for the $1 billion increase in your budget request over the preceding fiscal year. How much is due to inflation, and how much due to program growth.

TABLE ON BUDGET INCREASE

General Olenchuk. Of the $1 billion differential, $378.1 million is inflation, and real growth is about six-tenths of $1 billion. I can furnish for the record, by appropriation, what the exact amount is.

Senator McGee. Give us the breakdown on that.

General Olenchuk. Yes, sir.

[The supplemental statement follows:]

The FY 1976 budget request is $1.4096 billion more than the FY 1975 program. A breakdown of the differences between the FY 1975 program and the FY 1976 budget request by appropriation is shown below:

[In millions of dollars]

Appropriation	Fiscal year 1975 program	Fiscal year 1976 budget	Difference	Reason for difference	
				Inflation	Program growth
Aircraft	241.5	362.3	+120.8	+32.9	+87.9
Missiles	392.2	460.8	+68.6	+38.0	+30.6
Weapons and tracked combat vehicles	429.9	989.3	+559.4	+131.5	+427.9
Ammunition	808.4	751.4	−57.0	+98.0	−155.0
Other procurement	654.0	1,002.8	+357.8	+77.7	+280.1
Total	7,517.0	3,566.6	+1,049 6	+378.1	+671.5

FUNDING FOR TRANSITION PERIOD

Senator YOUNG. What was the first figure?

General OLENCHUK. $378.1 million, sir, about a third of it.

Senator MCGEE. The procurement request for the transition budget period in $867 million. Will any new initiatives be provided within the funds requested for the transition period?

General OLENCHUK. We have no initiatives in the actual materiel hardware. However, we do have some new initiatives in the ammunition production base. We are starting some new modernization projects in that period.

Senator MCGEE. Can you identify those for the record, please.

General OLENCHUK. Yes, sir.

Senator MCGEE. I think it will be helpful later.

[The information follows:]

The following new modernization and expansion projects for the ammunition production based valued at $54.2 million are contained in the Transition budget request:

Project No.	Title	Value (millions)
5760273	Pine Bluff Arsenal: Initial production facility—Improved M1 HC cannisters and load/assemble/pack cartridge, BE, M84A1, smoke HC, 105 mm	$0.8
5764861	X facility: Initial production facility, 105 mm HE, XM710	3.2
5762582	Norris Industries: Modernization—manufacturing facilities for tank ammunition cartridge cases	12.2
5762585	AMRON Corp: Modernization—20 mm-40 mm steel cartridge case facilities	2.8
5762647	Louisiana AAP: Modernization—Machine equipment (center and cutoff)	10.2
5762664	Holston AAP: Modernization—Renovation of administration building	2.9
5762671	Louisiana AAP: Modernization—Machining equipment (face base and nose tap)	9.2
5762683	Louisiana AAP: Modernization—Railroad overpass	2.6
5762728	Iowa AAP: Modernization—Construction of access roads in storage areas	3.2
5762981	Radford AAP: Modernization—Receiving inspection, shipping facility	1.3
5764846	X facility: Expansion—Assembly and metal parts for M572 fuze	5.8
	Total	54.2

BASELINE FORCES

Senator MCGEE. How many Active combat divisions and Ready Reserve combat divisions are your inventory objectives based on?

General OLENCHUK. The 16 Active Army divisions and the 8 Reserve divisions. I would like to also amplify that by saying—that is within the U.S. Army's 785,000-man strength—the 16 Active divisions. We have to relate that to the 785,00-man strength because, if one were to move from 16 to 14 divisions, it would not be an equivalent reduction in the authorized acquisition objective because the difference between the manpower strength and the 16 divisions—14 to 16 divisions—is in headquarters units and support-type units.

For completeness, I might mention our total authorized acquisition objective also has the reserve stocks for allies which includes the post D-day consumption for allied divisions in the [deleted] area.

Senator MCGEE. In your statement you refer to the quantitative conventional superiority of our potential adversaries. Now, with respect to Army equipment and weapons, in which areas do the Warsaw Pact forces possess great advantages, and in which areas do the NATO forces have an advantage?

Mr. BROWNMAN. Mr. Chairman, I would like to address that. I believe I can give a brief summary of that at this time. However, to insure a more complete answer, I would like to follow that up by submission for the record.

Senator MCGEE. That will be fine.

Mr. BROWNMAN. At the present time our intelligence estimates indicate with respect to the ratio of Soviet tanks to U.S. tanks—and I will get to the NATO and Warsaw issue in a moment—there are approximately 4 to 1 in terms of quantity in favor of the Soviet Union.

With respect to the Warsaw Pact and NATO, our current intelligence estimates indicate there is approximately a 2½ to 1 ratio in terms of quantity, with the superior numbers going to the Warsaw Pact.

Moreover, recent indications of the new Soviet tank, the M1970, give us added concern.

QUANTITATIVE CONVENTIONAL SUPERIORITY IN WEAPONS

In the second type of weapon system, I believe we are superior in the helicopter-delivered weapon area, where we have developed the gunship as well as the helicopter capability to deliver the TOW missile. To the best of my knowledge at the moment the Soviet and the Warsaw Pact do not have an equal capability.

Now I have covered only two areas. I would like to cover the others with a later statement.

[The supplemental statement follows:]

As of 31 December 1974, the Warsaw Pact Forces had a significant quantitative conventional equipment advantage in medium tanks, and surface-to-air missiles, a lesser advantage in armored personnel carriers/fighting vehicles and artillery. The NATO Forces possessed a significant quantitative advantage in helicopters.

Item	Warsaw Pact forces [1]	NATO forces	Ratio
Medium tanks	[Deleted]		2.3:1
Armored personnel carriers/fighting vehicles			1.3:1
Artillery			1.3:1
Helicopters			1:3
Surface-to-air-missiles (radar guided)			3.6:1

[1] Based on estimated pact requirements.

GUN ON M–60 TANK

Senator YOUNG. We had testimony the other day to the effect that our tank, M60, has a longer range gun than the Russians. Is that true?

Mr. BROWNMAN. Than the Russian T62 tank?

Senator YOUNG. The reason I bring it up is, in order to get in close, within gun range, they use a smokescreen.

General OLENCHUK. Let me comment on that. The Soviets have a 115mm smooth bore, high velocity weapon that is more effective, I would say, at shorter ranges than our 105mm rifled tank gun. Up to about 1,800 to 2,000 meters, it has a slightly higher penetration capability and a much flatter trajectory.

It basically does not drop at all because of the high velocity. When it gets beyond approximately 2,000 meters, then the Soviet smooth

bore round begins to be affected by wind drift because it does not have that spin, whereas our round is not as much affected by wind drift. When you move to the 3,000-meter range, we get greater accuracies with our gun system, as was shown in the Israeli war.

Senator YOUNG. That is why they would want to get in closer?

General OLENCHUK. That is correct, sir. In the Middle East war, from the information we got from the Israeli generals and the combatants at the lower level, they began to find that the Egyptians, for instance, did not start firing until they came to a shorter distance—1,800 to 1,900 meters.

With our gun, having a greater capability at longer range, the Israelis began to shoot at longer ranges and they were getting significant hits at that range, so there was an advantage.

Now, with the higher velocity, actually just as a matter of physical fact, the Soviet round will go out farther but it does not have the accuracy in terms of hit probability.

Senator MCGEE. You request $190.2 million in fiscal year 1976 to continue the production base modernization and expansion program for conventional ammunition facilities. How much has previously been appropriated for the program, and what are the projected out-year costs?

General OLENCHUK. Last year we had requested approximately $190 million and the Congress appropriated for modernization and expansion roughly about $171 million. I would now like to ask Colonel Gall to comment further.

Colonel GALL. Sir, our program began in 1970. From 1970 to 1975, $821.5 million was appropriated, which is roughly 13 percent of our total program. Our total program is a 19-year program with a total price tag of 6.5 billion in fiscal year 1975 constant dollars.

Senator MCGEE. Thank you. The Lone Star Ammunition Plant has a program for a 105mm projectile metal parts facility. Will you discuss the fiscal year 1976 request for this program, as well as the total estimated program costs.

General OLENCHUK. The fiscal year 1976 budget contains $21.7 million for the purchase of long leadtime equipment. The total project is $110.4 million. What we are doing is relocating and modernizing our 105 millimeter shell metal parts production base from the St. Louis Army Ammunition plant to the Lone Star Ammunition plant, which is in Texarkana, Tex.

The St. Louis plant is an old plant that was converted after World War II from a small caliber ammunition plant. It has very limited space and very high labor costs exist in this area. The equipment has deteriorated over the years. We did some modest modernization for the Vietnam War. One of our longer term objectives at that time was to modernize that capability at the most economic location.

At Lone Star we have the ability to load with explosives and assemble and package out the complete round. With the added metal part capability, this gives us a total facility, which gives us the economy.

Senator FONG. I have a question here, Mr. Chairman.

Senator MCGEE. Senator Fong.

LUALUALEI AMMUNITION DEPOT

Senator FONG. The Lualualei Ammunition Depot was given up by the Navy. Has the Army taken that over?

General OLENCHUK. I understand that what happened was that it was turned into an integrated facility for all Services. I can furnish more specific information for the record. It was given up by them as a Navy only storage depot. The Army had a requirement, and I think they consolidated at one location for optimum economy.

Senator FONG. Will you give us that information to see how much of that is used now?

General OLENCHUK. Yes, I certainly will.

[The supplemental statement follows:]

The Lualualei Ammunition Depot now services the Army, Air Force, and the Navy, but it is still operated by the Navy. Army ammunition is stored at the depot under an interservice support agreement. The storage capacity of the depot is 60,000 short tons. Currently, approximately 18,000 short tons of ammunition is stored at the depot, of which 8,000 short tons are Army stocks.

NATIONAL SPACE TECHNOLOGY LAB

Senator MCGEE. You have a project to establish an ammunition manufacturing facility at the National Space Technology Labs in Mississippi. How much is requested for this project in fiscal year 1976?

General OLENCHUK. The Mississippi Army Ammunition Plant facility that we are placing at the National Space Technology Laboratories—we have $2 million in fiscal year 1975 funds to conduct preliminary engineering and environmental studies, preparatory to establishing what is going to be a 155 millimeter artillery ammunition manufacturing facility for new, improved conventional ammunition rounds. I would like to ask Colonel Gall to describe the 1976 program.

Colonel GALL. Sir, our 1976 project is $45.2 million. In this project $37.4 million will purchase long leadtime equipment. The other part of the project will be $7.8 million for initial site preparation. The total project cost for this facility is $228.5 million. We will have projects running from fiscal year 1976 to 1981 for this facility.

Senator MCGEE. Thank you, Colonel.

The fiscal year 1976 procurement request includes a 155 millimeter binary chemical production facility at Pine Bluff Arsenal. Have previous funds been provided for this program?

General OLENCHUK. No, sir. We requested $5.8 million last year. That was recommended by the House Appropriations Committee and, I believe, by this committee and it was defeated on the floor of the House.

What we are doing is requesting that same facility and we have two changes to it in price—one caused by inflation and the other caused by some changes to the project itself to improve it.

We feel this is a very essential project to provide us with the chemical binary capability, a modern chemical round which is safe for transport. Our problem has been that our chemical munitions have been toxic within the shell. So when we ship this throughout the country and the world, there is always this problem of an accident.

For many years, and really for three decades, there has been work on trying to get two safe components that could then be put together in the field at the point of decision for imminent war and then reduce the safety problem. The Soviets have not been faced with that type of problem. They appear unconcerned with that aspect and have a very extensive inventory of toxic munitions.

This project will give us the production base that will permit us to then produce the ammunition. It does not provide for the production of the ammunition; I would like to emphasize that. It is simply to give us the production base if the decision is made to procure the ammunition.

Senator McGee. What is the estimated total for this program?

General Olenchuk. Of the procurement of the ammunition or the facility itself, sir?

Senator McGee. The facility itself.

General Olenchuk. The $8.8 million in procurement funds provides us with a capable facility. We are using an existing building, and existing utilities. Did you want to comment?

Colonel Gall. Sir, the $8.8 million will give us the total equipment and installation for a production facility. Accompanying this is a $562,000 military construction Army (MCA) project, to rehabilitate and expand an existing building. The $8.8 plus the MCA project will be the total program cost.

Senator McGee. Suppose the program is eventually disallowed after we appropriate the $8.8 million. Is any of that sum recoverable?

General Olenchuk. The recovery would be in the value of the equipment. It would have to be at market value. I would say we would have to lose a considerable amount because it is special purpose.

SUPPLEMENTARY STATEMENT ON BINARY CHEMICAL MUNITIONS

Senator McGee. Will you supply for the record an educated guess on that—whether it be a half or three-fourth loss, whatever it is?

General Olenchuk. We will furnish an engineering estimate.

[The supplemental statement follows:]

Once the binary chemical production facility is established, funds expended for installation of equipment, proof-testing, and engineering support are non-recoverable. If the special purpose equipment can be utilized in our chemical demilitarization program, the Army could recover an estimated $3.2 million of the $3.3 million to be spent for equipment in the $8.8 million project. However, the exact value of the recoverable equipment will be dependent on the duration of the plant usage and the extent of required dismantling operations.

EFFECT OF FOREIGN SALES

General Olenchuk. It would be part of the mobilization base if you were to retain it. You could always consider it for the future. You would not have to manufacture the munitions themselves.

Senator McGee. Do you know of any foreign sales which might have a dilatory effect on the readiness of U.S. Army Active and Reserve Forces?

Mr. Brownman. Yes, sir. I believe there is one category of weapons which has had a serious impact on our readiness, and that is the tanks that have gone into foreign military sales.

I would like to add to that. As a result of those, the Army's current inventory of M60 series tanks is approximately [deleted] percent of our authorized acquistion objectives.

Senator McGee. What is the time lag? How long would it take to replace these?

Mr. Brownman. Our current capability to produce M60 tanks is approximately 40 per month and our shortfall is approximately 5,000.

That would be about 120 months, which we consider an inordinate time. If you recall, in my statement I referred to several reprograming actions. It is our desire to increase the base so as to shorten that period to achieve a higher fill of the authorized acquisition objective.

General OLENCHUK. I might mention there are some other items in which we have reduced our inventory, such as the armored personnel carrier, another armored vehicle. I do have a rundown of all of the items.

Senator MCGEE. We perhaps ought to have that for the record, including the estimated time to replace each item.

General OLENCHUK. Yes, sir.

[The information follows:]

The following are the foreign military sales items which are considered to have had a dilatory effect on U.S. Army readiness with the estimated replacement time. The equipment was withdrawn from the Army inventory during the period 1 October 1973 through 31 March 1975.

Item	Quantity withdrawn	Estimated completion of replacement
Tank, combat, FT, 105 mm gun, M60 series		
Tank, combat, FT, 90 mm M48 series		
Carrier, personnel, FT, armored, M113A1		
Carrier, 81 mm mortar, M125A1		
Howitzer, heavy, SP FT, 175 mm, M107		
[Deleted]		
TOW missile system:		
Launcher	[Deleted]	
Missiles		
DRAGON missile system:		
Tracker		
Missiles		
CHAPARRAL:		
Fire units		
Missiles		

General OLENCHUK. I would like to point out, in answering that question, I am sure the committee well appreciates that my view from the Army's standpoint has to be a parochial one. So when these reductions occur, we present the facts with regard to what the impact is and then decisions are made based on overall national considerations.

What we try to do is to include the country deliveries in the production schedule, providing for our needs as first priority. This presents difficulties because some of the countries have been pressing for early deliveries.

There was a joint State-Defense message sent out on the [deleted] which became a very important item after the Middle East war. This was sent to all of the diplomatic posts, the MAAG's and the missions and the commanders, telling them to do everything they could to [deleted] pointing out that they would have to wait a long time because we didn't want to affect the readiness of our own forces.

Senator MCGEE. In the statement, you refer to Army antitank weapons programs and suggest that you have recent indications of changes in the threat. Is that what you were touching on earlier?

Mr. BROWNMAN. Yes, sir; there is the development of the M1970 tank and also indications that [deleted].

Senator MCGEE. The fiscal year 1976 Army procurement requests include $87.2 million for war reserve stocks for allies. Which nations are considered as potential allies and possible users of these reserve stocks? Would you please provide for the record a detailed breakdown

as to numbers and types of weapons and equipment included in this request?

General OLENCHUK. I can give you a capsule summary. Our war reserve stocks for allies program provides support for [deleted].

I want to emphasize that it is for post D-day consumption. In other words, when the war starts, this would be the amount of materiel, heavily ammunition, they would consume in fighting as our allies.

Senator MCGEE. What is the classification of that?

General OLENCHUK. That is classified secret, sir.

Senator MCGEE. Your statement refers to the establishment of "near term Army unique inflation indices." What are some examples of these indices?

Mr. BROWNMAN. The inflationary problem has plagued us as well as others in the past. I guess we have been captured to some extent by trying to deal with the inflationary problem with a single inflationary index. We have found that this has led to some very poor predictions. As a result, we have become a bit more sophisticated and have developed indices in special and unique areas by commodity type. I would like to ask General Olenchuk to give you some specific indices.

General OLENCHUK. There were three we developed that were special in this year's budget submission. The M60 tank had a special index. For the M113 armored personnel carrier, an associated armored vehicle, and also for the XM–1 tank, we developed a special index. That is reflected in the SAR—Selected Acquisition Report.

Senator MCGEE. Your statement also alludes to revised war-time active replacement factors and says that interim results of the ongoing study have shown higher attrition factors for tanks and armored personnel carriers. Are the higher attrition rates reflected in the Army's fiscal year 1976 procurement requests?

General OLENCHUK. Yes, sir.

Senator MCGEE. What is the magnitude of the increase?

General OLENCHUK. We reflected in the budget request only the tank and the armored personnel carrier. What we have done is use interim rate based on a study which we are conducting which is longer range—which we have just completed.

For example, we used the rate of 8.62 percent per month for the tank based on historical data. We had no good modern gaming analysis. We then conducted this study and when the Middle East war occurred, we accelerated part of it for these items that were apparently high attrition items and changed the tank rate up to 20.1 percent a month, which is reflected in the budget. We did the same thing with the carrier, the armored personnel carrier, M113A1, and increased that rate to 8.5 percent a month. We get a rate of 2.97 percent based on historical experience.

Basically we didn't have an armored personnel carrier in World War II. The rate was derived through analyses that were quite specious in some instances.

We just completed that study. We have derived a new set of rates for all of our materiel and are submitting these to the Office of the Secretary of Defense.

I might mention that the new rates do go up even more for the tank, which reinforces our strong feeling that we must increase our inventory of tanks quickly. And this is a tentative rate, I emphasize,

because we have not gotten it approved by the Secretary of Defense—[deleted] percent.

Let me comment on that briefly because it is important to understand that in relation to some other rates. The fact that the rate is high does not mean that the tank is so vulnerable. It means that the tank is right there as our basic combat, shock firepower system, as the Secretary commented, and that it is being hit because it is doing that job.

Now, I have heard some comments that maybe it is being shot off the battlefield because of antitank missiles. Let me point out that the antitank ground launcher rate increases to [deleted] percent. If you were to follow that type of analysis, we would eliminate the antitank missile because its attrition rate is higher.

Definitely in the mid-intensity type conventional conflict, the rates are going up.

Senator McGee. Congress failed to approve the proposed $5.7 million rescission of funds available for procurement of NH–1H utility helicopters. The funds became available for obligation on March 1, 1975. Do you know the current status of these funds? Has a contract been awarded?

General Olenchuk. Funds were restored and we released them to the field. I would like to ask Colonel Dickinson to comment on the status of the contract.

Colonel Dickinson. Sir, we went on contract on September 29, 1974 for 48 helicopter airframes. The remaining part of the money was deferred. Since the rescission order was turned down, the $5.7 million has been released to us. The Army has the money back and we are proceeding.

Senator McGee. It was not a matter of letting new contracts?

Colonel Dickinson. No, sir. We are about to go into contract now for the engines.

General Olenchuk. This month, I think, we should consummate the contract.

Senator McGee. If the 48 helicopters will be procured with fiscal year 1975 funds, is there really a requirement for the $24.8 million requested in the new budget?

Mr. Brownman. Yes, sir. We need the helicopters to increase our inventory. They are definitely a requirement for our inventory. I think further it maintains a production base. There are foreign military sales in the Bell Helicopter Plant, but they need 10 per month for a sustaining rate. It is my understanding that they don't have sufficient orders to maintain 10 per month.

Senator McGee. Worldwide?

Colonel Dickinson. Sir, we look both at commercial sales and foreign military sales. Bell helicopter does not have firm military sales orders and commercial production programs to insure a warm production base without our buy.

General Olenchuk. We can give you inventory status on the helicopter.

Colonel Dickinson. With these 48, sir, we will have a 90-percent fill.

Senator McGee. Thank you.

Your statement refers to the Army's option for follow-on buys of

the A200 utility aircraft. Are there funds now available to exercise this option?

General OLENCHUK. No, sir. We bought the first 20 for the United States Army out of fiscal year 1973 funds and it was a joint procurement with the Air Force based on a common specification. The option that is being referred to is one that we could exercise with fiscal year 1976 funds.

I mention that here, because of our inability to work out joint specifications with the Air Force, we didn't get funds for procuring this aircraft for a couple of years. So we feel we have to make up the shortfall of 2 years in terms of replacing our real aging fleet U8 utility aircraft, which are better than an average of 15 or so years old.

The point is that this aircraft is very much used in the Military Assistance Advisory Group areas, and these areas require pressurized aircraft—the current ones we have out there are not. When the military people move around in Iran at the higher altitudes, they have problems, weather problems also, power problems as well as the pressure problems. This is true in other parts of the world for the Air Force.

Senator MCGEE. Which manufacturers will probably submit competitive proposals for consideration prior to a decision to exercise the option with Beech Aircraft?

Mr. BROWNMAN. Sir, it is not our intention to go through a formal source selection for the procurement of the additional aircraft. We will test the marketplace and, in all probability, pick up the options on the current contract if the funds are approved.

Senator MCGEE. What is the approved acquisition objective for the AH–1S Attack Helicopter?

Mr. BROWNMAN. 345 units.

Senator MCGEE. What is the planned acquisition objective for the Advanced Attack Helicopter?

Mr. BROWNMAN. 452 units.

Senator MCGEE. Will the advanced attack helicopter replace the AH–1S on a one-for-one basis?

Mr. BROWNMAN. No.

General OLENCHUK. I might mention there we are operating on the concept of a High-Low mix. We recognize that we cannot have all of the equipment in one particular combat category, the most sophisticated and the most expensive. So our plans are to come on with the more highly developed, sophisticated equipment and maintain in the inventory the lower but totally combat capable equipment in a balanced mix.

Senator MCGEE. Last year the Congress denied the request for $41 million for the procurement of 19 CH–47C cargo helicopters pending improvement of the CH–47A/B model. Is the fiscal 1976 request for the same type of 47C which was denied last year?

Colonel DICKINSON. Yes, sir, it is identical.

Senator MCGEE. What is the status of the CH–47A/B improvement program on the other?

Colonel DICKINSON. Sir, you are talking about our modernization program to improve the older A/B Models?

Senator MCGEE. Yes, sir.

Colonel DICKINSON. Our R. & D. efforts started in fiscal year 1975. We are now asking for $10 million R. & D. funding in 1976. The R. & D. effort will develop and test fiberglass rotor blades, stronger, easier to maintain transmissions, improved electrical systems, and advanced flight controls. All of this is in comparison to the current A and B model. The modernized CH–47 also will have modular hydraulics and an improved cargo hook system.

Senator MCGEE. Regardless of the outcome of that modernization improvement R. & D., it does not change the intentions or the objectives of the C model?

General OLENCHUK. No, sir.

U–X UTILITY AIRCRAFT

Senator MCGEE. Your fiscal year 1976 budget request includes $14 million for the procurement of 20 U–X utility aircraft. Will this be a joint buy of 20 utility aircraft for the Army, along with 16 aircraft for the Air Force? Explain the procurement procedures which will be followed.

General OLENCHUK. Yes, this will be a joint procurement that exercises follow-on production options on the existing contract with Beech Aircraft Corp.

Senator MCGEE. Thank you.

When will the improved HAWK missile system completely replace the basic HAWK system within the Army inventory?

Major FRANCIS. Sir, at the end of fiscal year [deleted].

Senator MCGEE. The Army has used two sources for the DRAGON antitank missile procurement which will lead to a single source contract for the buys after fiscal year 1976. Are you able to measure what effect this method has had and will have on the unit and program costs?

Mr. BROWNMAN. Yes, sir. I can't give you a figure for the DRAGON program per se because that is currently being competed. However, we recently did have a competition in source selection for the TOW missile system which might be considered comparable in many respects and the circumstances were the same. We found that we saved approximately 10 to 15 percent on the program costs because the of the competitive environment and the picking of a single source after that.

Senator MCGEE. What is the status of the night sighting device for the TOW antitank missile system?

General OLENCHUK. We have a new device being developed at the present time which uses a modular concept. It is a far greater improvement over the older one that we developed that we never bought.

We had a change in our plan from last year. We planned last year to procure a DRAGON-night sight with adaptive clamp mechanisms for the TOW to provide us with an urgently needed capability in Europe. It didn't have all the desirable characteristics of range, for example. It was only capable to roughly about 700 meters, whereas the TOW antitank missile has a range of 3,000 meters.

We developed the device. The Congress appropriated the money for it to procure some. We then ran our final tests in Europe and our forces in Europe felt that the gain in night vision capability was essentially not anything over using illumination at night—that is, the illumination capability of artillery shells and so on.

On that basis, and because of the extremely high cost of these individual sights, we did not procure them.

I would like to ask Colonel Cook to comment further on the specific status of the new development.

Colonel COOK. We have money in our R. & D. program now for a development of the TAS4 and 5 night sights for both the DRAGON and the TOW. We expect that we will initiate procurement action to provide some night sights for testing in fiscal year 1977. The current schedule for the IOC, the initial operational capability, is for the year [deleted].

Senator MCGEE. The certification of a night sight is considerably distant, then?

Colonel COOK. Fiscal year 1976, sir.

General OLENCHUK. I would say certification and type classification are comparable. However, sight certification is not the release to buy. There is the final validation testing of a production model.

Senator MCGEE. The LANCE surface-to-surface missile system is equipped with a nuclear warhead only?

Mr. BROWNMAN. Yes, sir.

Senator MCGEE. Does the Army have a program to provide a conventional warhead for the missile?

Mr. BROWNMAN. Yes, sir.

Senator MCGEE. Which countries will receive LANCE missiles under the foreign military sales program?

General OLENCHUK. Currently the [deleted] and there are ongoing negotiations with [deleted] which have not yet been finally consummated.

Senator MCGEE. I assume the missiles for foreign sales will have the conventional warhead; can not the Army use this same conventional warhead?

General OLENCHUK. Yes, sir, the Army has a very firm and strong requirement for the nonnuclear LANCE warhead. This year we are procuring nonnuclear LANCE warheads for the Army but as a substitute for the practice round.

We currently have a review of our recommendations on allowing us to proceed with the nonnuclear LANCE warhead as a part of our weapons inventory by the Defense Systems Acquisition Review Council in early May. At that time the Army will strongly recommend that it be authorized to produce these nonnuclear LANCE warheads for its inventory.

Our reasoning is that we think it is cost effective although an Institute of Defense analysis study has indicated it was not cost effective as compared to tactical aircraft. We have made our analysis and we find it is clearly cost effective. The Office of the Secretary of Defense will adjudicate this in May.

Senator MCGEE. The development and operational testing of the AN/TSQ–73 Air Defense Command and Control System experienced difficulties and delays that resulted in a deferment of procurement funds by the Congress. What is the status now?

General OLENCHUK. We have had difficulties with the Missile Minder, AN/TSQ–73, which is a missile command and control system in the operational testing. Based on concerns about these diffi-

culties and differences of opinion with regard to these difficulties, we have retested the Missile Minder in an operational mode in Florida jointly with the Air Force.

We currently feel—we have a definite set of modifications that we will put into effect—but we feel it is pretty premature to proceed to procure these items in fiscal year 1976. We are therefore requesting funds to continue the testing and then we will schedule the procurement of the items in the next fiscal year.

Senator McGee. We talked earlier about the effect of foreign military sales on our own inventories. You didn't mention the M113A1 armored personnel carriers sent to Israel pursuant to the October 1973 war. Yet I would, this would have drawn our stock down considerably. Would you discuss this?

General Olenchuk. Sir, I would like to ask Colonel Rostine to comment on that.

Colonel Rostine. The inventory was drawn down as a result of shipments of armored personnel carriers to Israel. A total of [deleted] M113A1 armored personnel carriers have been shipped. [Deleted] came out of Anniston, Ala., Army Depot and the other [deleted] came out of European stock. Of the [deleted] that came from Anniston, [deleted] of those were destined to go to the National Guard and the other [deleted] were destined to go to Active Army units.

Our recoupment plan has been programed for some time. We have already received [deleted] paybacks from those Israeli sales. We have another [deleted] paybacks scheduled from the production line during the period July 1975 to March 1976.

Of course, this procurement of M113A1's in the fiscal year 1976 budget is to continue to build up our inventory for we do have severe shortages, and we need to build up our inventories and improve the overall rates.

Senator McGee. Can you fill in the same type of information in regard to delivery of the M60 tanks to Israel.

Colonel Biemeck. We will deliver altogether [deleted] tanks to Israel. [Deleted] of these will be M60A1's off the production line: these have not been delivered. [Deleted] M60 tanks have been delivered. [Deleted] M48A3 tanks have been delivered and [deleted] are in the process of being shipped, for a total of [deleted].

Senator McGee. The committee recently learned of a possible third source for turret and hull castings. What are your comments in this possibility?

Mr. Brownman. Mr. Chairman, there are several possibilities for alternate sources of castings for turret and hulls for the M60 tank line. One company in particular was solicited several months ago by the Chrysler Corp. and chose not to be interested in the program at that time.

They recently, for varying factors relative to their own activities, have expressed an interest. As recently as last Wednesday night I had a meeting with them. They are in the process or they said that they would produce a proposal for the production of castings for the M60 and that this would be in our hands in approximately 60 days. At that point, we would evaluate the proposal and determine its desirability.

If I might add, as time goes by, if other companies express an interest and can be qualified to produce these castings, our attitude is: "Welcome aboard; we can use all we can get."

Senator McGee. It is noted that you request $7.7 million in fiscal year 1976 to continue the establishment of initial production facilities and procure 19 XM198 howitzers for testing. When do you anticipate a final production decision?

General Olenchuk. We anticipate a final production decision in time for the fiscal year 1977 budget, at which time we plan to request funds for 44. The 19 in fiscal year 1976 is a low rate initial production request. I would like to ask Colonel Rostine to comment further.

Colonel Rostine. Sir, in our milestone schedule for development and procurement of this system, the XM198 is in the process of development test and operational test. Based on those results, this October the Army will make a decision on going to low rate production, at which time we will produce 19 of them and take those 19 systems through another development test and operational test.

Following an evaluation of the results of these tests, we will make a full-scale production decision during February 1978.

Senator McGee. Last year the Congress denied the Army's request of $8.6 million for railway tank cars. Does the fiscal year 1976 budget request contain funds for the procurement of railway tank cars?

Colonel Taylor. No, sir, it does not.

Senator McGee. Does this requirement no longer exist?

Colonel Taylor. We still have a requirement, sir. The program was based on a 1974–1975, and 1977 multiyear program with a skip year in fiscal year 1976. When Congress denied the 1975 program, we did not reprogram it into 1976. We are programing in the out year to cover the requirement.

General Olenchuk. Our reason for not reprograming is that we felt we had higher priority requirements. There is a definite need for these railway tank cars because the Army has the mission for the Department of Defense—for all the Services—in moving around the petroleum products. Our fleet of tank cars is very definitely aging to the point of being dangerous. So we will, depending on priorities, try to get this into the budget the next time.

Senator McGee. Thank you. That completes the questioning unless Senator Young has questions.

Senator Young. I have a difficult problem trying to keep track of all the missiles of the various Services. You have a TOW missile, the DRAGON, and the LANCE. Are all these essentially antitank missiles?

General Olenchuk. The DRAGON missile and TOW missile are antitank. The DRAGON missile has a range of 1,000 meters and is an individual soldier's missile. We call this the infantryman's antitank missile.

The TOW antitank missile is a longer range, 3,000-mm, antitank missile and it is a crew missile. The LANCE is artillery; it really is missile artillery and has a range of approximately [deleted] kilometers. It is used to project a warhead with great accuracy at distances.

It is quite an accurate system, and it has a nuclear capability. We are trying to get the nonnuclear warhead capability. The antitank missiles, of course, are not; they are all conventional explosives.

Senator YOUNG. Did the Army discontinue their procurement of attack helicopters after the Vietnam war?

General OLENCHUK. No, sir. We currently are procuring the COBRA/TOW attack helicopter. This has the antitank capability. We have not procured any AH–1 pure COBRA-type helicopters to my knowledge since the Vietnam war but we are procuring the COBRA/TOW helicopter which we discussed in the program.

Senator YOUNG. What will be the inventory of attack helicopters if your 5-year plan to procure 305 aircraft is approved and funded?

General OLENCHUK. The authorized acquisition objective is 797 for the attack helicopter which includes the AH–1S COBRA/TOW. We will have in our inventory at the end of fiscal year 1976 and the transition budget—and that means the funded delivery period—344 of the AH–1QS's; these are the COBRA/TOW. And we will also have 36 of the much older UH–1B's with the SS–11 antitank missiles. That is an old French-developed missile. We will have 380, or 40 percent, of our fiscal year 1976 objective and 578 in the 5-year plan.

Senator YOUNG. Have you replaced the helicopters given to Israel during the Middle East war taken from the prepositioned stockpile in Europe?

General OLENCHUK. We, to my knowledge, have no prepositioned helicopters in Europe. We do have prepositioned tanks. We did have prepositioned armored personnel carriers and artillery pieces. We have not replaced the prepositioned materiel sets as yet that were to be available to combat units as they arrive in Europe. We will try to do that as the highest priority.

Senator YOUNG. If we wanted to airlift a division over to NATO, they wouldn't have much prepositioned equipment left, would they?

General OLENCHUK. That is correct, sir. I might mention, however, that there is some war reserve equipment in Europe which is positioned to take care of the combat consumption. Initially one could divert that and try to ship as rapidly as you could whatever assets you had, and we are at a disadvantage with the drawdown of that equipment. We will try to make it up as fast as we can. We should be able, in terms of the increase in force structure, to get the equipment by rearranging the higher priority needs, in balance, so that we can meet, in the year 1976, the division basic equipment objectives.

Senator YOUNG. If we don't have a war in the meantime and drawdown again?

General OLENCHUK. Yes, sir.

Senator YOUNG. How many improved HAWK batteries does the Army plan to buy?

General OLENCHUK. We have an authorized acquisition objective of [deleted]. This is ground support equipment. This would be the firing capability. We have an authorized acquisition objective of [deleted] for the missile. As of the end of the fiscal year 1976 budget-funded delivery period, we will have a total of [deleted]. We will

meet our authorized acquisition objective 100 percent. We will have [deleted] missiles, or [deleted] percent of our authorized acquisition objective. At the end of the transition budget, that will increase our missiles to [deleted] percent. We expect to achieve [deleted] percent at the end of fiscal year 1977.

Senator YOUNG. How did this missile perform in the Middle East war?

General OLENCHUK. The basic HAWK is not nearly as good as this improved HAWK. It was fired and performed very effectively. This encourages us to think that our improved HAWK, which is much better in terms of altitude, and single shot kill probability, would be a superior missile and is a match for the Soviet missile.

QUANTITIES OF MATERIEL REQUIRED TO PAY BACK PREPOSITIONED POOLS

Senator YOUNG. The next question you may have to answer for the record. How many tanks, armored personnel carriers, artillery pieces, and major items of support equipment need to be procured to pay back the prepositioned pools that provided those items for Israel in the October war? I would like to have a full report on everything it would take to replace the drawdown.

General OLENCHUK. We will put that in the record, sir.

[The supplemental statement follows:]

The following quantities of tanks, armored personnel carriers, artillery pieces, and major items of support equipment need to be procured to pay back the prepositioned pools (Europe and CONUS) that provided equipment to Israel as a result of the October war (1 October 1973 to 31 March 1975).

Item:	*Quantity*
Tanks:	
Tank, combat, FT	
105mm gun, M60 series	
Armored personnel carrier family:	
Carrier, personnel, FT	
Armored, M113A1	
Carrier, 81mm mortar M125A1	
Artillery pieces:	
Howitzer, medium, arm., SP, FT, 155mm, M109 series	[Deleted]
Major items of support equipment:	
Rifle, 7.62mm, M14	
TOW missiles	
CHAPARRAL:	
Fire units	
Missiles	
REDEYE missiles	
Trucks, all types (5 ton, 2½ ton, 1¼ ton, ¾ ton, ¼ ton)	

[1] Necessity for replacement being studied.
[2] To be replaced by rifle, 5.56, M16A1.
[3] To be replaced by Stinger.

M60 TANKS

Senator YOUNG. How many M60 tanks are included in the request? Are any of these for foreign sales?

General OLENCHUK. None of those are for foreign sales, sir.

Colonel BIEMECK. We have 662 tanks in fiscal year 1976, and in the transition period we have 248 M60A1 and A3 tanks. None of these are for foreign sales, sir.

Senator YOUNG. If any of these went into the prepositioned stockpile in NATO, they would be transferred out?

General OLENCHUK. If there were a national decision to move them, then, of course, it could be done. I would also add, for completeness, we are also requesting in this budget period moneys for the modification and conversion of M48A1 tanks to M48A5 tanks.

Senator YOUNG. This was an old tank that you plan to modify?

General OLENCHUK. Let me comment on that. The M48 series tanks are two models basically. The old ones, the M48A1 and M48A2C, have a 90 millimeter gun, which is inferior and cannot really meet the Soviet tank threat—and a gasoline engine. The gasoline engine is a far more hazardous engine in combat and it does not have the power capabilities. Then we have another version, M48A3, which has a 90 millimeter gun, but has a diesel engine.

The turrets and hulls are capable of being modified to provide an improved capability. What we are doing is taking these physical assets and converting them by going to a 105 millimeter gun the same as we have on our M60A1 and M60A3 tanks, and then dieselizing the older ones and rehabilitating them.

Many of the 48A1's were unserviceable. The reason was that we had a very low program of modernization. It was felt that it would be the most economic thing to convert these to provide us with an earlier capability, capitalizing on the fact that we could use existing turrets and hulls since turret and hull casting is our limiting component in accelerating tank production.

Senator YOUNG. Undoubtedly, you know what you are doing but I have always taken a dim view of trying to modernize obsolete equipment.

Mr. BROWNMAN. Well, sir, let me expand on that. The conversion program on the M48A1 to configure it as an A5 will take the A1 and remove all the equipment down to the bare metal, inspect the castings, and then install either rebuilt or new equipment to provide the M48A5 capability. In one way, you can look upon that as an additional source of castings for hulls and turrets, which is essentially what we are reclaiming from that program.

Senator YOUNG. How useful will that be when we get our new and better tanks?

Mr. BROWNMAN. The XM–1?

Senator YOUNG. The M48 will be less capable?

Mr. BROWNMAN. The M48A5, M60A1 and A3 will have vastly different characteristics than the XM–1. I think we must recognize they are products of different technology eras.

Senator YOUNG. I recognize you have a money problem.

What will be the production rate for the M60 tanks?

Mr. BROWNMAN. I gave it in the early statement but I can repeat it. The current production rate is approximately 40 a month and, with our reprograming actions and the current budget submission, we hope to achieve a production rate of 103 per month.

Senator YOUNG. That is all. Thank you.

Senator MCGEE. Thank you very much, Mr. Secretary and gentlemen.

CORRESPONDENCE

Senator McGee. I have requested additional information concerning the Army procurement request for fiscal year 1976. That information has been received, and will now be placed in the record at this point.

[The letter follows:]

DEPARTMENT OF THE ARMY,
OFFICE OF THE COMPTROLLER OF THE ARMY,
Washington, D.C., March 31, 1975.

Hon. JOHN L. MCCLELLAN,
Chairman, Senate Appropriations Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to bring to your attention a proposed change in the Army procurement appropriation language which was not discussed during your committee's hearing on 14 March 1975. We are requesting a change in language in all five Army procurement appropriations to include the authority to use procurement funds for "reserve plant and Government and contractor-owned equipment layaway." This change was in the FY 1975 appropriation request but no action was taken to include it in the appropriation act.

With the cessation of hostilities in Southeast Asia, some privately-owned facilities which provide a large portion or all of the mobilization capability for items, components, or equipment are being dismantled. That portion of the base which is critical to mobilization must be preserved by layaway at Government expense. Preservation and storage of the equipment for possible future mobilization use will save months of delay and added start-up costs. The specialized equipment has no present utility to the companies which own it, and there is no incentive for them to preserve and store it.

Prior to FY 1972, authority to use procurement funds for preservation and layaway of privately-owned equipment was provided by the broad wording of the appropriation "Procurement of Equipment and Missiles, Army." The current language in the five Army procurement appropriations does not provide that authority. It covers only expansion of public and private plants, and procurement and installation of equipment and machine tools. The inclusion of such wording in the Army procurement appropriations will provide specific authority for layaway of plants and equipment, including privately-owned property.

Sincerely,

LEONARD F. KEENAN.
For R. L. WEST,
Major General, GS
Director of Army Budget.

SUBCOMMITTEE RECESS

Senator McGee. The subcommittee hearings will recess until Monday morning at 10 o'clock in this room, when the Army research and development program will be taken up.

[Whereupon, at 11:15 a.m., Friday, March 14, the subcommittee was recessed, to reconvene at 10 a.m. Monday, March 17.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1976

TUESDAY, APRIL 29, 1975

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. John L. McClellan (chairman) presiding.

Present: Senator McClellan.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

ARMY RESERVE COMPONENTS

STATEMENT OF MAJ. GEN. R. L. WEST, DIRECTOR OF THE ARMY BUDGET, OFFICE OF THE COMPTROLLER OF THE ARMY

ACCOMPANIED BY:

MAJ. GEN. CHARLES A. OTT, DIRECTOR, ARMY NATIONAL GUARD

BRIG. GEN. ROBERT D. STEVENSON, DEPUTY DIRECTOR OF MILITARY PERSONNEL MANAGEMENT, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR PERSONNEL

COL. DALE R. SNYDER, CHIEF, OFFICER PROCUREMENT PERSONNEL DIRECTORATE, OFFICE OF THE SURGEON GENERAL

COL. JOHN W. KIELY, COMPTROLLER, ARMY NATIONAL GUARD

B. E. PETHTAL, COMPTROLLER, OFFICE OF THE CHIEF, ARMY RESERVE

OVERALL COMPONENT REQUIREMENTS

Chairman MCCLELLAN. The subcommittee will come to order.

The subcommittee will receive testimony in support of fiscal year 1976 budget requests for the Army National Guard and the Army Reserve. The requests include funds for personnel and for operation and maintenance.

The first witness is Maj. Gen. R. L. West, Director of the Army Budget.

General West, you may proceed.

General WEST. My comments will be very brief.

It is a pleasure for me to appear before your committee in support of the Army's Reserve component requirements. I will briefly summarize the overall requirements and General Weber, Chief of the National Guard Bureau, and General Roberts, Chief of the Army Reserves, will provide details in their respective areas.

CHARTS

The Army National Guard, Chart 1, request before this subcommittee is a total of $1,375 million in fiscal year 1976 and $408 million in fiscal year 197T. The Army Reserve, chart 2, request is $797 million in fiscal year 1976 and $267 million in fiscal year 197T.

[Charts 1 and 2 follow:]

DEPARTMENT OF THE ARMY

Chart 1

NATIONAL GUARD APPROPRIATIONS
($ IN MILLIONS)

APPROPRIATION	FY1974	FY1975	FY1976	FY1976T
NATIONAL GUARD PERSONNEL	$619	$671	$697	$225
OPERATION & MAINTENANCE	531	608	678	183
TOTALS	$1,150	$1,279	$1,375	$408
MILITARY CONSTRUCTION	(35)	(59)	(63)	(2)

DEPARTMENT OF THE ARMY

Chart 2

ARMY RESERVE APPROPRIATIONS
($ IN MILLIONS)

APPROPRIATION	FY1974	FY1975	FY1976	FY1976T
RESERVE PERSONNEL	$ 467	$ 487	$ 465	$ 169
OPERATION & MAINTENANCE	263	284	332	98
TOTALS	$ 730	$ 771	$ 797	$ 267
MILITARY CONSTRUCTION	(41)	(44)	(50)	(3)

General WEST. You will notice I have shown a separate line for military construction and that is not in the figures I mentioned.

The Army budget supports programed strength levels of 400,000 for the Army National Guard and 212,400 for the Army Reserve.

Mr. Chairman, this concludes my introductory statement. I would now like to introduce Major General Weber, Chief of the National Guard Bureau, who is prepared to address his portion of the budget in more detail.

Chairman MCCLELLAN. General West, would you tell us what state of readiness the National Guard and Reserves are in? If you had to call on them, how much training would they need before you would consider them ready for combat?

General WEST. I can't give you an answer which is fully responsive because it varies considerably with the units and priorities of units. That is something that has to be addressed by General Weber and General Roberts.

Chairman MCCLELLAN. I would like an answer during the course of this hearing.

I am sure you have some units better equipped and more nearly ready than others.

General WEST. It is a complete spectrum from a relatively high state of readiness going down to some units required under mobilization that are unmanned at this time.

Chairman MCCLELLAN. You have 400,000 men in the Guard?

General WEST. Yes, sir. As General Weber will tell you.

Chairman MCCLELLAN. What are the unmanned units you mentioned?

General WEST. Units which would be manned in case of mobilization, but are not manned in peacetime.

Chairman MCCLELLAN. The unmanned units are in the Reserve only, then?

General WEBER. We have no unmanned units in the Guards, sir.

Chairman MCCLELLAN. But there are some in the Reserves?

General ROBERTS. No sir. Of course, Senator, we do not attempt to fill some units. These are required in the total force, but we do not attempt to man them at the present time. They would be manned upon mobilization. They are not in the Reserve component structure, but in a separate Army category called unmanned structure.

National Guard Personnel, Army

Operation and Maintenance, Army National Guard

STATEMENT OF MAJ. GEN. LA VERNE E. WEBER, CHIEF OF THE NATIONAL GUARD BUREAU

JUSTIFICATION

Chairman McClellan. All right, General Weber, we will hear your testimony. Before you begin, however, I would like material from the justifications to appear in the record.

[The justifications follow:]

Justification

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under sections 265, 3033, or 3496 of title 10 or section 708 of title 32, United States Code, or while undergoing training or while performing drills or equivalent duty, as authorized by law: [$660,800,000] $697,300,000.

For "National Guard personnel, Army" for the period July 1, 1976, through September 30, 1976, $229,300,000.

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 97-86-2060-0-1-051	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:			
DIRECT PROGRAM:			
1. RESERVE COMPONENT PERSONNEL	619,505	670,500	697,300
REIMBURSABLE (TOTAL)	2,158	2,313	2,308
10 TOTAL OBLIGATIONS	621,663	672,813	699,608
FINANCING:			
RECEIPTS AND REIMBURSEMENTS FROM:			
11 FEDERAL FUNDS	-1,361	-1,413	-1,408
14 NON-FEDERAL SOURCES	-797	-900	-900
25 UNOBLIGATED BALANCE LAPSING	5,995	.....	.....
40 BUDGET AUTHORITY (APPROPRIATION)	625,500	670,500	697,300
BUDGET AUTHORITY:			
40 APPROPRIATION	625,500	660,800	697,300
44.30 PROPOSED SUPPLEMENTAL FOR MILITARY PAY RAISES	.....	9,700	.....
RELATION OF OBLIGATIONS TO OUTLAYS:			
71 OBLIGATIONS INCURRED, NET	619,505	670,500	697,300
72 OBLIGATED BALANCE, START OF YEAR	87,523	117,037	131,537
74 OBLIGATED BALANCE, END OF YEAR	-117,037	-131,537	-136,837
77 ADJUSTMENTS IN EXPIRED ACCOUNTS	-10,850	.....	.....
90 OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	579,140	646,785	691,515
91.30 OUTLAYS FROM MILITARY PAY RAISE SUPPLEMENTAL	.....	9,215	485

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 97-05-2060-0-1-051		1974 ACT	1975 EST	1976 EST
	DIRECT OBLIGATIONS:			
	PERSONNEL COMPENSATION			
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	506,475	552,654	568,182
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	44,155	47,129	43,629
26.0	SUPPLIES AND MATERIALS	13,453	20,080	20,592
41.0	GRANTS, SUBSIDIES, AND CONTRIBUTIONS	49,294	54,530	64,836
42.0	INSURANCE CLAIMS AND INDEMNITIES	70	47	.....
		58	60	61
	TOTAL DIRECT OBLIGATIONS	619,505	670,500	697,300
	REIMBURSABLE OBLIGATIONS:			
	PERSONNEL COMPENSATION	1,032	1,078	1,093
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	47	46	46
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	67	121	121
26.0	SUPPLIES AND MATERIALS	1,012	1,068	1,048
	TOTAL REIMBURSABLE OBLIGATIONS	2,158	2,313	2,308
99.0	TOTAL OBLIGATIONS	621,663	672,813	699,608

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 97-05-2060-2-1-051		1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:			
	DIRECT PROGRAM:			
10	TOTAL OBLIGATIONS	.....	-4,500	.....
	FINANCING:			
40	BUDGET AUTHORITY (APPROPRIATION)	.....	-4,500	.....
	RELATION OF OBLIGATIONS TO OUTLAYS:			
71	OBLIGATIONS INCURRED, NET	.....	-4,500	.....
72	RECEIVABLES IN EXCESS OF OBLIGATIONS, START OF YEAR	.....	.....	-800
74	RECEIVABLES IN EXCESS OF OBLIGATIONS, END OF YEAR	.....	800	.....
90	OUTLAYS	.....	-3,700	-800

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 97-05-3060-0-1-051		TRANSITION
	PROGRAM BY ACTIVITIES:	
	DIRECT PROGRAM:	
	1. RESERVE COMPONENT PERSONNEL	225,300
	REIMBURSABLE (TOTAL)	600
10	TOTAL OBLIGATIONS	225,900
	FINANCING:	
	RECEIPTS AND REIMBURSEMENTS FROM:	
11	FEDERAL FUNDS	-360
14	NON-FEDERAL SOURCES	-240
40	BUDGET AUTHORITY (APPROPRIATION)	225,300
	BUDGET AUTHORITY:	
40	APPROPRIATION	225,300
	RELATION OF OBLIGATIONS TO OUTLAYS:	
71	OBLIGATIONS INCURRED, NET	225,300
72	OBLIGATED BALANCE, START OF YEAR	136,837
74	OBLIGATED BALANCE, END OF YEAR	-113,137
90	OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	249,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 97-05-3060-0-1-051		TRANSITION
	DIRECT OBLIGATIONS:	
	PERSONNEL COMPENSATION	
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	182,549
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	12,865
26.0	SUPPLIES AND MATERIALS	9,992
41.0	GRANTS, SUBSIDIES, AND CONTRIBUTIONS	19,870
42.0	INSURANCE CLAIMS AND INDEMNITIES	18
	TOTAL DIRECT OBLIGATIONS	6
		225,300
	REIMBURSABLE OBLIGATIONS:	
	PERSONNEL COMPENSATION	
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	284
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	13
26.0	SUPPLIES AND MATERIALS	31
	TOTAL REIMBURSABLE OBLIGATIONS	272
		600
99.0	TOTAL OBLIGATIONS	225,900

APPROPRIATION INTRODUCTION

The National Guard Personnel, Army appropriation consists of one budget program, BP 3100. The appropriation provides support for unit and individual training for the Army National Guard. This support provides for military personnel costs of pay, allowances, clothing, subsistence, and travel, and covers home station inactive duty training, annual training, training of Reserve Enlistment Program personnel by the Active Army, school training at military schools, and special training. The appropriation also provides for military personnel cost of officers on active duty under the appropriate sections of Titles 10 and 32 United States Code, and for death gratuities, disability, and hospitalization benefits for National Guardsmen killed or injured while participating in military activities. Budget Program 3100 includes Pay Group A, Pay Group F, School Training, Special Training, and Administration and Support. The amount required for FY 1976 is $697,300,000. The amount required for FY 197T is $225,300,000.

SUMMARY OF REQUIREMENTS
(In Thousands of Dollars)

	Actual	Estimate		
	Fiscal Year 1974	Fiscal Year 1975	Fiscal Year 1976	Fiscal Year 197T
Reserve Component Personnel	621,663	672,813	699,608	225,900
TOTAL PROGRAM REQUIREMENTS (Obligations)	621,663	672,813	699,608	225,900
Less Actual/Anticipated Reimbursements	- 2,158	- 2,313	- 2,308	- 600
Unobligated Balance Lapsing	5,995			
Total Direct Obligations/Appropriations	625,500	670,500	697,300	225,300

DEPARTMENT OF THE ARMY ANNUAL BUDGET ESTIMATES **LANGUAGE SHEET**	APPROPRIATION Operation and Maintenance, Army National Guard	FY 1976 & FY 197T BUDGET

SECTION I - LANGUAGE

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal facilities, maintenance, operation and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard, as authorized by law; and expenses of repair, modification, ($589,500,000) 1
maintenance, and issue of supplies and equipment (including aircraft) $678,200,000 2
of which not less than $12,500,000 shall be available only for the maintenance of real property facilities.

SECTION 2

1. Delete FY 75 appropriation

2. Add FY 76 budget request

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal facilities, maintenance, operation and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard, as authorized by law; and expenses of repair, modification.
($680,700,000) 1
maintenance, and issue of supplies and equipment (including aircraft) $183,400,000 2

SECTION 2

1. Delete FY 76 appropriation

2. Add FY 7T budget request

51-871 O - 75 - 19

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-10-2065-0-1-851		1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:			
	DIRECT PROGRAM:			
	1. TRAINING OPERATIONS	132,868	150,026	158,802
	2. AIR DEFENSE OPERATIONS	36,801	5,780	.....
	3. LOGISTICAL SUPPORT	322,988	418,236	474,241
	4. HEADQUARTERS AND COMMAND SUPPORT	36,418	39,626	42,739
	5. MEDICAL SUPPORT	1,918	2,160	2,418
	TOTAL DIRECT PROGRAM	530,905	607,828	678,200
	REIMBURSABLE (TOTAL)	2,288	2,300	2,300
10	TOTAL OBLIGATIONS	533,193	610,128	680,500
	FINANCING:			
	RECEIPTS AND REIMBURSEMENTS FROM:			
11	FEDERAL FUNDS	-2,288	-2,300	-2,300
25	UNOBLIGATED BALANCE LAPSING	15,074	.....	.....
	BUDGET AUTHORITY	545,980	607,828	678,200
	BUDGET AUTHORITY:			
40	APPROPRIATION	545,988	589,500	678,200
40	RECISION OF ENACTED APPROPRIATION NOW PENDING	.....	-1,400	.....
44.10	PROPOSED SUPPLEMENTAL FOR WAGE-BOARD PAY RAISES	.....	9,446	.....
44.20	PROPOSED SUPPLEMENTAL FOR CIVILIAN PAY RAISES	.....	10,282	.....
	RELATION OF OBLIGATIONS TO OUTLAYS:			
71	OBLIGATIONS INCURRED, NET	530,905	607,828	678,200
72	OBLIGATED BALANCE, START OF YEAR	55,214	80,282	87,110
74	OBLIGATED BALANCE, END OF YEAR	-80,282	-87,110	-92,310
77	ADJUSTMENTS IN EXPIRED ACCOUNTS	-2,550	.....	.....
90	OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	503,287	582,258	672,814
91.10	OUTLAYS FROM WAGE-BOARD PAY RAISE SUPPLEMENTAL	.....	8,974	472
91.20	OUTLAYS FROM CIVILIAN PAY RAISE SUPPLEMENTAL	.....	9,768	514

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-19-2065-0-1-051		1974 ACT	1975 EST	1976 EST
	PERSONNEL COMPENSATION:			
11.1	PERMANENT POSITIONS	324,147	355,329	370,795
11.3	POSITIONS OTHER THAN PERMANENT	726	724	798
11.5	OTHER PERSONNEL COMPENSATION	4,913	5,422	6,845
	TOTAL PERSONNEL COMPENSATION	329,786	361,475	378,438
	DIRECT OBLIGATIONS:			
	PERSONNEL COMPENSATION	329,300	360,985	377,871
12.1	PERSONNEL BENEFITS: CIVILIAN	31,697	36,982	38,089
13.0	BENEFITS FOR FORMER PERSONNEL	380	832	.....
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	9,216	11,760	17,636
22.0	TRANSPORTATION OF THINGS	6,880	13,512	15,044
23.0	RENT, COMMUNICATIONS, AND UTILITIES	7,748	9,233	10,434
24.0	PRINTING AND REPRODUCTION	6,574	5,773	6,330
25.0	OTHER SERVICES	37,963	52,855	74,661
26.0	SUPPLIES AND MATERIALS	86,325	94,281	112,275
31.0	EQUIPMENT	14,261	21,053	25,298
32.0	LANDS AND STRUCTURES	559	560	560
41.0	GRANTS, SUBSIDIES, AND CONTRIBUTIONS	2	2	2
	TOTAL DIRECT OBLIGATIONS	530,905	607,828	678,200
	REIMBURSABLE OBLIGATIONS:			
	PERSONNEL COMPENSATION	486	490	567
12.1	PERSONNEL BENEFITS: CIVILIAN	46	53	57
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	34	41	48
22.0	TRANSPORTATION OF THINGS	1	1	1
23.0	RENT, COMMUNICATIONS, AND UTILITIES	62	74	86
25.0	OTHER SERVICES	598	599	607
26.0	SUPPLIES AND MATERIALS	1,061	1,042	934
	TOTAL REIMBURSABLE OBLIGATIONS	2,288	2,300	2,300
99.0	TOTAL OBLIGATIONS	533,193	610,128	680,500

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	IDENTIFICATION CODE 97-10-2065-0-1-051	TRANSITION
	PROGRAM BY ACTIVITIES:	
	DIRECT PROGRAM:	
	1. TRAINING OPERATIONS	41,835
	3. LOGISTICAL SUPPORT	131,084
	4. HEADQUARTERS AND COMMAND SUPPORT	10,079
	5. MEDICAL SUPPORT	402
	TOTAL DIRECT PROGRAM	183,400
	REIMBURSABLE (TOTAL)	575
10	TOTAL OBLIGATIONS	183,975
	FINANCING:	
	RECEIPTS AND REIMBURSEMENTS FROM:	
11	FEDERAL FUNDS	-575
	BUDGET AUTHORITY	183,400
	BUDGET AUTHORITY:	
40	APPROPRIATION	183,400
	RELATION OF OBLIGATIONS TO OUTLAYS:	
71	OBLIGATIONS INCURRED, NET	183,400
72	OBLIGATED BALANCE, START OF YEAR	92,310
74	OBLIGATED BALANCE, END OF YEAR	-82,710
90	OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	193,000

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 97-10-2065-0-1-051				TRANSITION
	PERSONNEL COMPENSATION:			
11.1	PERMANENT POSITIONS			96,397
11.3	POSITIONS OTHER THAN PERMANENT			208
11.5	OTHER PERSONNEL COMPENSATION			1,779
	TOTAL PERSONNEL COMPENSATION			98,384
	DIRECT OBLIGATIONS:			
	PERSONNEL COMPENSATION			98,239
12.1	PERSONNEL BENEFITS: CIVILIAN			10,105
21.0	TRAVEL AND TRANSPORTATION OF PERSONS			3,946
22.0	TRANSPORTATION OF THINGS			4,149
23.0	RENT, COMMUNICATIONS, AND UTILITIES			3,155
24.0	PRINTING AND REPRODUCTION			1,443
25.0	OTHER SERVICES			21,734
26.0	SUPPLIES AND MATERIALS			33,689
31.0	EQUIPMENT			6,839
32.0	LANDS AND STRUCTURES			140
41.0	GRANTS, SUBSIDIES, AND CONTRIBUTIONS			1
	TOTAL DIRECT OBLIGATIONS			183,400
	REIMBURSABLE OBLIGATIONS:			
	PERSONNEL COMPENSATION			145
12.1	PERSONNEL BENEFITS: CIVILIAN			15
21.0	TRAVEL AND TRANSPORTATION OF PERSONS			12
22.0	TRANSPORTATION OF THINGS			1
23.0	RENT, COMMUNICATIONS, AND UTILITIES			20
25.0	OTHER SERVICES			100
26.0	SUPPLIES AND MATERIALS			282
	TOTAL REIMBURSABLE OBLIGATIONS			575
99.0	TOTAL OBLIGATIONS			183,975

Personnel Summary

	FY 1974 ACT	FY 1975 EST	FY 1976 EST	FY 197T EST
Total number of permanent positions	28,268	29,260	29,941	29,941
Full time equivalent of other positions	542	172	194	194
Average paid employment	28,033	28,698	28,981	7,413
Average GS grade	7.22	7.22	7.22	7.22
Average GS salary	12,290	12,647	12,735	12,735
Average salary of ungraded positions	11,690	12,949	13,187	13,187

Appropriation: Operation and Maintenance, Army National Guard	Budget Program (Number and Title): 3710 - Training Operations			
Budget Activity		(In Thousands of Dollars)		
		ACTUAL FISCAL YEAR 19 74	ESTIMATE FISCAL YEAR 19 75	FISCAL YEAR 19 76	FISCAL YEAR 19 TT
		$	$	$	$
3711	Personnel compensation and benefits	112,767	126,061	130,640	32,853
3712	Command inspections and staff visits, Travel	50	146	173	38
3713	School program training material	395	171	441	36
3714	Training aids and materials	458	252	352	88
3715	Technician school travel and per diem	853	1,326	1,919	447
3716	Miscellaneous training supplies and services	3,929	4,960	6,315	1,669
3717	Base operations	14,416	17,110	18,962	6,704
	TOTAL	132,868	150,026	158,802	41,835

PERSONNEL REQUIREMENTS	ACTUAL FISCAL YEAR 19 74	ESTIMATE FISCAL YEAR 19 75	FISCAL YEAR 19 76	FISCAL YEAR 19 TT
AVERAGE NUMBER OF ALL EMPLOYEES	8,808	9,183	9,311	2,315
NUMBER OF EMPLOYEES AT END OF YEAR	9,270	9,303	9,357	9,357
	(In Thousands of Dollars)			
TOTAL PERSONAL SERVICE OBLIGATIONS (Object Class 11+12)	$ 112,767	$ 126,061	$ 130,640	$ 32,853

BIOGRAPHY AND PREPARED STATEMENT

General WEBER. I have a long prepared statement and would like to enter that in the record.

Chairman MCCLELLAN. That may be done. Do you have a shorter statement you would like to present?

General WEBER. Yes, sir.

Chairman MCCLELLAN. All right, we will proceed in that way. Without objection, your formal statement will appear at this point in the record.

[The biography and statement follow:]

BIOGRAPHY

Major General La Vern E. Weber was born in Lone Wolf, Oklahoma on 3 September 1923. Upon graduation from high school in Lone Wolf, he attended the University of Oklahoma and Louisiana Polytechnic Institute. In 1948 he graduated from East Central State College in Oklahoma with a Bachelor of Science Degree in Education.

He enlisted in the U. S. Marine Corps Reserve on 9 November 1942 to enter the Navy V-12 Program, and was commissioned a second lieutenant, USMC, upon graduation from Officer Candidate School on 21 November 1945. His active duty continued until 9 May 1946. He served in the Marine Corps Reserve until 21 July 1948.

On 29 July 1948 he was appointed a second lieutenant, Infantry, Oklahoma Army National Guard, and was assigned as Company Commander, Headquarters Company, 180th Infantry Regiment, 45th Infantry Division. He served in that capacity through mobilization of the Division on 1 September 1950, to include the training of the Division at Camp Polk, Louisiana and Hokkaido, Japan, preparatory to combat service in Korea. During this period, General Weber also attended the Infantry Officer's Associate Advanced Course.

While on active combat duty in Korea, General Weber served as the Operations and Training Officer, S-3, of the 2d Battalion, 180th Infantry Regiment, and was promoted to the rank of major on 1 May 1952. Upon release from active duty on 12 June 1952, he reverted to Headquarters and Headquarters Detachment, Oklahoma National Guard.

On 15 September 1952, when the 45th Infantry Division was reorganized, he was assigned as S-3, 179th Infantry Regiment.

General Weber graduated from the U. S. Army Command and General Staff College on 18 December 1955 and was assigned as Assistant G-2, 45th Infantry Division. On 15 December 1958, he assumed the duties of Division Intelligence Officer.

He was promoted to lieutenant colonel on 15 May 1959, assigned as G-1, 45th Infantry Division until 1 April 1961 when he became Chief of Staff with his promotion to colonel on 18 November 1964.

On 8 March 1965, General Weber was promoted to major general concurrent with his appointment as State Adjutant General of Oklahoma. He served in the position of Adjutant General until his appointment as Director, Army National Guard, effective 11 October 1971. He was appointed by the President to be Chief of the National Guard Bureau and confirmed by the U. S. Senate on 16 August 1974.

Mr. Chairman and Members of the Committee:

I am delighted to have this opportunity to appear before your committee to request funds for the Army National Guard programs in FY 76 and FY 7T. As this is my first appearance in the capacity of the Chief, National Guard Bureau, I look forward to discussing with you the many facets of the Army National Guard and its important role in our nation's security.

State and Community Participation in the Nation's Defense

The National Guard has units in every state, Puerto Rico, the Virgin Islands and the District of Columbia. Although the federal mission of the Guard is identical to that of its active and reserve counterparts, it is a state organization in peace-time as established by the Constitution and reaffirmed numerous times by the Congress. Therefore, states and communities where the Guard is located share in the responsibility for providing the resources and facilities necessary to man and train combat organizations that are a significant part of the total national defense force. The Guard is, in the classical sense, a grass-roots organization which represents citizens and local governments throughout the nation. It serves as a bridge of understanding between the civilian and military communities. We firmly believe that the National Guard has been sustained as a strong and viable force because of local community and state government involvement.

Now I would like to specifically address the requirements of the Army National Guard.

Troop Structure

The Army National Guard structure consists of 8 combat divisions, 18 combat brigades, 4 armored cavalry regiments, 2 special forces groups, 12 major command headquarters units, 62 group headquarters, 158 separate combat and combat support battalions, 237 separate battalions and other type headquarters, 15 hospitals and 683 separate companies and detachments. Total units in the Army National Guard are 3,286 in 2,561 communities.

A realignment of 2 divisions planned for end of FY 75, will consolidate the 42d Infantry Division entirely within New York, and the 28th Infantry Division entirely within Pennsylvania. We are reviewing the structure of the other divisions for possible improvements in their readiness and response capability.

During the latter part of FY 75, the Army National Guard will activate 3 medical brigade headquarters to replace 3 of the medical groups now in existence. The reorganization will result in the formation of 3 medical Brigade Headquarters units identified with the Army Total Force requirements. Its greater capability to command, control and supervise will greatly improve the medical training programs of the numerous non-divisional medical units widely dispersed throughout the Army National Guard. Upon mobilization, the medical brigade will provide the headquarters needed to command and control the numerous medical units assigned to a corps.

Strength

The Army National Guard closed FY 74 with a total assigned strength of 410,682 of which 403,396 were in a paid status. During that year, the assigned strength rose from a beginning of 385,600 to the 410,682 end strength for an increase of 25,082 and an average assigned strength of 399,962 for the year.

Our strength objectives for FY 75 are to maintain the 400,000 mandated strength floor through active recruiting programs to achieve both prior and non prior service enlistments with special emphasis on minority and female enlistment. Coupled with this is a concerted nationwide effort to enlist quality personnel.

During FY 74, the Army National Guard had 102,684 enlistments of which 74,597 were prior service personnel and 28,087 were non prior service enlistees. During the first half of FY 75, there have been 39,072 enlistments 26,383 prior service and 12,689 non prior service.

During FY 74 the ARNG accessions were 72.6% prior service and 27.4% non prior service. During the first half of FY 75, the accessions were 67.5% prior service and 32.5% non prior service accessions. This is an encouraging sign in the current draft free environment. Currently, the Army National Guard enlisted assigned strength mix is 40.2% prior and 59.8% non prior service personnel. During FY 76, the Army National Guard will endeavor to continue to retain a little more than one half of those scheduled for discharge. We want to keep the best qualified personnel. Losses should be replaced with personnel new to the Guard with the make up being about one third non prior service and two thirds prior service. Such composition we think would provide a suitable accession mix for a proper balanced force. A study has been initiated to determine the optimum force mix and the accessions necessary to achieve the desired strength levels in support of projected mobilization requirements.

The authorized strength levels are maintained in units of the Army National Guard through retention of qualified, experienced Guardsmen and Guardswomen and through active recruitment of both prior and non prior service personnel by part time recruiters. The non prior service male personnel perform initial active duty for training for an average of 5 1/2 months and often for longer periods to become qualified in the designated military occupational specialty for their duty position. During FY 74 some 24,300 entered training. During early FY 75, 8,652 Army National Guard personnel began training. More than 16,000 have training spaces reserved for the remainder of FY 75 with additional reservations being made daily. It is anticipated approximately 6,500 enlistees will be awaiting their initial training at the beginning of FY 76.

Steadfast Tour Officers

As a result of the CONUS Army Reorganization (Project STEADFAST) an additional active duty requirement for ARNG officers above what had been authorized developed within the Army. With greater emphasis on support of the Guard and Reserve, Army commanders at the major and intermediate

command levels needed additional ARNG staff expertise to adequately fulfill their missions. Of the 95 ARNG positions established for this support 78 have been filled as of 11 March 1975 by the use of two year Active Duty for Training Tours. It is anticipated that these positions will become part of the Statutory Tour Authority authorized under Title 10 for active duty assignments if legislative relief from the Officer Grade Limitation Act is granted.

Information received so far from the various Army commands indicates this is a worthwhile program with the Guard officers providing very effective assistance to their staffs.

Army Staff Reorganization

The disestablishment of the Office of Reserve Components as a result of the Army Staff reorganization has brought about much more direct contact and coordination between the National Guard Bureau and the Army General Staff. This direct access to the Army Staff provides a ready opportunity by the Bureau Staff to better represent the affairs of the Army National Guard. I'm fully convinced an improved overall staff awareness of the requirements of the Army National Guard has now developed. As a result, a more healthy regard for an attainment of the goals envisioned by the Total Force Policy is now being realized.

Training

The FY 76 program provides for the conduct of a basic level of 48 training assemblies for every ARNG unit. Our airborne units are authorized an additional 6 training assemblies for a total of 54 training assemblies. The conduct of an average of 10 multiple unit training assemblies per year, almost one week end per month, combined with the two week annual training (AT) period, continues to provide impetus to our training. To assist in increasing readiness through improving the quality of training, additional individual training assemblies are provided for selected members of battalion staffs, and for selected personnel at company level. These additional

individual training assemblies provide time for the planning and preparation of training. Other additional training assemblies provide for Civil Disturbance training of junior leaders of those units designated by the governor who are required to support State Contingency Plans. Recurring civil emergencies have dictated a continuing requirement for this special training.

Company level training proficiency was attained by 67% of Army National Guard companies by end of annual training 74. We anticipate 80% or better of our companies will attain this level of training by end of AT 75. To assist in accomplishment of this objective, added emphasis is being placed on assuring all ARNG personnel attend AT with their assigned unit. Maximum attendance will provide increased proficiency and readiness at the unit level, thereby providing the expertise necessary to complete company level training. The FY 76 budget provides for sustaining this level of training, and, in selected units, for progressing to battalion level training and testing.

The budget provides for 32,196 officers and 324,824 enlisted personnel participating in two weeks annual field training. During FY 1976 our request provides for approximately 1.8 million officer man drills, 15.5 million enlisted man drills for personnel participating in unit training assemblies at home stations and at weekend training sites.

Battalion Affiliations

In August 1973, SECDEF directed affiliation of Army Reserve Component units with active Army divisions and early deployment Reserve Component brigades. As an outgrowth of the Roundout concept, the Battalion Affiliation Plan was developed. This is a funded program which continues to have a significant potential for improving the training and readiness of participating units. Last year General Greenlief reported to you that in June 1974, the initial phase of the Forces Command Affiliation Plan called for affiliation of 26 maneuver and field artillery battalions with the active Army divisions. First year results during annual training in

1974 ended with nine Army National Guard battalions' training readiness being evaluated by their active Army sponsored Division. Other ARNG affiliated units conducted their annual training with sponsoring active Army units supporting and assisting their training programs. I am pleased to report that the Forces Command's assessment of the program to date is optimistic. ARNG unit commanders report that active Army support during AT 74 greatly enhanced training progress. In addition, our Guard personnel stated that Affiliation gives them a greater sense of participation in the National Defense effort. Although too early for firm conclusions, the program shows great potential as a stimulant for recruiting and retention. The equipment and training assistance provided by the active Army to date has had no discernible impact on active Army sponsor unit readiness.

The second phase, so called TRACK II, of the Forces Command Affiliation Program now being considered by the Army Staff calls for 79 Reserve Component battalions to train with active Army units. During AT 75, sponsor divisions and schools will support and evaluate 30 ARNG battalions. Another 36 ARNG units will conduct AT 75 with their active Army sponsor observing training. As in AT 74, the Army Readiness Regions, in cooperation with active Army sponsors, will assist Guard units to plan and conduct programs for subsequent inactive duty training. National Guard Bureau is now working in close harmony with the Active Army in the planning for the establishment of the three additional active Army divisions to insure they become a viable combat force.

As General Greenlief reported last year, the Affiliation Program is designed to respect and utilize the existing chain of command within the National Guard of the several states, thus continuing to strengthen the organizational integrity of the Guard.

Army National Guard Aviation

At the end of FY 74, the number of aviators assigned increased to 3,981. In FY 74, the flying hours totaled 302,183.

The original program for FY 74 was 325,050 flying hours but was reduced 10% to 292,545 flying hours to save aviation fuel. Flying hours were subsequently increased to 308,795. For FY 75 the program totaling 293,710 flying hours has been established. For FY 76 the program is estimated at 320,000.

As of the end of December 1974, there were 4,191 aviators assigned of the 4,293 total authorized. Program objective for end FY 76 is 4,477.

As of 31 December 1974, the ARNG had 2,269 aircraft assigned of the 2,466 total authorized, with only 50 in a non-deployable condition.

Modernization of Equipment

In spite of delayed or reduced equipment issues the Guard has continued to conduct progressive combat training. I might add that equipment shortages lead to increased use of equipment on hand which, in most cases, increases our operational costs. Also we must continuously maintain our equipment in combat deployable condition to meet readiness requirements.

Modernization of equipment in the ARNG has progressed more slowly than originally forecast. Issues of major items of equipment such as tanks, SP artillery, tracked carriers, armored vehicle launched bridges (AVLB), and new family electronics equipment are running significantly behind programed schedules. It should be pointed out that there are many items of equipment which are still in the initial issue phase for the ARNG and do not fit in the category of equipment modernization, i.e., radars, intercommunication sets for tracked vehicles, tank searchlights, Field Artillery Digital Automatic Computers-FADAC, SP Artillery, tracked carriers, AVLB, combat engineer vehicles, and various electronics equipment.

National Guard Personnel, Army

The fiscal year 1976 and 197T National Guard Personnel, Army Budget requests are $697.3 million and $225.3 million respectively. This will

support an average paid strength of 400,000. Annualization of the military pay increases effective October 1974 are included. These budget requests will fund the following areas:

Pay Group A

Provided within this project are the pay, allowances, clothing, subsistence, travel for both unit training assemblies and annual training. There will be 32,197 officers and 324,824 enlisted personnel participating in two weeks annual field training. During FY 1976 our request provides for approximately 1.8 million officer man drills, 15.6 million enlisted man drills for personnel participating in unit training assemblies at home stations and at week end training sites. The FY 1976 estimate of $533.8 million for this project is $6.3 million more than the FY 1975 program of $527.5 million, which is a result of the 1 October 1974 military pay increase.

Pay Group F

This pay category includes money for pay, travel subsistence and clothing for non prior service personnel on initial active duty training of not less than four months at Army Training Centers. The intraining strength at the start of FY 1976 is estimated to be 6,500 trainees, and support is provided for 31,000 non prior service personnel, both male and female to enter training in FY 1976. The FY 1976 estimate of $98.2 million is an increase of $16.6 million over the FY 1975 program of $81.6 million. It reflects an increase caused by increased man months as a result of a larger number in training at the start of the fiscal year. The 31,000 input will provide for a normal input into training of new enlistees commensurate with their FY 1976 rate of enlistment.

School Training

During fiscal year 1976, about 24,998 Guardsmen/Guardswomen will attend courses of instruction conducted at Army Service Schools and Army Area Schools. These courses vary in length from one (1) week to nine (9)

months. The fiscal year 1975 budget provided for 21,154 students. The increase in the total number of students to attend schools in FY 1976 is accomplished due to course length reductions rather than an increase in funding.

The FY 1976 budget provides for an enrollment of 2,700 officer candidates in the OCS program.

Special Training

This project provides for essential special tours of full-time training duty to maintain individual and unit capability to administer, plan and conduct training.

Statutory Tours

The budget request provides for pay and allowances for 101 ARNG officers on active duty tours with the Army under various statutory authorities. This also includes necessary funds for permanent change of station travel, death gratuities, and disability and hospitalization benefits needed for these officers.

The FY 1976 estimate of $6.5 million is an increase of $.2 million over FY 1975.

Operation and Maintenance, Army National Guard

The fiscal year 1976 and FY 197T Operation and Maintenance, Army National Guard budget requests are $678.2 million and $183.4 million respectively. These requests will fund the following areas:

Technician Personnel

The efficient and effective manner in which the Army National Guard performs administrative, training, supply and operations of units and maintenance of assigned aircraft and surface equipment is credited largely to the work of the full-time technician personnel. These people, through their daily, diligent efforts, have been responsible for maintaining and increasing the readiness required by mobilization plans, deployment schedules, and support to civil authorities.

The FY 76 budget request for authorization of 29,524 technicians provides for employment of 9,357 unit, 18,839 logistical support, 1,098 headquarters and 230 technicians for Military Support to Civil Authorities. Of this increase of 693 over FY 75, 629 technicians are to be assigned in Logistical Support for maintenance of equipment, supply functions, financial and property accounting, and management of training sites for more effective use in annual and weekend training.

The retention of former Air Defense technicians from sites inactivated during FY 75 has enabled a more realistic support of technician requirements in other activities of the 10 Air Defense States than was here-to-fore provided. The increase of 693 technicians during FY 76 is required to increase the level of support for requirements in the other states.

Man-years

The minimum of 28,819 man-years is required for a total cost of $413.6 million for technician salaries and benefits. Approximately 10% of the average man-year cost of $14,352 is obligated for government cost of Civil Service retirement, Group Life and Group Health plans and other costs related to the civilian employment program. The increase of $457 over the prior year man-year cost of $13,895 is due to:

a. Annualization of the 1 Oct 74 GS schedule increase.

b. Annualization of the WG schedule increase effective throughout FY 75.

c. Annualization of the increase in goverment contributions to 60% of the cost of group health plans effective 1 January 1975.

d. Annualization of the step 5 increment in wage grade schedules effective 1 May 1975.

The OMARNG FY 76 budget is considered to be in good balance as personnel compensation and benefits are 61.3% of the total. This is considered an improvement over FY 74 and FY 75 when it was 68% and 63.6% respectively.

Logistical Support

Over the past several years the Army National Guard logistics support programs have been generally adequate to satisfy the most essential mobilization mission requirements. Critical shortfalls or inadequacies in logistics support have been given maximum command and staff attention. Aggressive action has been taken to establish firm requirement priorities and insure maximum effective utilization of all available assets. Conservation has also played an important role in developing improved support effectiveness. Requirement priorities are established to insure maximum advantage from available assets. Units are providing increased support during on the job training. Maintenance and support units are being scheduled for annual training concurrent with combat units whereby actual combat support training can be better achieved. Such management improvement becomes increasingly important as further program limitations and non-availability of certain support items becomes evident.

Facilities Support

This program provides for operation, maintenance and minor construction of training facilities and logistical support facilities. $19.0 million is programed to support the training facilities for FY 1976 and $6.7 million for FY 197T. $14.3 million will support logistical facilities for FY 1976 and $3.9 million for FY 197T. The total $33.3 million is 4.9% of the total budget for FY 1976 and the $10.6 million is 5.8% of the total budget for FY 197T.

Headquarters Command

This budget requests $42.7 million for Headquarters Command support. This includes $21.0 million funded for Headquarters Command Support and civil authority military support technicians and $2.9 million for the 163 Department of the Army (DA) civilians who administer the National Guard Bureau Army Directorate and the National Guard Computer Center.

The remaining $18.8 million provides administrative services vital to the Guard's program to maintain the States headquarters: The Recruiting and Advertising Campaign Programs request is $6.1 million, DA publications support is $1.9 million, $5.6 million for postage support, $1.0 million for Department of Labor injury and death benefits, $2.7 million for automatic data processing support at State level, $.6 million for military support to civil authorities and $.9 million for support of the Army Directorate.

Medical

The total program, $2,090,000, is for emergency medical care; i.e., hospitalization, physical examinations, immunizations, emergency medical supplies and prosthetic devices. We are required by law to provide medical care, at civilian or military facilities regardless of cost, when an injury or disease is ruled "In Line of Duty". Every effort is being made to assist the states in any problem areas or questions they have in the administration of their funds in an effective yet conservative manner.

Conclusion

Guardsmen continue to demonstrate their professional competence, teamwork and devotion to American ideals. Properly equipped and supported the National Guard will attain improved readiness to serve the Nation.

Mr. Chairman, we request for FY 76 and FY 7T approval of $697.3 million and $225.3 million for the National Guard Personnel, Army appropriation and $678.2 million and $183.4 million for the Operation and Maintenance, Army National Guard appropriation. These budget requests will provide adequate support to perform our assigned missions.

	FY 1974	FY 1975	FY 1976	FY 197T
PAY GROUP A (1DT/AT)				
Budget Avg Paid Drill Strength	394,352	400,000	400,000	400,000
$ in Thousands	$503,137	$527,533	$533,845	$180,880
PAY GROUP F (REP)				
Avg Manyears	9,075	12,009	14,743	4,152
$ in Thousands	$ 56,615	$ 81,633	$ 98,179	$ 28,340
PAY GROUP L	$ 64	$ 239	$ 282	$ 83
SCHOOL TRAINING	$ 33,481	$ 31,577	$ 32,426	$ 8,443
SPECIAL TRAINING	$ 20,455	$ 23,250	$ 26,114	$ 5,893
ADMIN & SPT	$ 5,753	$ 6,268	$ 6,454	$ 1,661
TOA (Direct)	$619,505	$670,500	$697,300	$225,300

OMARNG

($ in Thousands)

	FY 74	FY 75	FY 76	FY TT
Technicians & DA Civilians				
End Strength	28,854	28,994	29,687	29,687
Manyears	28,039	28,698	28,981	7,413
$ in Thousands	$361,377	$398,799	$415,960	$108,344
Air Defense (less Tech)	$ 1,233	$ 382	$ -0-	$ -0-
Logistical Support (less Tech)				
Stock Fund Equipment	$ 21,422	$ 29,927	$ 45,601	$ 11,722
Maintenance & Repair Parts	$ 65,193	$ 75,064	$ 93,238	$ 29,790
POL	$ 13,364	$ 21,135	$ 30,157	$ 8,482
Transportation/Travel	$ 13,854	$ 20,806	$ 22,307	$ 5,899
Communications/Miscellaneous	$ 5,170	$ 7,034	$ 7,228	$ 1,775
Facilities Support	$ 25,677	$ 28,669	$ 33,294	$ 10,672
Headquarters Command (less Tech & DAC)	$ 16,020	$ 16,997	$ 18,797	$ 4,036
Medical Support	$ 1,910	$ 2,160	$ 2,418	$ 402
Other Training Support	$ 5,685	$ 6,855	$ 9,200	$ 2,278
TOA	$530,905	$607,828	$678,200	$183,400

General WEBER. Thank you, Mr. Chairman.

I am delighted to have this opportunity to appear before your committee to request funds for the Army National Guard programs in fiscal year 1976 and fiscal year 197T.

The National Guard has units in every State, Puerto Rico, the Virgin Islands, and the District of Columbia. Although the Federal mission of the Guard is identical to that of its Active and Reserve counterparts, it is a State organization in peacetime as established by the Constitution and reaffirmed numerous times by the Congress. Therefore, States and communities where the Guard is located share in the responsibility for providing the resources and facilities necessary to man and train combat organizations that are a significant part of the total national defense force.

The Army National Guard structure consists of 8 combat divisions, 18 combat brigades, 4 armored cavalry regiments, 2 special forces groups, 12 major command headquarters units, 62 group headquarters, 158 separate combat and combat support battalions, 237 separate battalions and other type headquarters, 15 hospitals and 683 separate companies and detachments. Total units in the Army National Guard are 3,286 located in 2,561 communities.

Chairman MCCLELLAN. You have 3,200 companies?

General WEBER. Yes, sir. That number may vary as the structure changes from time to time, but essentially it is the 3,300 figure, sir.

The Army National Guard closed fiscal year 1974 with a total assigned strength of 410,682 of which 403,396 were in a paid status. During that year, the assigned strength rose from a beginning of 385,000 to the 410,682 end strength for an increase of 25,082 and an average assigned strength of 399,962 for the year.

Our strength objectives for fiscal year 1976 are to maintain the 400,000 mandated strength floor through active recruiting programs to achieve both prior and nonprior service enlistments with special emphasis on minority and female enlistment. Coupled with this is a concerted nationwide effort to enlist quality personnel.

The fiscal year 1976 program provides for the conduct of a basic level of 48 training assemblies for every ARNG unit. Our airborne units are authorized an additional 6 training assemblies for a total of 54 training assemblies. The conduct of an average of 10 multiple unit training assemblies per year, almost 1 weekend per month, combined with the 2-week annual training AT period, continues to provide impetus to our training.

The fiscal year 1976 and 197T National Guard personnel, Army budget requests are $697.3 million and $225.3 million respectively. This will support an average paid strength of 400,000. Annualization of the military pay increase effective October 1974 are included.

Chairman MCCLELLAN. You said the requests for $697 million and $225 million respectively. What are those two requests?

General WEBER. The $697.3 million is for the fiscal year of 1976 and the $225.3 million is for the transition period.

Chairman MCCLELLAN. All right.

General WEBER. The fiscal year 1976 and fiscal year 197T Operation and Maintenance, Army National Guard budget requests are $678.2 million and $183.4 million respectively.

The efficient and effective manner in which the Army National Guard performs administrative, training, supply, and operations of units and maintenance of assigned aircraft and surface equipment is credited largely to the work of the full-time technician personnel. These people, through their daily, diligent efforts, have been responsible for maintaining and increasing the readiness required by mobilization plans, deployment schedules, and support to civil authorities.

The fiscal year 1976 budget request for authorization of 29,524 technicians provides for employment of 9,357 unit technicians, 18,839 logistical support technicians, 1,098 headquarters technicians, and 230 technicians for military support to civil authorities.

Chairman MCCLELLAN. Who are those technicians?

General WEBER. These are the Federal employees, Army National Guard technicians authorized by Congress that function on a day-to-day basis working for the Army National Guard.

Chairman MCCLELLAN. They hold the organization together; they do the day-to-day work?

General WEBER. Yes, sir, they do the day-to-day things they would do in their units on mobilization.

Of this increase of 693 over fiscal year 1975, 629 technicians are to be assigned in logistical support for maintenance of equipment, supply functions, financial and property accounting, and management of training sites for more effective use in annual and weekend training.

Guardsmen continue to demonstrate their professional competence, teamwork, and devotion to American ideals. Properly equipped and supported, the National Guard will attain improved readiness to serve the Nation.

Mr. Chairman, we request for fiscal year 1976 and fiscal year 197T approval of $697.3 million and $225.3 million for the National Guard Personnel, Army appropriation, and $678.2 million and $183.4 million for the Operation and Maintenance, Army National Guard appropriation. These budget requests will provide adequate support to perform our assigned missions.

QUESTIONS SUBMITTED BY CHAIRMAN M'CLELLAN

Chairman MCCLELLAN. Thank you very much, General. I do have questions for you to answer for the record. Would you please submit them for the record?

General WEBER. Certainly, sir.

[The questions and answers follow:]

GUARD TROOP STRUCTURE

Chairman MCCLELLAN. Your statement delineates the current guard troops structure. Would you compare it to the structure in the past three years, with unit comparisons.

General WEBER. The Army National Guard structure is continually under review to ensure that it is best structured to conform with current Army doctrine, mobilization and contingency requirements. As a result, the structure has undergone some changes over the past three years. During this period, the total number and type of divisions has not changed (2 Armored, 5 Infantry, and 1 Mech-

anized); however, 4 of the divisions have been realigned from multi-state to single state configuration to improve their readiness and mobilization capability. The number of Combat Brigades (18) has not changed; however, the mix has changed from 1 Airbone, 1 Armored, 12 Infantry and 4 Mechanized in June 1972 to the 3 Armored, 6 Mechanized, and 9 Infantry mix of today. The number of Special Forces Groups (2), Group Headquarters (62), and Hospitals (15) has remained constant. Major Command Headquarters units have changed from 9 to 12; Armored Cavalry Regiments from 4 to 3; Separate Combat and Combat Support Battalions from 167 to 158; Separate Battalion Headquarters from 135 to 147, and Separate Companies and Detachments from 758 to 681.

Division Realignment

Chairman McClellan. What is the purpose of the realignment of two divisions planned in fiscal year 1975? Will readiness actually be increased as a result? How many other divisions are all in one state—how many in more than one state?

General Weber. The purpose of the realignment of the 28th and 42nd Infantry Divisions in fiscal year 1975 is to configure the divisions from multistate to single state Combat Divsions. The realignment will improve Command and Control, training posture, administration, mobilization planning and the management of logistical resources. As a result, their readiness and mobilization posture will be improved once the retraining of personnel in converted units is complete. The time required for retraining has been minimized by completing the realignment prior to AT–75. National Guard Divisions are now organized into four single state, two dual state, and two tri-state divisions.

Guard Force Balance

Chairman McClellan. Describe in more detail the study underway to determine the proper balance in the Guard force. When are the results of the study expected?

General Weber. The force mix study is being conducted by a team of individuals representing Active Army, ARNG and USAR. A report is expected in early FY 76 covering accession mix, promotion flow by years of service and time in grade, REP, Obligor and Careerist mix, retention rate desirability and male/female mix.

Company Level Training Proficiency

Chairman McClellan. What exactly is "company level training proficiency?"

General Weber. Company level training proficiency is proficiency at the cutting edge in the sense of the teamwork expected of fully ready companies. This assessment of training proficiency is made by the Active Army when a unit completes its Army Training Test or Army Training and Evaluation Program. Successful completion of the test indicates that the unit is capable of performing its assigned mission on an individual and unit basis.

Personnel Training With Guard Units

Chairman McClellan. In FY 1974 and FY 1975, how many Guard personnel attended active duty for training with their assigned units, and how many with other than their assigned units? Why is this done?

General Weber. In FY 1974, 320,238 Guard personnel attended Active Duty for training with their assigned units and 11,994 trained with units other than their assigned units. In the first half of FY 1975, 129,196 Guard personnel attended AT with their assigned units while 5100 personnel attended active duty for training with other than their assigned units. These two methods are used to enable Reserve Enlistment Program–63 personnel to attend initial active duty training (IADT) at service schools; other personnel to attend OCS; others to attend training at MOS producing schools to provide special skills to assist a second unit to perform their training.

Guard Units Readiness Evaluation

Chairman McClellan. Describe the evaluation made by each Active Army sponsor division of the Guard units readiness.

General WEBER. Army Guard units in the Affiliation program are evaluated on a yearly basis by Active Army sponsor divisions to obtain an assessment of their training readiness status and the effectiveness of unit training programs for the entire year. They provide the Army Guard unit commander with an in-depth view of his unit's strength and readiness. They also provide recommendations for the formulation of training programs for the next training year. The yearly evaluation assesses the status of training in the unit as of the last day of the two week Annual Training (AT) period. The results of the evaluation are reported on the FORSCOM Form 1–R, a formal written evaluation of the entire training year.

GUARD FLYING HOUR PROGRAM

Chairman MCCLELLAN. Would you explain the reason for the large fluctuations in the Guard flying hour program. What will the FY 1976 increase provide over the current year in readiness terms?

General WEBER. Fluctuations in the ARNG Flying Hour Program are attributed directly to the National Energy Crisis. In November 1973, OSD reduced the number of flying hours for FY 1974 and FY 1975 from the original programs due to the energy fuel constraints. The FY 1974 Flying Hour Program was initially reduced by 20%, then increased during 2d Half FY 1974 to insure a minimum of 10% reduction or 308,795 hours. The ARNG flew 302,183 hours. The FY 1975 program originally provided for 325,000 flying hours, but based on the OSD reduction, was revised to 293,710 hours.

The 320,000 flying hours currently programmed for FY 1976 will adequately provide the ARNG aviator a capability to meet combat readiness flying minimums as well as the flying hours essentially needed to integrate the following training: Nap of Earth (NOE), instrument, aerial gunnery, night tactical, annual training evaluation programs, and air mobility. Maintenance programs, such as on condition maintenance overhaul, aircraft modification update, and test flights not utilized for training account for approximately 10% of the flying hours. These training programs listed above, established as minimum Army Standards, will provide greater combat readiness for all ARNG aviation units as they are implemented and completed.

INCREASE IN AVIATORS

Chairman MCCLELLAN. Why is there an increase in the number of aviators in FY 1976? Has there been an increase in the number of aircraft authorized and assigned?

General WEBER. The increase of aviators is partially attributable to the restructure and gain of ARNG aviation units and to the fact that the ARNG has not yet attained aviator strength. For example, on 31 December 1974, ARNG aviator assigned strength was 4,191 of an authorization at end of FY 1975 of 4,293. Programmed aviator strength by end FY 1976 is 4,477 of a total authorization of 4,722.

At the end of FY 1974, the ARNG was authorized 2,405 aircraft. Current authorization is 2,466, an increase of 61. As of 31 December 1974, the ARNG had 2,269 aircraft on hand. As of 20 March 1975, the number of aircraft on hand was 2,321.

NONPRIOR SERVICE INPUT AND MAN YEARS BUDGETED

Chairman MCCLELLAN. Compare nonprior service input and man years budgeted for FY 1976 with actual figures in FY 1975, and explain the increase.

General WEBER. The nonprior service input and man years budgeted for FY 1976 are 31,000 and 14,734 respectively. The budgeted FY 1975 input and man years are 31,200 and 12,009.

The increase in man years in FY 1976 over 1975 is caused by the estimated number in training at the beginning of FY 1976 being higher than the number in training at the beginning of FY 1975, also the monthly phasing of the programed input produces an increase in man years. The total fiscal year input is approximately the same, i.e., 31,000 for FY 1976 and 31,200 for FY 1975.

There was a shortfall in input during early FY 1975 which was due to an unexpected decrease in basic training space availability and an under production of NPS accessions. This was further compounded by revisions of the Advanced Individual Training input requirements. This short fall will be partially recouped at the end of FY 1975 and resolved in the FY 1976 training program.

COURSE LENGTHS IN AREA AND SERVICE SCHOOLS

Chairman McCLELLAN. Explain how course lengths were reduced in area and service schools. Why shouldn't the number of students be held constant as course lengths decline, along with a saving in FY 1976? Do the decreased course lengths affect the training significantly?

General WEBER. A review of courses in the military education system was conducted by USA Training and Doctrine Command (TRADOC) during the second quarter of FY 75. TRADOC recommended certain courses for elimination/reduction or modification and announced the decision in a 2 Nov 74 message to input agencies. The effective date of implementation varied by individual course throughout the succeeding months of FY 75 and FY 76.

The number of ARNG personnel affected has been minimal due to the low level of ARNG scheduled attendance at courses which were reduced in length; i.e., Advanced Officer Courses, Basic and Advanced NCOES Courses. Thus, a savings to ARNG schools program is not possible.

AIR DEFENSE TECHNICIANS

Chairman McCLELLAN.. Air Defense technicians have been retained and distributed to other type units. Please explain the specific deficiencies these added technicians are designed to eliminate.

General WEBER. The attached chart shows actual requirements for ARNG technicians as of 1 April 1975. The number currently assigned to various activities, and of those, the number which are retained Air Defense Technicians. The manning criteria from which technician requirements are determined is designed to be supported at 100 percent. Keeping these qualified technicians in the program has increased the overall support from 84.4 percent to 89.8 percent of 31,907 required positions.

The most notable improvement has been made in the Logistical Support activities. Support of these 21,136 required positions has increased from 78.2 percent to 85.0 percent. Maintenance of aircraft and surface equipment at prescribed condition levels is essential to the readiness of ARNG units.

Inasmuch as 1,381 Air Defense technicians were retained in the 10 former Air Defense States, and only 350 were relocated to other States, deficiencies resulting from inadequate program support in 40 States, the District of Columbia and Puerto Rico continues to exist.

[The chart follows:]

EFFECT OF RETAINED AIR DEFENSE TECHNICIANS ON ARNG TECHNICIAN PROGRAM

Activity	Reqmt 1 Apr 75	No. Techs Curr Asgd	Pct. of Reqmt	Retained AD Techs	Balance Norm Prog	Norm Prog Support
Org Hq	3,259	3,269	100.3*	108	3,161	97.0
Co AST	5,451	5,541	101.7*	161	5,380	98.7
Avn Opns	783	653	83.4	9	644	82.2
Trng Opns Total	9,493	9,463	99.7	278	9,185	96.8
Org Maint	7,455	5,792	77.7	684	5,108	68.5
Support Maint	5,037	4,532	90.0	258	4,274	84.9
Avn Maint	3,429	2,856	83.3	331	2,525	73.6
USPFO	4,206	3,890	92.5	114	3,776	89.8
Org Supply	548	523	95.4	24	499	91.1
Trng Site	294	236	80.3	6	230	78.2
ARNG Opn Acty	167	127	76.0	3	124	74.3
Log Support Total	21,136	17,956	85.0	1,420	16,536	78.2
State Hq	1,045	998	95.5	27	971	92.9
MSCA	233	229	98.3	6	223	95.7
Hq & Cmd Total	1,278	1,227	96.0	33	1,194	93.4
GRAND TOTAL	31,907	28,646	89.8	1,731	26,915	84.4

*Includes Temporary Employees

Stock Fund Procurement

Chairman McClellan. Procurement of Stock Fund equipment and maintenance and repair parts increases by almost $34 million in FY 1976. How much of this increase is related to expanded effort, as opposed to price changes, and to what specific areas will it be applied?

General Weber. Of the $34 million FY 1976 increase, $23.6 million relates to expanded effort and $10.4 million relates to price changes announced in FY 1975. The increase will be applied to three major areas all contributing toward unit readiness and the orderly development of preparedness for early combat deployment. The first is an increased procurement level of Organizational Clothing and Equipment to satisfy Unit authorized requirements. This program relates directly to combat training and preparedness of units to meet assigned mission requirements. This increase applies to field equipment for high priority units which would be deployed with the unit. The long procurement time precludes further delay in provision of this support. Secondly, the increase provides for additional procurement of repair parts to satisfy growing unit requirements. Effective training of combat support units as well as mobilization preparedness of the high priority combat units (Round Out, Army Affiliation and Selected Early Deploying Units) has generated growing demands for additional repair parts support. Existing mission priorities dictate immediate availability of additional support at Battalion and Brigade levels. The third is a similar area in aircraft repair part support. An increased flying hour program, addition of some larger aircraft systems, improved maintenance at unit level, closer aviation association with tactical combat training and aging of some aircraft systems in use all contribute to the essential program growth. In all areas of stock fund procurement growth, the increase is consistent with and mandatory to support mission demands under the Total Force policy.

O. & M., ARNG Support Costs

Chairman McClellan. What is the Operations and Maintenance, Army National Guard support cost for each paid drill Army National Guard man-year?

General Weber. The Operations and Maintenance, Army National Guard support cost for each paid drill Army National Guard man-year is $1,300 per paid drill man-year.

Cost Per Technician Man-Year

Chairman McClellan. What is the average cost per technician man-year in FY 76? What is the average cost per non-technician civilian man-year in FY 1976?

General Weber. The average cost per technician man-year is $14,331. The average cost per non-technician civilian man-year is $18,247.

Aviator Instructors

Chairman McClellan. Explain the need for additional aviator instructors at ARNG airfields, principally flight instructor pilots.

General Weber. Approved technician manning criteria provides 1 flight instructor to 16 pilots. Based upon increases of pilots being assigned, additional flight instructors are required. Flight instructors perform duties necessary to insure directives, policies, and procedures relating to safety are implemented to minimize the possibility of accidents. Additionally, flight instructors give currency flight checks, perform transition training, conduct instrument flying training, and conduct evaluation rides to determine if aviators should remain on flying status or be removed.

ARNG Combat Units Deployment Time

Chairman McClellan. What is the deployment objective time for the ARNG combat units (brigades and battalions) affiliated with active Army combat units? What is the objective deployment time for other ARNG units?

General Weber. Affiliated combat units deploy between D and D+90. The objective deployment times for other ARNG units to be available for deployment are 28 days for companies and below, 49 days for battalions, 70 days for brigades and 98 days for divisions.

Surface and Air Equipment

Chairman McClellan. Describe the specific categories and dollar amounts/numbers of items of surface and air equipment projected for receipt by the Guard during FY 75 & 76.

General Weber. Receipt of major items of surface equipment during FY 75 fell below original forecasts primarily due to diversions and withdrawals of equipment to support the turbulent Middle Eastern and Far Eastern crises. Projections for receipt of major items for FY 76 are still uncertain for many items. The quantities and dollar values of the major surface equipment in six broad categories are reflected on the attached table.

The ARNG will receive a total initial issue of 248 helicopters and 9 fixed wing aircraft in FY 75 for a total dollar value of $86.6 million. Projected aircraft issues for FY 76 are 67 helicopters and 12 fixed wing aircraft valued at $32.8 million. This will complete total fill of aircraft unit authorizations and maintenance float aircraft.

Category	Fiscal year 1975		Fiscal year 1976	
	Quantity	Dollar value in millions	Quantity	Dollar value in millions
Tanks M60	375	99.0	421	63.6
M48A5			317	99.5
Eng construction equipment	265	10.4	123	11.8
Electronics equipment	1,297	2.9	219	3.3
Tracked carriers	107	2.9	782	26.4
SP ARTY	23	3.8	122	16.6
Wheeled vehicles	177	1.4	3,181	13.9

PCS Moves of ARNG Technicians

Chairman McClellan. Under what conditions are ARNG technicians paid for permanent change of station moves (reference page 24 of justification book)? How many individuals were paid for such moves in FY 74, planned for 75 and 76?

General Weber. ARNG Technicians are authorized permanent change of station moves at Government expense when the relocation is approved and/or directed in the best interest of the Government. This budgetary support requirement is generated by either a change in organizational requirements (force structure realignment) or by improved personnel management actions. In the field of personnel management within Civil Service procedures, relocations relate to job and rating progression, change in Occupational Specialties and actions resulting from educational advancement. The FY 1974 requirement was extensive due to the need for relocating Air Defense employees both within and outside of effected states. During the period 4 Feb through 31 Oct 74, 1,925 Air Defense technicians were paid for PCS moves. It is estimated that 600 Technicians will be relocated in FY 1975 and approximately 500 relocated in FY 1976.

Organizational Clothing and Equipment

Chairman McClellan. What would the impact of providing only half of the $32.2 million for new procurement of organizational clothing and equipment (the portion not required for replacement of inventory consumption)?

General Weber. The procurement level at $32.2 million is required to satisfy up to 45% of Organizational Clothing and Equipment shortages at unit level. The entire increment relates to unit shortages considered essential to force preparedness for mobilization and early deployment. In all cases, it directly supports combat and combat support units required for deployment between mobilization and mobilization plus 90 days. Recognized order and ship time combined with reduced stockage levels of most commodity items preclude this requirement being a post mobilization action.

Such reduction in the FY 76 program would severely curtail and in some cases preclude the development of directed ARNG combat unit readiness and continued sufficiency for effective early deployment after mobilization. The Army National Guard is deeply concerned with the inadequacy of this program to satisfy critical readiness demands. Program reductions in this area over the past three years

result in this being our major support problem. This program is the only source to provide high priority affiliated/round out or other FAD III and IV ARNG units with authorized and essential equipment that is compatible with that of the active Army.

Based on issued directives and policy statements, the ARNG must be prepared to provide a substantial segment of this Total Force dedicated to defend our National interest. It is obvious that both Army and DOD are aggressively pursuing actions to provide additional PEMA assets in FY 75 and FY 76. Organizational Clothing and Equipment requirements are coequal to combat unit needs for PEMA type equipment. Adequacy in both programs is imperative if ARNG is to achieve a viable level of unit Mobilization preparedness.

Battalion and Brigade Affiliation With Active Army Units

Chairman McClellan. Provide a list of the battalions and brigades affiliated with Active Army combat units, and the active units involved.

General Weber. I submit the following table, Mr. Chairman:

Active Army unit	ARNG unit	State
197th Inf Bde	2—117th Inf Bn (M)	Tennessee.
36th Eng Gp	223d Eng Bn (Const)	Mississippi.
82d Abn Div	1—143d Inf Bn (Abn)	Texas.
	2-143d Inf Bn (Abn)	Do.
	151st Sig Bn (Ops)	South Carolina.
27th Eng Bn (Cbt)	122d Eng Bn (Cbt)	Do.
25 Sig Bn (Ops)	131st Sig Bn (Ops)	Alabama.
XVIII Abn Corps Arty	4—113th FA Bn (8 in SP)	North Carolina.
	5—113th FA Bn (8 -in SP)	Do.
5th Spec Forces Gp	1st Bn, 20 SF Gp	Alabama.
101st Abn Div	39th Inf Bde	Arkansas.
	146th Sig Bn (Ops)	Florida.
	201st Eng Bn (Cbt)	Kentucky.
4th Inf Div (M)	67th Inf Bde (M)	Nebraska.
	1—225th Inf Bn (M)	Michigan.
	1457th Eng Bn (Cbt)	Utah.
	1—147 FA Bn (155 SP)	South Dakota.
	2—157th FA Bn (8" SP)	Colorado.
1st Cav Div	1—263d AR Bn	South Carolina.
	2—252d AR Bn	North Carolina.
	2—120th Inf Bn (M)	Do.
	1—114th FA Bn (155 SP)	Mississippi.
	4—114th FA Bn (155 SP)	Do.
2d Armd Div	3—117th Inf Bn (M)	Tennessee.
	1—123d AR Bn	Kentucky.
	2—123d AR Bn	Do.
	1—63d FA Bn (8 in SP)	Do.
16th Sig Bn (Cbt area)	212th Sig Bn (Cbt area)	Arkansas.
2—34th FA Bn (155 SP)	1—201st FA Bn (155 SP)	West Virginia.
9th Inf Div	81st Inf Bde (M)	Washington.
	1—803d AR Bn	Do.
	2—222d FA Bn (155 SP)	Utah.
14th Eng Bn (Cbt)	579th Eng Bn (Cbt)	California.
1st Inf Div (M)	32d Inf Bde (M)	Wisconsin.
	2—136th Inf Bn (M)	Minnesota.
	153d Eng Bn (Cbt)	South Dakota.
	1—126th FA Bn (155 SP)	Wisconsin.
	1—127th FA Bn (155 SP)	Kansas.
34th Eng Bn (Const)	203d Eng Bn (Const)	Missouri.
46th Eng Bn (Const)	877th Eng Bn (Const)	Alabama.
25th Inf Div	29th Inf Bde	Hawaii.
III Corps Arty	1—180th FA Bn (155 SP)	Arizona.
	1—158th FA Bn (8 in SP)	Oklahoma.
92d Eng Bn (Const)	878th Eng Bn (Const)	Georgia.
5th Eng Bn (Cbt)	1140th Eng Bn (Cbt)	Missouri.

Reserve Personnel, Army

Operation and Maintenance, Army Reserve

STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, CHIEF, ARMY RESERVE, DEPARTMENT OF THE ARMY

JUSTIFICATION

Chairman McClellan. Our next witness is General Roberts, who will discuss the budget request for Army Reserve. Before you begin, General, I would like to insert the justifications in the record.

[The justifications follow:]

Justification

For pay, allowances, clothing subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3019, and 3033 of title 10, United States Code, or while undergoing reserve training or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, as authorized by law: [$493,800,000] $464,600,000.

For "Reserve personnel, Army" for the period July 1, 1976, through September 30, 1976, $168,900,000. (10 U.S.C. 683, 1475-80, 2101-2111; 3722; 37 U.S.C. 204, 206, 301, 305, 309, 402-4, 415-18, 1002; Department of Defense Appropriation Act, 1975, additional authorizing legislation to be proposed for fiscal year 1976, and for the period July 1, 1976, through September 30, 1976.)

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 97-85-2070-0-1-051	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:			
DIRECT PROGRAM:			
1. RESERVE COMPONENT PERSONNEL	435,662	451,514	429,181
2. RESERVE OFFICER CANDIDATES	31,651	35,786	35,419
TOTAL DIRECT PROGRAM	467,313	487,300	464,600
REIMBURSABLE (TOTAL)	1,773	1,720	1,683
10 TOTAL OBLIGATIONS	469,086	489,020	466,283
FINANCING:			
RECEIPTS AND REIMBURSEMENTS FROM:			
11 FEDERAL FUNDS	-1,013	-774	-757
14 NON-FEDERAL SOURCES	-760	-946	-926
25 UNOBLIGATED BALANCE LAPSING	8,187	6,500	.....
BUDGET AUTHORITY	475,500	493,800	464,600
RELATION OF OBLIGATIONS TO OUTLAYS:			
71 OBLIGATIONS INCURRED, NET	467,313	487,300	464,600
72 OBLIGATED BALANCE, START OF YEAR	102,266	136,774	157,074
74 OBLIGATED BALANCE, END OF YEAR	-136,774	-157,074	-168,674
77 ADJUSTMENTS IN EXPIRED ACCOUNTS	491	.....	.....
90 OUTLAYS	433,296	467,000	453,000

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-05-2070-2-1-051	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:			
DIRECT PROGRAM:			
10 TOTAL OBLIGATIONS	.....	-4,500	.....
FINANCING:			
BUDGET AUTHORITY	.....	-4,500	.....
RELATION OF OBLIGATIONS TO OUTLAYS:			
71 OBLIGATIONS INCURRED, NET	.....	-4,500	.....
72 RECEIVABLES IN EXCESS OF OBLIGATIONS, START OF YEAR	.....	.....	-800
74 RECEIVABLES IN EXCESS OF OBLIGATIONS, END OF YEAR	.....	800	.....
90 OUTLAYS	.....	-3,700	-800

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-05-2070-0-1-051	TRANSITION
PROGRAM BY ACTIVITIES:	
DIRECT PROGRAM:	
1. RESERVE COMPONENT PERSONNEL	157,863
2. RESERVE OFFICER CANDIDATES	11,037
TOTAL DIRECT PROGRAM	168,900
REIMBURSABLE (TOTAL)	495
10 TOTAL OBLIGATIONS	169,395
FINANCING:	
RECEIPTS AND REIMBURSEMENTS FROM:	
11 FEDERAL FUNDS	-223
14 NON-FEDERAL SOURCES	-272
BUDGET AUTHORITY	168,900
RELATION OF OBLIGATIONS TO OUTLAYS:	
71 OBLIGATIONS INCURRED, NET	168,900
72 OBLIGATED BALANCE, START OF YEAR	164,674
74 OBLIGATED BALANCE, END OF YEAR	-136,574
90 OUTLAYS	201,000

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OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-05-2070-0-1-051		1974 ACT	1975 EST	1976 EST
	DIRECT OBLIGATIONS:			
	PERSONNEL COMPENSATION			
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	350,464	379,607	361,923
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	50,797	41,908	39,955
22.0	TRANSPORTATION OF THINGS	40,419	33,136	31,593
26.0	SUPPLIES AND MATERIALS	6	447	465
42.0	INSURANCE CLAIMS AND INDEMNITIES	24,475	30,700	29,270
		1,152	1,462	1,394
	TOTAL DIRECT OBLIGATIONS	467,313	487,300	464,600
	REIMBURSABLE OBLIGATIONS:			
	PERSONNEL COMPENSATION	673	624	624
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	24	29	29
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	95	105	103
26.0	SUPPLIES AND MATERIALS	981	962	927
	TOTAL REIMBURSABLE OBLIGATIONS	1,773	1,720	1,683
99.0	TOTAL OBLIGATIONS	469,086	489,020	466,283

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-05-2070-0-1-051		TRANSITION
	DIRECT OBLIGATIONS:	
	PERSONNEL COMPENSATION	131,573
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	14,575
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	11,495
22.0	TRANSPORTATION OF THINGS	169
26.0	SUPPLIES AND MATERIALS	10,641
42.0	INSURANCE CLAIMS AND INDEMNITIES	507
	TOTAL DIRECT OBLIGATIONS	168,900
	REIMBURSABLE OBLIGATIONS:	
	PERSONNEL COMPENSATION	207
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	17
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	62
26.0	SUPPLIES AND MATERIALS	209
	TOTAL REIMBURSABLE OBLIGATIONS	495
99.0	TOTAL OBLIGATIONS	169,395

APPROPRIATION INTRODUCTION

The Reserve Personnel, Army appropriation consists of two Budget Programs. Budget Program 3200, Reserve Component Personnel provides unit and individual readiness training and support for the United States Army Reserve. This includes military personnel costs of pay, allowances, clothing, subsistence, and travel while in home station training, annual field training, initial training of "Reserve Enlistment Program of 1963" personnel, training at military schools, and tours of active duty for specialized training. This budget program also provides for military personnel costs of officers on extended active duty under appropriate sections of Title 10, U.S.C. and for death gratuities and disability and hospitalization benefits for reservists killed or injured while participating in military activities. The budget accounts include Pay Group A, Pay Group D, Pay Group F, School Training, Special Training, and Administration and Support. The amount required for FY 1976 is $429,181,000.

Budget Program 3300, Reserve Officer Candidates, provides for programs which procure junior officers for the Active Army and Reserve Components, and medical doctors for the Active Army. It includes military personnel costs of subsistence, clothing, pay and allowances including stipends, and travel for members of the Reserve Officers' Training Corps and for participants in the Health Professions Scholarship Program. The budget accounts include Senior ROTC, Senior ROTC Scholarship program, Junior ROTC, and Health Professions Scholarship. The amount required for FY 1976 is $35,419,000.

SUMMARY OF REQUIREMENTS

(In Thousands of Dollars)

	Actual		Estimate	
	FY 1974	FY 1975	FY 1976	TQ
Reserve Component Personnel	437,335	453,134	430,764	158,283
Reserve Officer Candidates	31,751	35,886	35,519	11,112
TOTAL PROGRAM REQUIREMENTS (Obligations)	469,086	489,020	466,283	169,395
Less Actual/Anticipated Reimbursements	-1,773	-1,720	-1,683	-495
Unobligated balance lapsing	8,187	-	-	-
Total Direct Obligations/Appropriations	475,500	487,300	464,600	168,900

Budget Program 1
Reserve Component Personnel
SUMMARY OF REQUIREMENTS BY BUDGET ACTIVITY

(In Thousands of Dollars)

	Actual	Estimate		
	FY 1974	FY 1975	FY 1976	197T
Budget Activity				
Direct Program				
Training, Pay Group A	320,333	326,936	308,559	120,275
Training, Pay Group D	21,487	23,107	14,429	7,847
Training, Pay Group F	20,600	34,391	42,239	10,842
School Training	38,465	28,782	25,324	8,716
Special Training	31,893	35,036	35,425	9,397
Administration and Support	2,884	2,934	2,910	735
Training Pay Group L	-	328	295	51
Total Direct Program	435,662	451,514	429,181	157,863
Reimbursable Program				
Total Reimbursable Program	1,673	1,620	1,583	420
Total Program				
Training, Pay Group A	322,006	328,556	310,142	120,695
Training, Pay Group D	21,487	23,107	14,429	7,847
Training, Pay Group F	20,600	34,391	42,239	10,842
School Training	38,465	28,782	25,324	8,716
Special Training	31,893	35,036	35,425	9,397
Administration and Support	2,884	2,934	2,910	735
Training Pay Group L	-	328	295	51
Total Obligations	437,335	453,134	430,764	158,283

DEPARTMENT ARMY

EXHIBIT I
RESERVE PERSONNEL IN PAID STATUS

RESERVE COMPONENT USAR

Pay Group	Paid Drills	Paid Days of Active Duty for Training	Tff	FY 1974 (PAST YEAR) BEGIN	FY 1974 (PAST YEAR) AVERAGE	FY 1974 (PAST YEAR) END	FY 1975 (CURRENT YEAR) AVERAGE	FY 1975 (CURRENT YEAR) END	FY 1976 (BUDGET YEAR) AVERAGE	FY 1976 (BUDGET YEAR) END	TQT AVERAGE	TQT END	1977 AVERAGE	1977 END
A	48	15	Off	40,501	38,365	38,380	38,054	37,484	37,484	37,484	37,484	37,484	37,484	
A	48	15	Enl	191,129	188,409	192,698	183,640	167,923	168,234	167,544	168,069	169,329	168,394	
L	Up to 24		Enl	-0-	-0-	-0-	616	950	554	750	375	200	404	
F	0	30-180	Enl	3,869	3,223	3,788	4,978	6,043	6,128	6,622	6,472	5,387	6,118	
Paid Drill Training Sub Total			Off	40,501	38,365	38,380	38,054	37,484	37,484	37,484	37,484	37,484	37,484	
			Enl	194,998	191,632	196,486	189,234	174,916	174,916	174,916	174,916	174,916	174,916	
			Total	235,499	229,997	234,866	227,288	212,400	212,400	212,400	212,400	212,400	212,400	
Paid Active Duty Tng Only														
D	0	15	Off	10,795	11,129	11,129	11,420	11,420	11,760	11,760	6,100	6,100	11,760	
D	0	15	Enl	38,493	38,480	38,480	37,750	37,750	10,075	10,075	5,083	5,083	10,075	
			Total	48,988	49,609	49,609	49,170	49,170	21,835	21,835	11,183	11,183	21,835	
TOTAL PAID STATUS			Off	5,296	49,494	49,509	49,474	48,904	49,244	49,244	43,584	43,584	49,244	
			Enl	233,191	230,112	234,966	226,984	212,666	184,991	184,991	179,999	179,999	184,991	
			Total	28,487	279,606	284,475	276,458	261,570	234,235	234,235	223,583	223,583	234,235	

Averages computed by doubling the end strengths of the months of July through May, adding 30 June strengths of the previous year and the year under consideration, and dividing the total by 24, except for Pay Group D. Pay Group D represents the total number of personnel participating during the fiscal year, and average and end strengths are identical in any one year.

FY 1976 STRENGTH PLAN

	Pay Group A			Reserve Enlistment Program		Total Selected Reserve
	OFF	ENL	TOTAL	PAY GROUP F	PAY GROUP L	
June 30, 1975						
July	37,484	168,864	206,348	6,287	600	213,235
August	37,484	169,057	206,541	6,872	450	213,863
September	37,484	168,897	206,381	6,687	400	213,468
October	37,484	168,794	206,278	6,165	350	212,793
November	37,484	169,259	206,743	5,570	300	212,613
December	37,484	170,207	207,691	5,872	250	213,813
January 1976	37,484	171,422	208,906	6,057	400	215,363
February	37,484	171,310	208,794	5,844	550	215,188
March	37,484	170,872	208,356	5,732	700	214,788
April	37,484	170,097	207,581	6,357	550	214,788
May	37,484	169,572	207,056	6,032	950	214,038
June 30, 1976	37,484	167,544	205,028	6,622	750	212,400
(Average)	(37,484)	(168,234)	(205,718)	(6,128)	(554)	(212,400)

FY 197T STRENGTH PLAN

	Pay Group A			Reserve Enlistment Program		Total Selected Reserve
	OFF	ENL	TOTAL	PAY GROUP F	PAY GROUP L	
July	37,484	167,849	205,333	6,497	400	212,230
August	37,484	168,249	205,733	6,322	250	212,305
September	37,484	169,329	206,813	5,387	200	212,400
(Average)	(37,484)	(168,069)	(205,553)	(6,472)	(375)	(212,400)

FY 1975 STRENGTH PLAN

	Pay Group A			Reserve Enlistment Program		Total Selected Reserve
	OFF	ENL	TOTAL	PAY GROUP F	PAY GROUP L	
June 30, 1974	38,380	192,698	231,078	3,788	-0-	234,866
July	38,044	190,736	228,780	4,020	282	233,082
August	38,060	189,862	227,922	4,328	363	232,613
September	38,081	188,416	226,497	5,439	392	232,328
October	38,150	187,895	226,045	5,214	397	231,656
November	38,439	186,788	225,227	4,325	423	229,975
December*	38,197	185,914	224,111	3,761	463	228,335
January 1975	38,077	183,734	221,811	4,676	600	227,087
February	37,957	181,714	219,671	5,094	750	225,515
March	37,837	178,261	216,098	5,140	900	222,138
April	37,717	173,638	211,355	5,523	1,050	217,928
May	37,597	172,450	210,047	6,028	1,150	217,225
June 30, 1975	37,484	167,923	205,407	6,043	950	212,400
(Average)	(38,054)	(183,640)	(221,694)	(4,978)	(616)	(227,288)

* Actual

FY 1974 STRENGTH PLAN

	Off	Enl	Total	Reserve Enlistment Program	Total Selected Reserve
June 30, 1974	40,501	191,129	231,630	3,869	235,499
July	39,720	190,270	229,990	3,887	233,877
August	39,313	189,265	228,578	3,743	232,321
September	38,621	189,416	228,037	3,422	231,459
October	38,311	188,418	226,729	3,101	229,830
November	38,075	187,691	225,766	2,790	228,556
December	37,858	186,792	224,650	2,872	227,522
January 1974	37,781	186,872	224,653	3,049	227,702
February	37,586	186,225	223,811	3,034	226,845
March	37,685	185,546	223,231	2,950	226,181
April	37,686	186,116	223,802	2,999	226,801
May	38,309	192,383	230,692	3,001	233,693
June 30, 1974	38,380	192,698	231,078	3,788	234,866
Average	(38,365)	(188,409)	(226,774)	(3,223)	(229,997)

Department of Defense - Military

Operation and Maintenance, Army Reserve

FY 1976

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communication; $276,600,000/ $332,300,000/ of which not less than /$18,000,000/$25,500,000 shall be available only for the maintenance of real property facilities. (5 U.S.C. 3101, 3109, 5702-4, 5724-27, 5730, 5742, 7903 10 U.S.C. 1481-88, 2674, 3012, 3013, 062, 4302, 4741, 31 U.S.C. 6380, 37 U.S.C. 404 Department of Defense Appropriation Act 1975)

FY 197T

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communication; $98,200,000
(5 U.S.C. 3101, 3109, 5702-4, 5724-27, 5730, 5742, 7903 10 U.S.C. 1481-88, 2674, 3012, 3013, 062, 4302, 4741, 31 U.S.C. 6380, 37 U.S.C. 404 Department of Defense Appropriation Act 1975)

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	IDENTIFICATION CODE 97-10-3080-0-1-051	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:			
	DIRECT PROGRAM:			
	1. MISSION FORCES	134,806	109,062	124,109
	2. DEPOT MAINTENANCE	8,177	6,985	8,302
	3. OTHER SUPPORT	120,472	168,161	199,889
	TOTAL DIRECT PROGRAM	263,455	284,208	332,300
	REIMBURSABLE (TOTAL)	4,672	5,000	5,081
10	TOTAL OBLIGATIONS	268,127	289,208	337,381
	FINANCING:			
	RECEIPTS AND REIMBURSEMENTS FROM:			
11	FEDERAL FUNDS	-4,325	-4,492	-4,492
13	TRUST FUNDS	.....	.....	-81
14	NON-FEDERAL SOURCES	-347	-508	-508
25	UNOBLIGATED BALANCE LAPSING	613	.....	.....
	BUDGET AUTHORITY	264,067	284,208	332,300
	BUDGET AUTHORITY:			
40	APPROPRIATION	264,100	276,600	332,300
40	RECISION OF ENACTED APPROPRIATION NOW PENDING	.....	-1,800	.....
41	TRANSFERRED TO OTHER ACCOUNTS	-33	.....	.....
43	APPROPRIATION (ADJUSTED)	264,067	274,800	332,300
44.10	PROPOSED SUPPLEMENTAL FOR WAGE-BOARD PAY RAISES	.....	4,089	.....
44.20	PROPOSED SUPPLEMENTAL FOR CIVILIAN PAY RAISES	.....	5,319	.....
	RELATION OF OBLIGATIONS TO OUTLAYS:			
71	OBLIGATIONS INCURRED, NET	263,455	284,208	332,300
72	OBLIGATED BALANCE, START OF YEAR	19,506	37,748	36,956
74	OBLIGATED BALANCE, END OF YEAR	-37,748	-36,956	-43,256
77	ADJUSTMENTS IN EXPIRED ACCOUNTS	308	.....	.....
90	OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	245,521	276,062	325,530
91.10	OUTLAYS FROM WAGE-BOARD PAY RAISE SUPPLEMENTAL	.....	3,885	294
91.20	OUTLAYS FROM CIVILIAN PAY RAISE SUPPLEMENTAL	.....	5,053	266

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-10-?080-0-1-051		1974 ACT	1975 EST	1976 EST
	PERSONNEL COMPENSATION:			
11.1	PERMANENT POSITIONS	130,151	143,661	160,310
11.3	POSITIONS OTHER THAN PERMANENT	8,900	12,233	12,642
11.5	OTHER PERSONNEL COMPENSATION	743	380	399
	TOTAL PERSONNEL COMPENSATION	139,694	156,274	173,351
	DIRECT OBLIGATIONS:			
	PERSONNEL COMPENSATION	139,694	156,274	173,351
12.1	PERSONNEL BENEFITS: CIVILIAN	13,103	15,126	17,167
13.0	BENEFITS FOR FORMER PERSONNEL	142	143	628
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	14,402	19,469	24,011
22.0	TRANSPORTATION OF THINGS	1,611	2,189	2,241
23.0	RENT, COMMUNICATIONS, AND UTILITIES	14,137	14,562	15,761
24.0	PRINTING AND REPRODUCTION	2,022	1,952	1,980
25.0	OTHER SERVICES	37,146	33,250	44,082
26.0	SUPPLIES AND MATERIALS	34,202	35,040	42,943
31.0	EQUIPMENT	6,996	6,203	10,136
	TOTAL DIRECT OBLIGATIONS	263,455	284,208	332,300
	REIMBURSABLE OBLIGATIONS:			
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	49	47	47
22.0	TRANSPORTATION OF THINGS	6	3	3
23.0	RENT, COMMUNICATIONS, AND UTILITIES	902	1,265	1,265
25.0	OTHER SERVICES	3,073	2,506	2,587
26.0	SUPPLIES AND MATERIALS	604	1,130	1,130
31.0	EQUIPMENT	78	49	49
	TOTAL REIMBURSABLE OBLIGATIONS	4,672	5,000	5,081
99.0	TOTAL OBLIGATIONS	268,127	289,208	337,381

OPERATION AND MAINTENANCE, ARMY RESERVE
Personnel Summary

Identification Code 07-10-2080-01-051	1974 Actual	1975 Estimate	1976 Estimate	197T Estimate
Total number of permanent positions	12,880	13,223	14,892	14,892
Full time equivalent of other positions	776	1,067	1,067	1,067
Average paid employment	12,881	13,573	14,626	4,039
Average GS grade	7.32	7.31	7.31	7.31
Average GS salary	$10,940	$11,365	$11,544	$11,500
Average salary of ungraded positions	$10,674	$11,731	$12,439	$12,391

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-10-2080-0-1-051	TRANSITION
PROGRAM BY ACTIVITIES:	
DIRECT PROGRAM:	
1. MISSION FORCES	37,602
2. DEPOT MAINTENANCE	2,254
3. OTHER SUPPORT	58,344
TOTAL DIRECT PROGRAM	98,200
REIMBURSABLE (TOTAL)	1,277
10 TOTAL OBLIGATIONS	99,477
FINANCING:	
RECEIPTS AND REIMBURSEMENTS FROM:	
11 FEDERAL FUNDS	-1,123
13 TRUST FUNDS	-27
14 NON-FEDERAL SOURCES	-127
BUDGET AUTHORITY	98,200
BUDGET AUTHORITY:	
40 APPROPRIATION	98,200
RELATION OF OBLIGATIONS TO OUTLAYS:	
71 OBLIGATIONS INCURRED, NET	98,200
72 OBLIGATED BALANCE, START OF YEAR	43,256
74 OBLIGATED BALANCE, END OF YEAR	-40,456
90 OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	101,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-18-2040-0-1-051		TRANSITION
	PERSONNEL COMPENSATION:	
11.1	PERMANENT POSITIONS	43,343
11.3	POSITIONS OTHER THAN PERMANENT	3,778
11.5	OTHER PERSONNEL COMPENSATION	107
	TOTAL PERSONNEL COMPENSATION	47,228
	DIRECT OBLIGATIONS:	
	PERSONNEL COMPENSATION	47,228
12.1	PERSONNEL BENEFITS: CIVILIAN	4,671
13.0	BENEFITS FOR FORMER PERSONNEL	162
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	7,764
22.0	TRANSPORTATION OF THINGS	660
23.0	RENT, COMMUNICATIONS, AND UTILITIES	3,888
24.0	PRINTING AND REPRODUCTION	470
25.0	OTHER SERVICES	17,615
26.0	SUPPLIES AND MATERIALS	12,393
31.0	EQUIPMENT	3,349
	TOTAL DIRECT OBLIGATIONS	98,200
	REIMBURSABLE OBLIGATIONS:	
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	12
22.0	TRANSPORTATION OF THINGS	1
23.0	RENT, COMMUNICATIONS, AND UTILITIES	316
25.0	OTHER SERVICES	653
26.0	SUPPLIES AND MATERIALS	283
31.0	EQUIPMENT	12
	TOTAL REIMBURSABLE OBLIGATIONS	1,277
99.0	TOTAL OBLIGATIONS	99,477

Operation and Maintenance, Army Reserve
RECAPITULATION OF CIVILIAN PERSONNEL
(Compensation and Benefits in Thousands of Dollars)

	END STRENGTH					MAN YEARS				($000) COMPENSATION AND BENEFITS			
	Actual FY 1974	Estimate FY 1975	Estimate FY 1976	Estimate FY 1977	FY 1977	Actual FY 1974	Estimate FY 1975	Estimate FY 1976	Estimate FY 1977	Actual FY 1974	Estimate FY 1975	Estimate FY 1976	Estimate FY 1977
1. Training Opns (Non-Maint Tech)	5,057	5,288	6,411	6,411	6,952	4,937	5,070	5,557	1,522	59,301	64,481	74,072	20,604
2. Logistical Spt (Maint Tech)	2,685	2,720	2,857	2,857	2,971	2,523	2,649	2,655	691	30,407	33,346	35,389	8,174
3. Management (Recruiting)	430	430	430	430	430	407	421	421	104	4,435	5,113	5,612	1,381
4. TOTAL USAR Technicians	8,172	8,438	9,698	9,698	10,353	7,867	8,140	8,633	1,347	94,813	104,312	115,073	31,159
5. Annual Training Support	389	389	374	374	374	176	280	506	103	1,408	2,656	5,009	2,988
6. TOTAL Trg Opns (Incl ARR/RG)	6,366	6,555	7,663	7,663	8,204	5,737	6,195	6,908	1,069	68,797	78,814	90,572	26,409
7. Base Operation Total	3,602	3,418	3,962	3,962	3,879	2,850	3,033	3,571	904	31,750	36,362	44,461	11,210
8. DRC	116	116	116	116	116	109	113	113	38	1,215	1,496	1,537	379
9. Communications	102	102	102	102	102	99	99	99	25	1,208	1,310	1,346	339
10. TOTAL Log Spt (Incl Maint Tech)	6,505	6,356	7,037	7,037	7,068	5,581	5,894	6,438	1,648	64,580	73,114	82,737	21,102
11. OCAR	36	38	38	38	38	35	38	38	10	601	727	744	186
12. ARR/RG	920	878	878	878	878	624	845	845	214	7,798	11,187	11,491	2,817
13. CONUS Armies and O/S Cmds	993	821	821	821	821	1,121	1,025	821	208	14,004	13,350	10,938	2,848
14. TOTAL PE (Incl DRC & Commo)	2,167	1,955	1,955	1,955	1,955	1,988	1,920	1,916	485	24,826	28,070	26,056	6,569
15. TOTAL Non-Technicians	6,158	5,762	6,291	6,291	6,208	5,014	5,433	5,993	1,692	57,984	67,088	75,526	20,767
16. TOTAL Direct Hire Civilian	14,330	14,200	15,989	15,989	16,561	12,881	13,573	14,626	4,039	152,797	171,400	190,599	51,926

BUDGET REQUEST

Chairman McCLELLAN. You may proceed, General.

General ROBERTS. Thank you, Mr. Chairman.

We appreciate this opportunity to appear before you again to present the Army Reserve and ROTC budgets.

For the "Reserve Personnel, Army" budget, the fiscal year 1975 column shows $487.3 million. An amount of $493.8 million has been appropriated by the Congress to date and it is adequate to provide for the $13.8 million pay raise that was effective October 1, 1974. The remaining $6.5 million was identified in the budget as unobligated balance lapsing. These funds provide for the support of an Army Reserve average strength of 227,288 and end strength of 212,400, and for ROTC senior division entering enrollment of 39,346.

The fiscal year 1976 budget request is for $464.6 million, of which $429.2 million is for Army Reserve and $35.4 million is for Army ROTC. The total is a net decrease of $22.7 million from the fiscal year 1975 column amount.

The transition budget for July–September 1976 requests $168.9 million, and is a continuation of the fiscal year 1976 strength and training programs.

For "Operation and Maintenance, Army Reserve," our budget requests direct support funds for a wide variety of requirements and some of the funds also provide essential support to the Army National Guard. The fiscal year 1976 request of $332.3 million includes $7.5 million transferred into this appropriation as support realinement. The remaining fiscal year 1976 increase of $40.6 million is primarily to fund the equipment, logistics, and training support programs required for attainment of an increase in mobilization readiness and annualization of the civilian pay raise.

Funds are included to support increase of modern equipment, increased readiness training, personnel recruiting, technician manpower support, and provision of training facilities. These are key factors for readiness improvement in compliance with Public Law 90–168 and with mobilization requirements.

The transition budget for July–September 1976 requests $98.2 million, and is a continuation of the fiscal year 1976 strength and training programs.

For fiscal year 1975, Public Law 93–365 requires that we program to attain a Selected Reserve or paid drill average strength of not less than 225,000. Our average strength through January 31, 1975 was 231,358, and the January 31 strength was 228,172.

I might say also, Senator, that since January we have maintained a strength of 228,000 approximately in our pay drill category.

Addition of approximately 2,000 REP–63 personnel enlisted since July 1, 1974 and who have not entered REP training and therefore may not be paid or counted as Selected Reserve strength brings our assigned strength to about 230,200.

Chairman McCLELLAN. What is the period of enlistment for the Reserves?

General ROBERTS. For 6 years in the Ready Reserve, sir. There are certain provisions under which they can opt for a 3-year commit-

ment to a unit and then they are in the Individual Ready Reserve, but there is a 6-year commitment.

For fiscal year 1976, the budget and the strength authorization request is an average of 227,288 and end strength is 212,400. I believe we have a good likelihood of achieving a strength well above the budgeted 212,400 for fiscal year 1976, although the availability of attractive incentives, particularly those with special appeal to non-prior-service personnel, particularly male, would assure a substantial higher end strength.

Unit technicians are the only full-time manpower support available to Army Reserve units and are vital for proper management, unit readiness, recruiting, maintenance of equipment, and training. The fiscal year 1976 OMAR budget provides for 9,698 technicians and will provide manning at 85.6 percent of our fiscal year 1976 requirement. In accord with our policy of dual status, the technicians to be hired will be military members of the Selected Reserve. Thus, the technician program provides support to units while on reserve duty and active duty for training, and during both peacetime and mobilization.

The senior division of the ROTC produces junior officers for the Active Army and Reserve components. The program is operated at selected civilian and military colleges.

For the senior division, the budget provides training for a fiscal year 1976 entering enrollment of 40,200. We estimated commissions of approximately 4,065 junior officers at end fiscal year 1975 and 3,700 at end fiscal year 1976. For the junior division, an average enrollment of 122,200 is budgeted for fiscal year 1976.

General Stevenson will respond to any program and policy questions you may have on the ROTC.

The health professions scholarship program, established in September 1972 by Public Law 92–426, is designed to produce officers for the uniformed services in the fields of medicine, dentistry, veterinary medicine, and allied health disciplines. This budget provides for a monthly stipend of $400 to be paid to each of the 1,850 participants and for pay and allowances for the active duty for training performed annually by each student. The total cost in this budget is $12.2 million.

Colonel Snyder will respond to any questions you may have concerning this program.

PREPARED STATEMENT

Mr. Chairman, this completes my opening statement. I would like to have my prepared statement placed in the record at this point, if possible.

Chairman McClellan. It will be inserted.

[The statement follows:]

BIOGRAPHICAL SKETCH

Major General J. Milnor Roberts became Chief Army Reserve effective 1 June 1971, after nomination by the President and confirmation, on 5 April 1971, by the United States Senate. He had served as Deputy Chief Army Reserve since 1 October 1970.

General Roberts was commissioned a Second Lieutenant, Infantry, from ROTC at Lehigh University, Bethlehem, Pa., in May 1940. He entered on active duty in January 1942 and served as an instructor at the Infantry School and at the

Infantry Replacement Training Center. Following assignment as Commanding Officer, Compay "E", 88th Glider Infantry, he participated in the landing at Omaha Beach 6 June 1944 as Aide-de-Camp to LTG Leonard T. Gerow, CG, V Corps. Subsequently, he was Assistant Military Government Officer; Executive Officer, Military Government Section; and Assistant Intelligence Officer for V Corps.

After his release from active duty in December 1945, he served with the US Army Reserve's 314th Infantry Regiment first as Intelligence Officer, then Operations Officer, Executive Officer, and Commanding Officer of the 1st Battle Group. He subsequently commanded the Combat Command Section, 79th Command Headquarters (Divisional) following which he was named mobilization designee to the Office, Chief of Information, Department of the Army. In December 1967 he was appointed to command the 99th Army Reserve Command with headquarters in Pittsburgh, Pa. He was promoted to Brigadier General in May 1968.

General Roberts has been awarded the Legion of Merit; Bronze Star Medal; French Croix de Guerre with Silver Star and the Czechoslovakian Military Cross of 1939.

He is Past Commander, Pittsburgh Chapter, Military Order of the World Wars; Past President, Fort Pitt Chapter, Association of the US Army; Past President, Pittsburgh Sigma Chi Alumni Chapter; Past Director, National Advertising Agency Network, and former Secretary-Treasurer, American Association of Advertising Agencies, East Central Region.

General Roberts is a member of the Sons of the American Revolution and a direct descendant of one of General George Washington's commanders at Valley Forge, Colonel George Gibson, who was killed later at the Battle of Fallen Timbers.

Mr. Chairman and Members of the Committee: We appreciate this opportunity to appear before you again to present the Army Reserve and ROTC budgets and to inform you of the status of our plans and programs for FY 1976. I know that you share with us the same urgent concern for maintenance of Army Reserve strength and readiness.

With me today from my office is Mr. Pethtal, my Comptroller. Also with me is Brigadier General Stevenson from the Office of the Deputy Chief of Staff for Personnel. He is available to respond to questions on the Army ROTC, the military personnel costs of which are included in the "Reserve Personnel, Army" budget. Also with me is Colonel Snyder from the Office of the Surgeon General who will respond to questions on the Health Professions Scholarship Program.

My office is responsible for the implementation and execution of approved plans, policies, and programs pertaining to the United States Army Reserve, including the preparation, justification, and execution of the budgets that provide for our direct financial support.

Our established Army Reserve mission is to furnish, in the event of war or national emergency, and at such other times as national security may require, units effectively organized, trained, and equipped in time of peace for rapid mobilization, expansion, and deployment; with such units to be of the types and numbers to meet the requirement of the Army. We are also to furnish additional qualified individual personnel for necessary replacement and expansion of the Army. All Army Reserve units are specific requirements in Army Mobilization Plans. Our objective is to bring our units and individuals to the highest state of readiness attainable—a state of readiness that will insure a minimum requirement of post-mobilization training.

The Reserve Personnel, Army budget also supports Army ROTC with an entering enrollment of 40,200 students in the Senior Division. The ROTC part of this budget also includes the Health Professions Scholarship Program.

For the Reserve Personnel, Army budget, the FY 1975 column shows $487.3 million. An amount of $493.8 million has been appropriated by the Congress to date and it is adequate to provide for the $13.8 million pay raise that was effective 1 October 1974. The remaining $6.5 million is identified as Unobligated Balance Lapsing. These funds provide for the support of an Army Reserve average strength of 227,288 and end strength of 212,400, and for ROTC Senior Division entering enrollment of 39,346.

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The FY 1976 budget request is for $464.6 million, of which $429.2 million is for Army Reserve and $35.4 million is for Army ROTC. The total is a net decrease of $22.7 million from the FY 1975 column amount as follows:

−$18.4 million for decreased Pay Group A average strength.

−$8.7 million for decreased Pay Group D individual reinforcement training.

−$3.5 million from decrease in ROTC graduate Active Duty Training Program.

+$7.8 million for increased initial REP training.

−$0.7 million net for ROTC from Junior ROTC clothing requirements.

+$0.8 million in miscellaneous adjustments.

The Transition Budget for July-Sept 1976 requests $168.9 million, and is a continuation of the FY 1976 strength and training programs.

For Operation and Maintenance, Army Reserve, our budget requests direct support funds for a wide variety of requirements, and some of the funds also provide essential support to the Army National Guard. The FY 1976 request of $332.3 million includes $7.5 million transferred into this appropriation as support realignment. The remaining FY 1976 increase of $40.6 million is primarily to fund the equipment, logistics, and training support programs required for attainment of an increase in mobilization readiness and annualization of the civilian pay raise. Funds are included to support increase of modern equipment, increased readiness training, personnel recruiting, technician manpower support, and provision of training facilities. These are key factors for readiness improvement in compliance with Public Law 90–168 and with mobilization requirements. A detailed listing of the program and fund changes between FY 1975 and FY 1976 is as follows:

	Millions
Transfers into OMAR:	
Army Reserve Compenent support detachments at Oakdale, Pa.; Boston, Mass.; and Fort McArthur, Calif	$7.5
Army Reserve requirements:	
Technicians (493 man-years)	6.3
Annualization of Wage Board and civilian pay and benefit increases	4.3
Purchase of Stock Fund equipment	3.4
Maintenance of Real Property facilities	10.7
Maintenance of equipment	7.3
Training support	8.6
Total	48.1

The Transition Budget for July–Sept. 1976 requests $98.2 million, and is a continuation of the FY 1976 strength and training programs.

The Army is determined to convert the Congressional provision of funds, manpower, and equipment into real Reserve Component readiness and mobilization reliance. The present demands on the Army Reserve are unprecedented. Never before have we attempted to reach the level of mobilization readiness that has now been established as our goal.

ORGANIZATION OF THE ARMY RESERVE

During FY 1972 and FY 1973, the Army Reserve converted units to G/H Series TOE and alignment to a new baseline structure. There are now approximately 3100 Company/Detachment size units in the Army Reserve with authorized strengths ranging from 80% to 100% of TOE and with an overall average of approximately 94% of TOE. The 212,400 strength in the FY 1976 budget would provide overall manning at 77% of TOE.

STRENGTH

As of 31 December 1974 the strength of the Ready Reserve was 681,000 and the Standby Reserve was 355,000. The Ready Reserve consists of those units and individuals available for immediate employment in the expansion of the active forces in the event of mobilization.

SELECTED RESERVE STRENGTH

For FY 1974, Public Law 93–155 required that we program to attain an average of not less than 232,591. Our actual average strength was 229,997, and the 30 June strength was 234,866.

For FY 1975, Public Law 93–365 requires that we program to attain a Selected Reserve or paid drill average strength of not less than 225,000. Our average strength through 31 January 1975 was 231,358, and the 31 January strength was 228,172. Addition of approximately 2,000 REP–63 personnel enlisted since 1 July 1974 who have not entered REP training and therefore may not be paid or counted as Selected Reserve strength brings our assigned strength to about 230,200.

For FY 1976, the budget and the strength authorization request is an average of 212,400 and end strength is 212,400. I believe we have a good likelihood of achieving a strength well above the budgeted 212,400 for FY 1976, although the availability of attractive incentives, particularly those with special appeal to non-prior service personnel, would assure a substantial higher end strength.

RECRUITING

Placing our accomplishments and our problems in better perspective is the following tabulation of personnel strength and gains and losses:

Fiscal year	Begin strength	Total gains	Total losses	Net change	End strength
1972 actual [1]	263,299	43,851	71,958	−28,107	235,192
1973 actual [1]	235,192	47,218	46,911	+307	235,499
1974 actual [1]	235,499	51,452	52,085	−633	234,866
1975 estimate	234,866	58,430	80,896	−22,466	212,400
1976 budget	212,400	67,110	67,110		212,400
1977	212,400	51,900	51,900		

[1] Includes accounting adjustment.

Our retention in units of REP personnel on completion of six years has increased from 3.9% as of June 1971 to 14.1% in December 1974; recruitment of blacks in units has increased from 5,850 at end FY 1971 to 20,893 in December 1974; and we have increased women in units from 956 at end FY 1971 to 10,516 in December 1974.

A strong effort has been made to turn the Army Reserve strength upward. We have been working hard and have had great success in recruiting prior-service personnel and in steadily increasing our retention of unit personnel. Our recruitment of non-prior service personnel has been improving, but is not yet high enough to turn our strength upward.

An intensified and strengthened recruiting program is necessary in the zero draft and volunteer strength environment. We urgently need continuation of our 430 recruiting technicians who are located at larger units and selected Army Reserve Centers. These recruiting specialists perform direct recruiting and provide recruiting assistance and instruction. They also coordinate and evaluate effectiveness of recruiting programs and techniques. We, likewise, need and request continuation of our recruiting advertising program which enables selective intensification of all aspects of our recruiting effort such as redirection of thrust where needed, expansion of coverage, greater effort on individual interest groups, survey and evaluation of motivational factors, and programs tailored for selected geographical areas.

On the solid base of recruiting personnel and funding support now established, I am confident that we can turn the strength upward and capitalize on the high level of readiness capable of attainment within the Army Reserve. I feel that our requested recruiting program is an urgent requirement, that our separate recruiting program is critically required, that the Active Army is helping us in every practicable way, and that we are not duplicating its effort.

RESERVE ENLISTMENT PROGRAM TRAINING INPUT

The estimate for REP–63 input to training for FY 1975 was 18,941 and for FY 1976 is 20,663. The Army Reserve now has about 3,900 enlisted personnel awaiting input into training.

ROTC GRADUATE ACTIVE DUTY TRAINING

Public Law 87–378, 4 October 1961, requires that commissioned ROTC graduates not required to serve on active duty with the Army shall instead be ordered to active duty for training for a period of three to six months. The decreasing Active Army officer strength has reduced the number of junior officers required on extended active duty during FY 1971–FY 1975. This has resulted in 5,613 new second lieutenants in FY 1971, 8,879 in FY 1972, 6,400 in FY 1973, 4,387 in FY 1974, 1,807 in FY 1975, and 1,050 in this FY 1976 budget for ordering to active duty for training for an average of three and one-half month Basic Officer Course. They are paid from Reserve Personnel, Army funds instead of Military Personnel, Army.

USAR TRAINING PROGRAMS

Active duty for training is included for 2,500 non-unit officer students in USAR schools and for 5,160 officer and 75 enlisted mobilization designees. Individual reinforcement training is included for 4,100 officers and 10,000 enlisted personnel. This provides MOS refresher training for members of the Individual Ready Reserve who are subject to being ordered to active duty on mobilization. School training will include 14,111 officer and 5,553 enlisted personnel, and be in Army Service Schools, Army Area Schools, Recruiting, OCS, and Basic Officers Course. Special training will provide 344,739 officer and 214,076 enlisted days of training, and includes special tours, seminars, command-post exercises, unit members in USAR Schools, supervision of subordinate units, pre-camp conferences, and recruiting.

UNIT TECHNICIANS

Unit technicians are the only full-time manpower support available to Army Reserve units and are vital for proper management, unit readiness, recruiting, maintenance of equipment, and training. The FY 1976 budget provides for 9,698 technicians and will provide manning at 85.6% of our FY 1976 requirement. In accord with our policy of dual status, the technicians to be hired will be military members of the Selected Reserve. Thus, the technician program provides support to units while on Reserve duty and active duty for training, and during both peacetime and mobilization.

EQUIPMENT

This budget request will increase stock fund equipment as an essential step in the effort to increase unit and materiel readiness. Significant quantities of new and modern mission equipment continue to be issued to the Army Reserve. This is steadily overcoming the greatest deterrent to readiness in past years. The increase in materiel readiness requires additional funds for maintenance, operation, and storage of equipment. Our budget includes funds to maintain Army Reserve equipment in a fully deployable condition.

UNIT SUPPORT

In Operation and Maintenance, the Mission Forces Budget Activity provides funds for the troop structure. The FY 1976 request is $124.1 million, compared with the FY 1975 program of $109.1 million. The net increase of $15.0 million is primarily for technician pay, training support, and annualization of pay increases.

DEPOT MAINTENANCE

This Budget Activity finances depot maintenance of USAR-owned major equipment on a repair-and-return-to-user basis. $8.3 million is required for FY 1976 for this purpose, compared with the FY 1975 program of $7.0 million. The increase results primarily from scheduled maintenance of aircraft.

FACILITIES AND COMMAND SUPPORT

The Budget Activity Other Support includes Base Operations, Logistical Support, and Command activities.

The Base Operations part finances the operations cost of six major Army Reserve Component installations used primarily for annual and year round training. It finances three field maintenance shops for direct support-general support maintenance of USAR equipment, and five supply and maintenance support activities, funds the operation of almost 1,000 home station training centers, and provides for Army Reserve field operational support. The FY 1976 request for this account is $94.5 million, compared with the FY 1975 program of $70.5 million.

Logistical Support provides for purchase of stock fund equipment, maintenance of equipment, purchase of POL, and transportation and communication services. The FY 1976 request is $74.6 million and compares with $65.2 million for FY 1975.

The Command part finances operations of the Army Reserve program such as Office, Chief Army Reserve, CONUS Army Headquarters and Army Readiness Regions, supply management, recruiting, civilian personnel, and inspection activities. FY 1976 is $30.8 million and FY 1975 is $32.5 million.

RESERVE OFFICERS' TRAINING CORPS

The Senior Division of the ROTC produces junior officers for the Active Army and Reserve Components. The program is operated at selected civilian and military colleges.

For the Senior Division, the budget provides training for a FY 1976 entering enrollment of 40,200. We estimated commissions of approximately 4,065 junior officers at end FY 1975 and 3,700 at end FY 1976. This compared with an average of almost 16,000 a year during FY 1968–FY 1970. For the Junior Division, an average enrollment of 122,200 is budgeted for FY 1976.

My statement on the Army ROTC addresses only the budget for that program. General Stevenson will respond to any program and policy questions you may have on the ROTC.

HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

The Health Professions Scholarship Program, established in September 1972 by PL 92–426, is designed to produce officers for the Uniformed Services in the fields of Medicine, Dentistry, Veterinary Medicine, and allied health disciplines. Candidates who have been accepted by an accredited institution for professional training are selected by the Office of The Surgeon General for these scholarships. Participation requires that each individual accept a commission as a second lieutenant in the Army Reserve and that he completes 45 days Active Duty for Training each year. Upon graduation, he must serve at least one year for each year of scholarship, and in no case less than two years. This budget provides for a monthly stipend of $400 to be paid to each of the 1,850 participants and for pay and allowances for the Active Duty for Training performed annually by each student. The total cost in this budget is $12.2 million.

Colonel Snyder will respond to any questions you may have concerning this program.

Mr. Chairman, this completes my opening statement. We appreciate the opportunity of appearing before you to present our FY 1976 budget.

READINESS OF RESERVE UNITS

General ROBERTS. I might say, the Army Reserve units are in a higher state of readiness than ever before from the point of view of company level proficiency. However, our major constraint is in the field of equipment. We have some units—a few small units—that are in the C–1 category, ready to go. The bulk of the units, however, are in C–4, which is the lower end of the readiness scale and the major reason is a shortage of key items of equipment.

Chairman McCLELLAN. What has caused those shortages?

General ROBERTS. There are various reasons. We are short of communications equipment and this is a rather chronic situation. It has been going on for some time.

We also are short of certain track vehicles, tanks and armored personnel carriers, and we have some other shortages in engineering equipment, bridging equipment.

Chairman McCLELLAN. How many units do you consider completely ready?

General ROBERTS. Sir, I would have to say not more than 8 percent.

Chairman McCLELLAN. Eight percent?

General ROBERTS. Eight percent of our units would be C–1. However, we have a large proportion that would be C–4, depending on your interpretation of readiness on equipment levels. But we have about [deleted] percent of our mobilization equipment—in other words, the equipment needed for mobilization, we have about [deleted] percent. But 98 percent of that equipment is firstline equipment; it is not junk.

In the old days they issued the Reserve components outmoded equipment. This is no longer true. The equipment we have is firstline equipment but we are somewhat short of a full mobilization readiness.

Chairman McCLELLAN. In the event of an emergency, how long would it take to get the Reserves completely ready?

General ROBERTS. We have a substantial number of units that could be ready in a matter of days if given certain items of equipment, and they could be immediately deployed, particularly in a European area in a matter of [deleted]. However, we have some combat units that would require longer, perhaps [deleted] in connection with certain combat units.

Chairman McCLELLAN. I am speaking of combat units, primarily.

General ROBERTS. I would say an average of [deleted] would be reasonable at the present time. I would suggest to you that [deleted] need for noncombat units first because the support versus the combat ratio in Europe has been reduced [deleted]. This teeth-to-tail ratio has been cut to the point——

Chairman McCLELLAN. What is the ratio of our support units to our combat units?

General ROBERTS. In Reserve components, the bulk of the combat units are in the Army National Guard, but in the Army Reserve we have about 20 percent combat and 80 percent combat support technical type units. Many of these are in a high state of readiness other than some equipment shortages. So in an emergency, in the medical field, transportation field, in a number of specialties, we could have them ready very quickly and have plans to that effect.

General WEST. I would like to make one comment, sir. In terms of the readiness goals of the Reserve components, except those affiliated with Active units that have to have the same readiness as early deployment units, our aim is C–3, which is marginal readiness; it means you can bring them up in a relative short period. Their training is adequate.

For combat units, including separate brigades and armored cavalry units, we have a Reserve deployability readiness at the present time

of 10 weeks for infantry divisions and separate brigades and 11 weeks for armored cavalry readiness. That is the average deployability time.

General WEBER. In the Army National Guard 74 percent of our units are combat ready, C–3, which is our assigned goal.

Chairman MCCLELLAN. Is the purpose of the Reserve to support the National Guard?

General ROBERTS. The primary purpose is to support the Army National Guard and Active Army, including mobilized units. This is because the National Guard has an ongoing requirement for combat-type units to be used for other purposes at the State level.

If you have a domestic or civil disturbance, you are much better off with an infantry battalion than a logistical unit or hospital, or something like that. So the decision was made many years ago that there would be a higher proportion of combat units in the Army National Guard to be available to Governors for such purposes.

General WEBER. General Roberts' comments also apply to the Army National Guard units; 67 percent of our units have attained company level training, meaning that they have passed an appropriate training test conducted by the Army. This is an improvement over 1973 when 54 percent of Guard units had passed their training tests.

Our objective this year is for 80 percent of our units to attain company level training proficiency. This objective should be met in late August 1975.

I would emphasize again, although these units pass these tests and evaluations, they do it with something less than full equipment.

Chairman MCCLELLAN. Your regular training schedule is in August?

General WEBER. Most of the units conduct annual training from late May until the end of August.

Chairman MCCLELLAN. Fort Chaffee in Arkansas is used for training National Guardsmen, isn't it?

General WEBER. Very heavily. We are sending this year about 25,000.

IMPACT OF REFUGEE PROGRAM ON TRAINING

Chairman MCCLELLAN. What will happen if we put 20,000 refugees in there?

General WEBER. There are several possibilities. The post will house in a military fashion about 33,000 to 34,000 personnel. That is not using the World War II type hospital at all which would provide additional shelter.

We are working with U.S. Forces Command and 5th Army on this particular problem. There will be no interference with the training areas. The training areas will be totally available. Right now we are confident we can continue to do our training.

Chairman MCCLELLAN. You have to have housing?

General WEBER. Yes, sir. We have 25,000 personnel going there, but they go in small increments. Each increment is about 5,000, so there should be no housing problem.

Chairman MCCLELLAN. You could use the Fort for both purposes without either interfering with the other?

General WEBER. Yes, sir.

General ROBERTS. I would like to address the Fort Chaffee matter as well. That post is funded by the Army Reserve Operation and Maintenance appropriaton and we already have on-going plans for Reservists to be trained there this year in a support role. We have a support brigade that will be phased into Fort Chaffee throughout the summer with numerous support units including medical, police, et cetera; these will be ideal to operate the facility at this particular time. We believe that the use of Fort Chaffee for this purpose is a good one and we recommended that.

Chairman MCCLELLAN. You recommended Fort Chaffee for the refugees?

General ROBERTS. Yes, sir.

Chairman MCCLELLAN. You think there will be no interference, no problem with respect to the regular training of Reserves and National Guard?

General ROBERTS. Yes, sir; I believe it will be minimal. As General Weber said, the brigades of the National Guard that will be phased in will be largely training out in the field under canvass under normal conditions. So the utilization of barracks space will be held to a minimum and we believe this can be accomplished successfully.

General WEST. I would like to qualify, Mr. Chairman, this is within certain parameters, providing we don't exceed a certain capacity. It is my understanding that Fort Chaffee could handle about 20,000 refugees without degrading training.

Chairman MCCLELLAN. In other words, if no more than 20,000 refugees are placed there, there will still be ample facilities for normal training programs?

General WEST. Some of the schedule would have to be modified to work around it. If you go much over 20,000, however, you begin to erode training capabilities and facilities.

Also, it is assumed the period of time is about 90 days. If it extends much beyond that I think there are other problems we would have to face.

Chairman MCCLELLAN. For the refugees?

General WEST. For the refugees, yes; sir.

General ROBERTS. Normally we have just a skeleton crew there during the winter months, as you know.

Chairman MCCLELLAN. I wonder if it is possible to get them processed through the camp in 90 days. If I could depend on that time schedule, I wouldn't have much of a problem.

Off the record.

[Brief discussion off the record.]

Chairman MCCLELLAN. Back on the record.

What is the strength of the ROTC?

General STEVENSON. Our senior ROTC is approximately 40,000 right now.

Chairman MCCLELLAN. Is that full strength?

General STEVENSON. No, sir; we don't have a limit. We can continue to go up. In fact, for the last 8 years our ROTC strength has been decreasing but we turned up this year 18 percent over last year.

Chairman MCCLELLAN. That was during the antiwar demonstrations and so forth?

General STEVENSON. Yes, sir.

Chairman McCLELLAN. Have any colleges that lost the ROTC program or discontinued it during that period of time restored it?

General STEVENSON. No, sir. At the present time, in addition to the colleges that you are referring to, we are disestablishing four more colleges that have not been able to produce the number of officers that we have been looking for. We have 41 other colleges that are on what we have referred to as evaluation. We are taking a look at their program and the Army is trying to assist them in getting well in the number of officer that they produce each year.

We have held at 291 colleges, which is where we are now. We have 24 colleges that are waiting to come in and we are not taking any more until we get those 41 well and producing and then we will take more on, sir.

Chairman McCLELLAN. I see.

Was there any loss of colleges during this antiwar period?

General STEVENSON. Yes, sir, there was. We lost some colleges in the East. I can name them.

Chairman McCLELLAN. Just approximately.

General STEVENSON. About 11. About four were mainly because of financial reasons. The remainder were because of the antiwar sentiment which took place on their campuses.

Chairman McCLELLAN. Have any of those applied to get back in the program?

General STEVENSON. Yes, sir. Boston University. There has been some contact from other alumni, but as far as the institutions themselves, they have not.

Chairman McCLELLAN. But you don't need them as you have other applicants waiting?

General STEVENSON. No, sir. We have 24 waiting now, sir. If they came back and made an application, we would consider it very carefully and they would go to the bottom of the list and work their way up the same as everybody else.

Chairman McCLELLAN. I don't know whether they could have prevented what they did or not—I mean getting out of the program—but I do feel that others who want to come in should be given priority.

General STEVENSON. Yes, sir, they would.

Chairman McCLELLAN. Anything else, gentlemen?

General ROBERTS. I think not, sir.

QUESTIONS SUBMITTED BY CHAIRMAN M'CLELLAN

Chairman McCLELLAN. All right. Very well, gentlemen. I do have additional questions for you to respond to, please.

[The questions and answers follow:]

SUPPORT COSTS

Chairman McCLELLAN. What is the operation and maintenance Army Reserve support cost for each paid drill Army Reserve man-year?

General ROBERTS. The operations and maintenance Army Reserve support cost for each paid drill Army Reserve man-year is $1,200.

AVERAGE COST PER TECHNICIAN MAN-YEAR

Chairman McCLELLAN. What is the average cost per technician man-year in fiscal year 1976? What is the average cost per civilian (nontechnician) man-year in fiscal year 1976?

General ROBERTS. The average cost per technician man-year for fiscal year 1976 is $13,329. The average cost per nontechnician civilian man-year is $12,602.

COMPUTED REQUIREMENT

Chairman MCCLELLAN. How is the "computed requirement" for technicians derived?

General ROBERT:. Requirements are based on actual unit workload; they are computed on criteria established by manpower survey teams and other comprehensive study efforts, and are determined through an analysis of actual and programmed equipment densities and troop population of selected Reserve unit. These criteria are published in Department of the Army Pamphlet 570-554, "Staffing Guide for Reserve Component and ROTC Functions."

TOE AND TDA UNITS

Chairman MCCLELLAN. What is the difference between TOE and TDA units?

General ROBERTS. TOE units are configured from a standard TOE model. The majority are deployable to meet specific contingencies; however, some are utilized as General Support Forces (training, logistics and other support activities of the CONUS base; field activities; administrative headquarters and forces).

TDA units are not standard configured units. They are organized to meet the needs of specific functions. They may be used to expand the CONUS mobilization base should the need occur.

The basic difference, therefore, between TOE and TDA units is that TOE units configuration will not change from one assignment to the other while TDA units configuration is valid for one specific assignment only.

FORCES COMMAND STUDY

Chairman MCCLELLAN. Describe the Forces Command Study completed in May 1974 that identified increased requirements for administrative and readiness support at all levels. What specific increased readiness requirements were identified in the study and how many individuals are associated with readiness (i.e. how many of the increase). Why are additional administrative support personnel required.

General ROBERTS. The overall purpose of the special Forscom study was to determine the most effective manner in which the Army Reserve Technician (ART) Program can be organized and managed to assure maximum readiness. The number of personnel needed and how they are to be utilized was the number one objective of the study. To accomplish this, a study group was established consisting of designated representatives from HQ Forscom and the Conus Armies. A representative of Office Chief of Army Reserve, DA, also participated as a working member of the study group.

The major conclusion reached in the study was that the ART Program is currently staffed at a level of inefficiency. Operating at these levels has meant that many essential functions have been performed inadequately or not at all.

The Forscom study recognized requirements for 1,700 Unit Readiness Technicians. Over the past 5 years the workload at the unit level has tripled. Of the 1,260 increase for FY 76, 1,148 will be Unit Readiness Technicians and 112 will be support technicians.

"The Unit Readiness Technician" will work under the direct supervision of the unit commander in the day to day accomplishments of duties such as:

(1) Unit readiness training: Assists unit commanders or designated individual in research and planning for training functions. Maintains the training records for the unit and unit personnel. Drafts for approval various training schedules, circulars, and memoranda to insure compliance with directives and publications. Assists unit commander in supervision of training activities.

(2) Maintains data required for the completion of the semi-annual unit readiness report and assists unit commander in preparation of same.

(3) Accomplishes day to day assignment in the maintenance of the Standard Installation/Division Personnel System (Sippers) and the Joint Uniform Military Pay System (Jumps) to include but not limited to: data reductions; file maintenance; personnel administrative support; retirement points accounting and drill pay; management reporting. At the present time there is no one author-

ized at the unit level to accomplish the above. The greatest hope for reducing time needed to accomplish administrative requirements for Reserve Units after mobilization appears to be in the maintenance of current and complete records while assuring that all required pre-mobilization actions are taken.

Increase in Annual Training Support, Civilian Personnel

Chairman McClellan. Annual training support civilian personnel increased by over 220 man-years. This is based on "understatement of requirements in prior years". Please explain.

General Roberts. The establishment of the new appropriation "Operation and Maintenance Army Reserve" with the resultant adjustment and transfers between budgets, and the continued effort to adjust budgets to include all Army Reserve costs, resulted in incorrect and understated field reporting of FY 1974 funds and man-years for Annual Training Support. The improper FY 1974 base data was not apparent for preparation of the FY 1975 budget, but was determined in time to make the correction in the FY 1976 budget.

Travel of Active Personnel

Chairman McClellan. An increase of over $2 million is requested for travel of active personnel, principally for provision of adequate housing in the civilian community. What would be the expected impact of denial of this increase?

General Roberts. Active Army personnel are normally housed in improved quarters at stations provided with or adjacent to adequate recreational, educational, and other community facilities. Reserve Component installation are remotely located in sparsely settled areas with limited facilities. The influx of annual training personnel over-crowds the available facilities. Thus the Active Army soldier assigned to Reserve Component duty finds himself housed in inadequate facilities in a remote community without adequate off-duty recreational or community opportunities. The poor housing at an already undesirable location creates and adverse and negative reaction to the Reserve Components and Reserve Component duty. Denial of funds would force the use of substandard quarters and damage Active Army morale, degrade efficiency and military service, and adversely affect recruiting and retention.

Administrative Supply Technicians

Chairman McClellan. Explain what specific functions Administrative Supply Technicians perform.

General Roberts. The Administrative Supply Technicians (AST) perform a variety of personnel, administration and training duties for Army Reserve units. Specific functions include the following:

Unit Orders.
Attendance Records.
Correspondence and Mail.
Personnel Actions.
Enlistment and Reenlistment Forms.
Publishing Orders.
Emergency Data Cards.
Recruiting Assistance.
Security of Classified Documents.
Alert Plan.
Property Book or Hand Receipt.
Suspense Files.
Turn-in of Equipment.
Reports of Survey.
Opening and Closing of Centers.
Building Security.
Security of Supplies and Equipment.
Maintenance of Records.

Additional Surface and Air Equipment

Chairman McClellan. Discuss the additional equipment, surface and air, programmed for receipt by the Army Reserve in FY 75 and 76. To what extent

does this newer equipment replace existing equipment? If older equipment is being replaced by more modern items, to what extent would maintenance activities be reduced, rather than increased? The committee notes a sizable increase in technician end-strength in FY 76 for maintenance.

General ROBERTS. The Army Reserve is programmed to receive additional equipment valued at $93.6 million in FY 75 and $90 million in FY 76. Equipment received is both ground and air. For example, in FY 75 receipts have included aircraft and trucks, and support equipment for both. Army Reserve is projected to be at 60.8 percent fill of mission equipment by end FY 75, and 65.8 percent by end FY 76. Additional equipment will fill existing shortages of authorized equipment rather than replace older existing equipment and increase rather than reduce technicians and maintenance requirements. This equipment is exchanged for newer models in depots awaiting overhaul. USAR funds are used to repair the modern models of equipment for issue to USAR units, and the old uneconomically repairable USAR equipment is turned in. This major item exchange program has greatly upgraded USAR on hand inventory, since modern type standard models replace older contingency equipment in the USAR inventory.

CIVILIAN PERSONNEL IN BASE OPERATION REQUIREMENTS

Chairman MCCLELLAN. Explain the reasons for each of the transfers that add civilian personnnel to base operation requirements in FY 76. (Non-technicians.)

General ROBERTS. The increase in Non-Technician personnel from 6,762 ES in FY 1975 to 6,291 is as follows:

Fiscal year 1975 total end strength	5,762
Transfers:	
Net increased requirement identified as Reserve Support functions by Forces Command in fiscal year 1976, including Integrated Facilities System	+58
Transfer of Reserve Support functions as indicated from OMA to OMAR:	
Oakdale, Pa., support activity	+129
Philadelphia Support Center	+52
Fort McArthur Reserve Support	+188
Transfer of Boston Annex from Navy	+83
Increases:	
Environmental protection program	+19
Fiscal year 1976 total end strength	6,291

INCREASED READINESS OBJECTIVES

Chairman MCCLELLAN. Discuss the increased readiness objectives of the Army Reserve in FY 76, compared with readiness objectives in prior years. Be as specific as possible.

General ROBERTS. Readiness training objectives for RC company/detachment have been the completion of company/detachment level training within 3 years after the organization of the unit. This training level has been sustained and verified every 3 years. The training formula for RC units has recently been re-evaluated and is currently being revised by FORSCOM in order to achieve increased mobilization readiness. Broad and general military training subjects are now prioritized behind subjects which pertain particularly to mobilization readiness.

The new training formula will allow an individual unit to concentrate upon specific mobilization readiness needs pecu'iar to that unit; therefore, acceptable readiness levels may now be achieved before the previously programmed 3-year standard. Important military subjects non-essential for individual units' mobilization readiness are not eliminated, but such subjects are deferred for training until the proper readiness level is achieved.

The readiness objectives of the Army Reserve are established to provide units and individuals trained to the highest possible level in a peacetime premobilization atmosphere.

Equipment in Combat Deployable Condition

Chairman McClellan. The USAR mission requirement is that all standard equipment be maintained in combat deployable condition. Are you in that position now? What is considered "standard" and what is "non-standard." Why is active Army equipment transferred laterally that is in less than ready-for-issue condition? What percentage of the equipment transferred in FY 74, 75 and projected for 76 will be in less than ready-for-issue condition?

General Roberts. The term standard equipment refers to the acceptability of an item/system to perform the mission intended. All Army equipment is type classified as either limited procurement, standard, contingency or obsolete. The Army Reserve's goal is to have all standard equipment. Currently 98% of equipment on hand is standard. Department of the Army policy precludes transferring equipment to the USAR in less than ready for issue condition. The reference to the issuance of unserviceable equipment to the USAR refers to the USAR Overhaul Program which was initiated in FY 1971. This program established a special authorization that allowed for the USAR to turn in items that had passed life expectancy and were not economically repairable.

Pay Raise Requirements

Chairman McClellan. Would you elaborate on the circumstances underlying the FY 1975 program, wherein resources are adequate to both accommodate pay raise requirements as well as generate some $6.5 million in unobligated balances?

General Roberts. OSD/OMB actions on the Reserve Personnel, Army (RPA) FY 1976 budget resulted in a net reduction of $18.7 million in total obligation authority for FY 1975. The adjustments made were: rate adjustment —$5.0 million; School and Special Training to FY 74 level —$7.2 million; Strength (226,000–212,400) —$7.5 million; and increased Reserve Officer Candidate Strength +$1.0 million. Funding required for the FY 1975 pay raise was $14.8 million. The difference of $3.9 million was listed as unobligated balance lapsine. An additional $2.6 million was added when a later reprogramming action was disallowed by the Congress.

Mobilization Readiness Levels

Chairman McClellan. You indicate that you are striving to reach mobilization readiness levels never before attempted, yet authorized strengths are declining from an average 94% of allowance to an overall level of 77%. Would you explain how an overall decrease in manning levels contributes to increased mobilization potential?

General Roberts. An overall decrease in manning levels does not contribute to increased mobilization potential. An increase in strength toward the 94% requirement can only be achieved if authorizations, funding and incentive programs are provided to enable recruitment and retention of individuals. Such programs should result in increased manning and improved mobilization readiness.

Balance of Total Program

Chairman McClellan. At the same time that personnel strengths are coming down, you are programming additional emphasis in training, recruiting, technical support and equipment maintenance. How can we be assured that the total program is effectively balanced?

General Roberts. Training, recruiting, technical support, and equipment maintenance efforts have a direct if not immediate effect upon overall strength levels. A well balanced program must incorporate current and longer range programs, and now is the time to direct appropriate attention to needs that will provide present and prospective service members with a meaningful and professional training and working environment. Improved MOS training for enlisted personnel, continuation of the intensified recruiting program, technical support to match readiness requirements, and equipment maintenance necessary to provide useful operation and prevent deterioration are all important elements of an effective and balanced program.

Support Detachments

Chairman McClellan. Would you explain the $7.5 million transfer of support detachments into the Operation and Maintenance appropriation? Why was this done?

General Roberts. Transfers into OMAR in FY 1976 are as follows:

Activity	*Millions*
Oakland Support Facility, Oakland, Pa	$1.7
Philadelphia Support Center, Philadelphia, Pa	0.8
Fort McArthur Reserve Facility	3.0
South Boston Naval Annex (Fargo Building)	2.0
	7.5

Funding of the Oakdale, Pa., and Philadelphia Support elements resulted from the phase out of the Aradcom Nike Site at Oakdale, Pa. This support had been funded by the Nike program without identification as Reserve Component support.

The McArthur transfer is the result of conversion of a portion of Fort McArthur to an inactive installation in support of Reserve Component activities and excessing the remainder of the Post. When active, the post was funded in OMA.

A part of the Boston Naval Annex was transferred from the Navy to OMAR to provide a training facility for Reserve Component activities.

These actions are part of the continuing effort to identify and transfer all Reserve support costs to the Operation and Maintenance Army Reserve Appropriation (OMAR).

Non-Prior-Service Accessions

Chairman McClellan. You express the need for attractive incentives to increase non-prior service accessions. Would you explain these incentives and their cost?

General Roberts. Some recruiting incentives that would enhance the accession of non-prior service personnel are:

(1) Provide tuition assistance for enlisted members of the Selected Reserve by paying a part of the tuition while attending an accredited college, university, technical or occupational institution approved by Secretary of the Military Department concerned. The proposed procedure is to pay fifty percent (50%) of the tuition during the first six-year enlistment and seventy-five percent (75%) during an enlistment, reenlistment or extension of an enlistment beyond six years total service.

(2) Commissary benefits during IDT for member and spouse and PX benefits also for spouse.

(3) Increased Medical Benefits—No specific program formulated at present.

Advertising Program

Chairman McClellan. How much is being spent in FY 1976 for the advertising program compared with prior years?

General Roberts.

Fiscal year:	*Millions*
1976	$5.6
1975	5.4
1974	6.1
1973	4.1
1972	2.1
1971	0.5

Prior to termination of induction of personnel under the Selective Service Act the recruiting and information program averaged $.5 million. To attract non-prior service and prior service enlistments and to encourage reenlistment the program was increased as indicated.

Minority Recruitment

Chairman McClellan. The Reserves are apparently making strikes in minority recruitment. What percentage of the total force are now represented by women and blacks? How do they relate to the officer structure?

General Roberts. The USAR recognized a deficiency in minority representation and established procedures to correct the inequities. As a result of this effort, the past year reflected significant improvement. In February 1974 there were 4,209 females in the USAR, and this increased to a February 1975 strength of 14,190 which was 6.2 percent of the paid drill strength. For the same period of time, black strength increased 64% from 13,430 to 21,967 which was 9.6 percent of the February 1975 paid drill strength. The relationship of women and black officers to the total officer strength as of February 1975 was 1,584 for 4 percent females and 1,165 for 3 percent blacks.

Request for Technicians

Chairman McClellan. Your request for FY 1976 provides 9,698 technicians, or 85.6% of requirement. How does this compare with prior years?

General Roberts.

Fiscal year	Requirement	End strength	Percent
1976	11,333	9,698	[1] 85.6
1975	11,333	8,438	[1] 74.5
1974	11,333	8,172	[2] 72.1

[1] Estimate.
[2] Actual.

The FY 1976 request is the most essential authorization to enable the Army Reserve to increase its level of readiness commensurate with the reliance placed upon the Army Reserve. The requirement is considered to be the minimum for achievement of essential level of readiness for the total force concept.

Stock Fund Equipment

Chairman McClellan. Describe the types of stock fund equipment which are identified for increased procurement in FY 1976. Is it stock fund or mission equipment which is the major factor in increasing readiness?

General Roberts. Types of stock fund equipment which will be procured in FY 1976 are listed below. Much of this equipment is used with or in direct support of major mission equipment. Although mission equipment is considered the major factor in increasing readiness, ancillary stock fund equipment is necessary for the operation and maintenance of this mission equipment.

Some examples of stock fund equipment increases for FY 1976 are compressors, filter separators, signal generators, microphone headsets, radio installation kits, machine gun mounts, cargo parachutes, etc.

Base Operations Area

Chairman McClellan. What are the primary reasons behind a $24 million increase in the Base Operations area? How much of this increase is related to expanded effort?

General Roberts. There are four primary reasons for the $24 million increase in the Base Operations area. First, is $7.5 million transfer of support realignment. Second is a $11.4 million increase in Real Property Maintenance Activities (RPMA) to provide current maintenance and to hold the Backlog of Maintenance and Repair (BMAR) at the FY 1974 level. The Support Realignment transfer includes $1.9 million for RPMA. Third, there is $2.5 million increase in Personnel Costs for annualization of FY 1975 pay raises, $5.6 million

in personnel costs are included in the Support Realignment transfer. Fourth, there is an increase in DS/GS maintenance of $2.5 million related to increased equipment density within the Army Reserve.

EQUIPMENT MAINTENANCE

Chairman MCCLELLAN. What is the distinction between the equipment maintained under the Base Operations Program and those financed under Logistical support? Is the $9 million increase in Logistical Support related to equipment maintenance?

General ROBERTS. All categories of equipment maintenance are under Logistical Support. The distinctions between equipment maintenance is one of echelon of capability and responsibility. Base operations provides "Direct Support/General Support" field maintenance to USAR units. This encompasses the replacement and rebuild of assemblies and components.

"Organizational maintenance" consists of preventative maintenance, i.e., crew or operator checks and services and scheduled maintenance services. "Depot maintenance" consists of overhaul/rebuild of end items by depots (AIF Funded or Commercial Contract).

The $9 million increase is related to equipment maintenance, and $1.2 million thereof is maintenance technician salaries and is included in Logistical support personnel compensation and benefits.

SENIOR RESERVE OFFICERS' TRAINING PROGRAM

Chairman MCCLELLAN. You indicate a steadily declining output under the Senior Reserve Officers' Training Program. Has this resulted in termination of the program at any educational institutions due to low load?

General ROBERTS. Yes, in June 1975 the program will be terminated at the four following institutions:

(1) Bowdoin College, Maine.
(2) Middlebury College, Vt.
(3) Colorado College, Colo.
(4) Springhill College, Ala.

Also, there are presently 41 additional units on evaluation status.

SUBCOMMITTEE RECESS

Chairman MCCLELLAN. We will conclude this morning and recess until Tuesday, May 6.

Thank you, gentlemen.

[Whereupon, at 10:41 a.m. Tuesday, April 29, the subcommittee was recessed, to reconvene on Tuesday, May 6.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1976

MONDAY, MAY 12, 1975

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m. in room 1223, Everett McKinley Dirksen Office Building, Hon. John L. McClellan (chairman) presiding.

Present: Senators McClellan and Young.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

STATEMENTS OF:

NORMAN R. AUGUSTINE, ASSISTANT SECRETARY OF THE ARMY (RESEARCH AND DEVELOPMENT)

LT. GEN. HOWARD H. COOKSEY, DEPUTY CHIEF OF STAFF FOR RESEARCH, DEVELOPMENT AND ACQUISITION

ACCOMPANIED BY:

MAJ. GEN. ROBERT C. MARSHALL, BALLISTIC MISSILE DEFENSE PROGRAM MANAGER

MAJ. GEN. RICHARD L. WEST, DIRECTOR OF ARMY BUDGET, OFFICE OF THE COMPTROLLER OF THE ARMY

BUDGET REQUEST

Chairman MCCLELLAN. The subcommittee will come to order.

This morning the subcommittee will receive testimony in support of the fiscal year 1976 budget request for Research, Development, Test, and Evaluation, Army.

JUSTIFICATION

Without objection, the justifications for this program will be inserted at this point in the record.

[The justification follows:]

51-871 O - 75 - 23

Justification

Section 1

BUDGET APPENDIX EXTRACT

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; [$1,779,399,000] to remain available for obligation until [June 30, 1976] September 30, 1977. $2,181,700,000

For "Research, Development, Test, and Evaluation, Army" for the period July 1, 1976, through September 30, 1976, $585,600,000, to remain available for obligation until September 30, 1977. (10 U.S.C. 2353, 4503: Department of Defense Appropriation Act, 1975 for fiscal year 1976, and for the period July 1, 1976, through September 30, 1976.)

Explanation of Proposed Change: To delete language which is applicable only to Department of Defense Appropriation Act, 1975, Public Law 93-437 and insert in lieu thereof the appropriation requested for fiscal year 1976 and for the transition period between fiscal year 1976 (which ends June 30, 1976) and fiscal year 1977 (which begins October 1, 1976).

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 97-20-2040-0-1-051	BUDGET PLAN (AMOUNTS FOR RDT&E ACTIONS PROGRAMED)			OBLIGATIONS		
	1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:						
DIRECT:						
1. MILITARY SCIENCES	111,161	106,219	126,814	112,006	106,769	126,728
2. AIRCRAFT AND RELATED EQUIPMENT	294,231	232,316	284,805	290,747	236,450	282,944
3. MISSILES AND RELATED EQUIPMENT	634,997	599,684	741,843	614,551	614,801	736,487
4. MILITARY ASTRONAUTICS AND RELATED EQUIPMENT	16,122	16,112	21,495	17,293	16,100	19,294
6. ORDNANCE, COMBAT VEHICLES, AND RELATED EQUIPMENT	229,661	221,794	277,599	218,156	230,103	274,320
7. OTHER EQUIPMENT	395,128	395,734	533,134	407,415	399,980	529,767
8. PROGRAMWIDE MANAGEMENT AND SUPPORT	60,846	177,570	203,709	58,595	171,431	202,797
TOTAL DIRECT	1,942,346	1,749,389	2,189,400	1,918,763	1,775,554	2,172,337
REIMBURSABLE (TOTAL)	195,575	185,000	190,965	172,374	185,800	189,700
10 TOTAL	2,137,921	1,934,389	2,380,365	2,091,137	1,961,354	2,362,037
FINANCING:						
RECEIPTS AND REIMBURSEMENTS FROM:						
11 FEDERAL FUNDS	-184,450	-183,000	-188,965	-176,491	-183,000	-188,965
13 TRUST FUNDS	-4,551	-7,973	-7,700	-4,551	-7,973	-7,700
14 NON-FEDERAL SOURCES	-6,574	-2,000	-2,000	-6,680	-2,000	-2,000
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	-88,327	-123,345	-96,380
AVAILABLE TO FINANCE NEW BUDGET PLANS	-3,500	.....	.....	-3,500	.....	.....
REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-3,913	.....	.....	.....	.....	.....
22 UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	-3,500	.....	.....	-3,500	.....	.....
23 UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	3,500	.....	.....	3,500	.....	.....
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR						
FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	123,345	96,380	114,708
25 UNOBLIGATED BALANCE LAPSING						
UNOBLIGATED BALANCE LAPSING, BUD PLAN	3,913	.....	.....	3,913	.....	.....
BUDGET AUTHORITY	1,938,846	1,741,416	2,181,700	1,938,846	1,741,416	2,181,700
BUDGET AUTHORITY:						
40 APPROPRIATION	1,939,014	1,779,339	2,181,700	1,939,014	1,779,339	2,181,700
41 TRANSFERRED TO OTHER ACCOUNTS	-168	-63,309	.....	-168	-63,309	.....
43 APPROPRIATION (ADJUSTED)	1,938,846	1,716,030	2,181,700	1,938,846	1,716,030	2,181,700
44.10 PROPOSED SUPPLEMENTAL FOR WAGE-BOARD PAY RAISES	.....	6,090	.....	.....	6,090	.....
44.20 PROPOSED SUPPLEMENTAL FOR CIVILIAN PAY RAISES	.....	19,296	.....	.....	19,296	.....
RELATION OF OBLIGATIONS TO OUTLAYS:						
71 OBLIGATIONS INCURRED, NET				1,903,415	1,768,381	2,163,372
72 OBLIGATED BALANCE, START OF YEAR				1,051,867	754,938	646,319
74 OBLIGATED BALANCE, END OF YEAR				-754,938	-646,319	-774,691
77 ADJUSTMENTS IN EXPIRED ACCOUNTS				-10,620	.....	.....
90 OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL				2,189,724	1,851,994	2,034,620
91.10 OUTLAYS FROM WAGE-BOARD PAY RAISE SUPPLEMENTAL				.....	5,999	91
91.20 OUTLAYS FROM CIVILIAN PAY RAISE SUPPLEMENTAL				.....	19,007	289

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1973 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-20-2040-0-1-051

		BUDGET PLAN (AMOUNTS FOR ROT+E ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. MILITARY SCIENCES				4,617		
	2. AIRCRAFT AND RELATED EQUIPMENT				10,295		
	3. MISSILES AND RELATED EQUIPMENT				15,683		
	4. MILITARY ASTRONAUTICS AND RELATED EQUIPMENT				2,451		
	6. ORDNANCE, COMBAT VEHICLES, AND RELATED EQUIPMENT				5,007		
	7. OTHER EQUIPMENT				26,193		
	8. PROGRAMWIDE MANAGEMENT AND SUPPORT				2,083		
	TOTAL DIRECT				66,329		
	REIMBURSABLE (TOTAL)				10,232		
10	TOTAL				76,561		
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS				7,959		
14	NON-FEDERAL SOURCES				-106		
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR						
	FOR COMPLETION OF PRIOR YEAR BUDGET PLANS				-88,327		
	AVAILABLE TO FINANCE NEW BUDGET PLANS	-3,500			-3,500		
	REPROGRAMING FROM OR TO PRIOR YEAR BUDGET PLANS	-3,913					
23	UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	3,500			3,500		
25	UNOBLIGATED BALANCE LAPSING						
	UNOBLIGATED BALANCE LAPSING, BUD PLAN	3,913			3,913		
	BUDGET AUTHORITY						

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1974 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-20-2040-0-1-051

		BUDGET PLAN (AMOUNTS FOR RDT+E ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. MILITARY SCIENCES	111,361	.....	.....	107,389	3,972	.....
	2. AIRCRAFT AND RELATED EQUIPMENT	294,231	.....	.....	280,452	13,779	.....
	3. MISSILES AND RELATED EQUIPMENT	834,997	.....	.....	798,868	36,129	.....
	4. MILITARY ASTRONAUTICS AND RELATED EQUIPMENT	16,122	.....	.....	14,842	1,280	.....
	6. ORDNANCE, COMBAT VEHICLES, AND RELATED EQUIPMENT	229,661	.....	.....	213,149	16,512	.....
	7. OTHER EQUIPMENT	395,128	.....	.....	381,222	13,906	.....
	8. PROGRAMWIDE MANAGEMENT AND SUPPORT	60,846	.....	.....	56,512	4,334	.....
	TOTAL DIRECT	1,942,346	.....	.....	1,852,434	89,912	.....
	REIMBURSABLE (TOTAL)	195,575	.....	.....	162,142	33,433	.....
10	TOTAL	2,137,921	.....	.....	2,014,576	123,345	.....
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	-184,450	.....	.....	-184,450	.....	.....
13	TRUST FUNDS	-4,551	.....	.....	-4,551	.....	.....
14	NON-FEDERAL SOURCES	-6,574	.....	.....	-6,574	.....	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	-123,345	.....
22	UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	-3,500	.....	.....	-3,500	.....	.....
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	123,345	.....	.....
	BUDGET AUTHORITY	1,938,846	.....	.....	1,938,846	.....	.....
	BUDGET AUTHORITY:						
40	APPROPRIATION	1,939,014	.....	.....	1,939,014	.....	.....
41	TRANSFERRED TO OTHER ACCOUNTS	-168	.....	.....	-168	.....	.....
43	APPROPRIATION (ADJUSTED)	1,938,846	.....	.....	1,938,846	.....	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-20-2040-0-1-051

		BUDGET PLAN (AMOUNTS FOR RDT&E ACTIONS PROGRAMED)			OBLIGATIONS		1975 FISCAL YEAR PROGRAM
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. MILITARY SCIENCES	.....	106,219	.....	.....	102,797	3,422
	2. AIRCRAFT AND RELATED EQUIPMENT	.....	232,316	.....	.....	222,671	9,645
	3. MISSILES AND RELATED EQUIPMENT	.....	599,684	.....	.....	578,672	21,012
	4. MILITARY ASTRONAUTICS AND RELATED EQUIPMENT	.....	16,112	.....	.....	14,820	1,292
	6. ORDNANCE, COMBAT VEHICLES, AND RELATED EQUIPMENT	.....	221,754	.....	.....	213,591	8,163
	7. OTHER EQUIPMENT	.....	395,734	.....	.....	385,994	9,740
	8. PROGRAMWIDE MANAGEMENT AND SUPPORT	.....	177,570	.....	.....	167,097	10,473
	TOTAL DIRECT	.....	1,749,389	.....	.....	1,685,642	63,747
	REIMBURSABLE (TOTAL)	.....	185,000	.....	.....	152,367	32,633
10	TOTAL	.....	1,934,389	.....	.....	1,838,009	96,380
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	-183,000	.....	.....	-183,000	.....
13	TRUST FUNDS	.....	-7,973	.....	.....	-7,973	.....
14	NON-FEDERAL SOURCES	.....	-2,000	.....	.....	-2,000	.....
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	.....	-96,380
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	96,380	.....
	BUDGET AUTHORITY	.....	1,741,416	.....	.....	1,741,416	.....
	BUDGET AUTHORITY:						
40	APPROPRIATION	.....	1,779,339	.....	.....	1,779,339	.....
41	TRANSFERRED TO OTHER ACCOUNTS	.....	-63,309	.....	.....	-63,309	.....
43	APPROPRIATION (ADJUSTED)	.....	1,716,030	.....	.....	1,716,030	.....
44.10	PROPOSED SUPPLEMENTAL FOR WAGE-BOARD PAY RAISES	.....	6,090	.....	.....	6,090	.....
44.20	PROPOSED SUPPLEMENTAL FOR CIVILIAN PAY RAISES	.....	19,296	.....	.....	19,296	.....

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS) — 1976 FISCAL YEAR PROGRAM

IDENTIFICATION CODE 07-20-2040-0-1-051

		BUDGET PLAN (AMOUNTS FOR RDT+E ACTIONS PROGRAMED)			OBLIGATIONS		
		1974 ACT	1975 EST	1976 EST	1974 ACT	1975 EST	1976 EST
	PROGRAM BY ACTIVITIES:						
	DIRECT:						
	1. MILITARY SCIENCES	.....	.....	126,814	.....	.....	123,306
	2. AIRCRAFT AND RELATED EQUIPMENT	.....	.....	284,805	.....	.....	273,299
	3. MISSILES AND RELATED EQUIPMENT	.....	.....	741,843	.....	.....	715,475
	4. MILITARY ASTRONAUTICS AND RELATED EQUIPMENT	.....	.....	21,496	.....	.....	18,002
	6. ORDNANCE, COMBAT VEHICLES, AND RELATED EQUIPMENT	.....	.....	277,599	.....	.....	266,157
	7. OTHER EQUIPMENT	.....	.....	533,134	.....	.....	520,027
	8. PROGRAMWIDE MANAGEMENT AND SUPPORT	.....	.....	203,709	.....	.....	192,324
	TOTAL DIRECT	.....	.....	2,189,400	.....	.....	2,108,590
	REIMBURSABLE (TOTAL)	.....	.....	190,965	.....	.....	157,067
10	TOTAL	.....	.....	2,380,365	.....	.....	2,265,657
	FINANCING:						
	RECEIPTS AND REIMBURSEMENTS FROM:						
11	FEDERAL FUNDS	.....	.....	-188,965	.....	.....	-188,965
13	TRUST FUNDS	.....	.....	-7,700	.....	.....	-7,700
14	NON-FEDERAL SOURCES	.....	.....	-2,000	.....	.....	-2,000
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	.....	.....	.....	.....	114,708
	BUDGET AUTHORITY	.....	.....	2,181,700	.....	.....	2,181,700

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-20-2040-0-1-051	BUDGET PLAN (AMOUNTS FOR RDT+E ACTIONS PROGRAMED)	OBLIGATIONS
	TRANSITION	TRANSITION
PROGRAM BY ACTIVITIES:		
DIRECT:		
1. MILITARY SCIENCES	33,580	33,581
2. AIRCRAFT AND RELATED EQUIPMENT	73,811	77,194
3. MISSILES AND RELATED EQUIPMENT	202,985	209,989
4. MILITARY ASTRONAUTICS AND RELATED EQUIPMENT	4,690	4,700
6. ORDNANCE, COMBAT VEHICLES, AND RELATED EQUIPMENT	96,279	95,987
7. OTHER EQUIPMENT	122,416	128,451
8. PROGRAMWIDE MANAGEMENT AND SUPPORT	51,839	55,899
TOTAL DIRECT	585,600	605,801
REIMBURSABLE (TOTAL)	46,322	56,700
10 TOTAL	631,922	662,501
FINANCING:		
RECEIPTS AND REIMBURSEMENTS FROM:		
11 FEDERAL FUNDS	-44,000	-44,000
13 TRUST FUNDS	-1,822	-1,822
14 NON-FEDERAL SOURCES	-500	-500
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	-114,708
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR FOR COMPLETION OF PRIOR YEAR BUDGET PLANS	.....	84,129
BUDGET AUTHORITY	585,600	585,600
BUDGET AUTHORITY:		
40 APPROPRIATION	585,600	585,600
43 APPROPRIATION (ADJUSTED)	585,600	585,600
RELATION OF OBLIGATIONS TO OUTLAYS:		
71 OBLIGATIONS INCURRED, NET		616,179
72 OBLIGATED BALANCE, START OF YEAR		774,691
74 OBLIGATED BALANCE, END OF YEAR		-850,870
90 OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL		540,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-20-2040-0-1-051		1974 ACT	1975 EST	1976 EST
	PERSONNEL COMPENSATION:			
11.1	PERMANENT POSITIONS	223,686	278,259	268,248
11.3	POSITIONS OTHER THAN PERMANENT	24,367	10,366	10,816
11.5	OTHER PERSONNEL COMPENSATION	2,616	2,517	2,377
	TOTAL PERSONNEL COMPENSATION	250,669	291,142	281,441
	DIRECT OBLIGATIONS:			
	PERSONNEL COMPENSATION	228,359	262,658	254,572
12.1	PERSONNEL BENEFITS: CIVILIAN	20,197	23,326	22,586
13.0	BENEFITS FOR FORMER PERSONNEL	81	.....	.....
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	14,569	15,529	15,900
22.0	TRANSPORTATION OF THINGS	4,323	4,333	4,833
23.0	RENT, COMMUNICATIONS, AND UTILITIES	6,244	6,244	6,244
24.0	PRINTING AND REPRODUCTION	800	765	875
25.0	OTHER SERVICES	1,539,643	1,362,466	1,742,120
26.0	SUPPLIES AND MATERIALS	46,910	45,123	54,543
31.0	EQUIPMENT	57,637	55,110	70,654
	TOTAL DIRECT OBLIGATIONS	1,918,763	1,775,554	2,172,337
	REIMBURSABLE OBLIGATIONS:			
	PERSONNEL COMPENSATION	22,310	28,484	26,869
12.1	PERSONNEL BENEFITS: CIVILIAN	1,973	2,299	2,397
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	3,844	4,143	4,221
22.0	TRANSPORTATION OF THINGS	259	279	284
23.0	RENT, COMMUNICATIONS, AND UTILITIES	2,275	2,280	2,280
24.0	PRINTING AND REPRODUCTION	155	167	170
25.0	OTHER SERVICES	122,993	128,137	133,091
26.0	SUPPLIES AND MATERIALS	10,429	11,241	11,453
31.0	EQUIPMENT	8,136	8,770	8,935
	TOTAL REIMBURSABLE OBLIGATIONS	172,374	185,800	189,700
99.0	TOTAL OBLIGATIONS	2,091,137	1,961,354	2,362,037

PERSONNEL SUMMARY

	1974 ACT	1975 EST	1976 EST
TOTAL NUMBER OF PERMANENT POSITIONS	16,105	16,045	14,996
FULL-TIME EQUIVALENT OF OTHER POSITIONS	520	345	372
AVERAGE PAID EMPLOYMENT	16,348	16,531	16,162
AVERAGE GS GRADE	9.51	9.51	9.51
AVERAGE GS SALARY	$16,855	$17,616	$17,926
AVERAGE SALARY OF UNGRADED POSITIONS	$11,434	$12,445	$13,303

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-20-2040-0-1-051		TRANSITION
	PERSONNEL COMPENSATION:	
11.1	PERMANENT POSITIONS	62,848
11.3	POSITIONS OTHER THAN PERMANENT	2,532
11.5	OTHER PERSONNEL COMPENSATION	523
	TOTAL PERSONNEL COMPENSATION	65,903
	DIRECT OBLIGATIONS:	
	PERSONNEL COMPENSATION	59,190
12.1	PERSONNEL BENEFITS: CIVILIAN	5,249
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	4,400
22.0	TRANSPORTATION OF THINGS	1,208
23.0	RENT, COMMUNICATIONS, AND UTILITIES	1,561
24.0	PRINTING AND REPRODUCTION	220
25.0	OTHER SERVICES	498,039
26.0	SUPPLIES AND MATERIALS	16,124
31.0	EQUIPMENT	19,810
	TOTAL DIRECT OBLIGATIONS	605,801
	REIMBURSABLE OBLIGATIONS:	
	PERSONNEL COMPENSATION	6,713
12.1	PERSONNEL BENEFITS: CIVILIAN	599
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	1,264
22.0	TRANSPORTATION OF THINGS	85
23.0	RENT, COMMUNICATIONS, AND UTILITIES	520
24.0	PRINTING AND REPRODUCTION	45
25.0	OTHER SERVICES	41,984
26.0	SUPPLIES AND MATERIALS	3,230
31.0	EQUIPMENT	2,260
	TOTAL REIMBURSABLE OBLIGATIONS	56,700
99.0	TOTAL OBLIGATIONS	662,501

PROJECT LISTING
INTRODUCTION AND EXPLANATION OF CONTENTS

This section has been prepared for the purpose of providing information concerning the US Army Research, Development, Test and Evaluation Program. This information is intended to provide the reader with an overview of the US Army Research, Development, Test and Evaluation Program. The listing is preceded by two summaries; the first by Budget Activity, the second by Program Category.

A separate document, Descriptive Summaries, furnishes narrative information on all RDTE program elements and projects of $3.0 million or more. The index number in the right hand column of this Project Listing refers to the appropriate page in the Descriptive Summaries.

The FY 1976 RDTE,A budget documents contain two additional columns of data: FY 197T, representing the 3-month period of transition, and FY 1977. The FY 1977 column is submitted for advanced authorization reviews only. The new columns are included in accordance with the Congressional Budget and Impoundment Control Act of 1974, P.L. 93-344, 12 July 1974.

The funding information used in these volumes corresponds to that contained in the President's Budget except that the FY 1974 data shown in the Project Listing has been restructured for comparability with the FY 1976 structure.

A direct comparison of FY 1974 and FY 1975 data in this Project List with data shown in the Project Listing dated January 1974 will reveal significant differences. Many of the differences are attributable to the following factors:

a. An FY 1974 reduction of $28.1 million ($19.1 million attributable to the Readiness Supplemental and $9.0 million the reduction in the supplemental for civilian pay increases).

b. An FY 1975 reduction of $236.6 million resulting from the following:

(1) Congressional reductions - -$198.7 million

(2) Proposed transfer to O&M,A - -$63.3 million

(3) Proposed supplementals for civilian pay raises - +$25.4 million

c. Reclassification to provide greater visibility and contribute to the effective management of the R&D program. Reclassification affects the following major areas:

PROJECT LISTING
SUMMARY BY BUDGET ACTIVITY
($ IN THOUSANDS)

	FY 1974 ACTUAL	FY 1975 ESTIMATE	FY 1976 ESTIMATE	FY 197T ESTIMATE	FY 1977 ESTIMATE
1. Military Sciences	110,868	106,219	126,814	33,580	134,034
2. Aircraft and Related Equipment	294,231	232,316	284,805	73,811	357,769
3. Missiles and Related Equipment	834,997	599,684	741,843	202,985	849,620
4. Military Astronautics and Related Equipment	16,122	16,112	21,496	4,690	16,739
6. Ordnance, Combat Vehicles, and Related Equipment	229,661	221,754	277,599	96,279	314,225
7. Other Equipment	395,621	395,734	533,134	122,416	520,079
8. Programwide Management and Support	60,846	177,570	203,709	51,839	213,461
TOTAL RDTE - DIRECT	1,942,346	1,749,389	2,189,400	585,600	2,405,927
Reimbursements	195,575	185,000	190,965	46,322	
TOTAL PROGRAM	2,137,921	1,934,389	2,380,365	631,922	

PROJECT LISTING
SUMMARY BY PROGRAM CATEGORY
($ IN THOUSANDS)

		FY 1974 ACTUAL	FY 1975 ESTIMATE	FY 1976 ESTIMATE	FY 197T ESTIMATE	FY 1977 ESTIMATE
6.1	Research	77,210	73,453	83,535	21,674	85,677
6.2	Exploratory Development	237,341	231,144	286,696	71,364	302,022
6.3	Advanced Development	515,701	537,625	687,154	216,344	901,102
6.4	Engineering Development	554,321	463,569	615,334	152,245	618,838
6.5	Management and Support	291,448	309,285	364,614	94,154	380,402
	Total Research and Development (Program 6)	1,676,021	1,615,076	2,037,333	555,781	2,288,041
	Total Operational Systems Program	266,325	134,313	152,067	29,819	117,886
	TOTAL RDTE - DIRECT	1,942,346	1,749,389	2,189,400	585,600	2,405,927
	Reimbursements	195,575	185,000	190,965	46,322	
	TOTAL PROGRAM	2,137,921	1,934,389	2,380,365	631,922	

INTRODUCTION OF ASSOCIATES

Chairman McCLELLAN. The witnesses are Mr. Norman R. Augustine, Assistant Secretary of the Army (Research and Development); and Lt. Gen. Howard H. Cooksey, Deputy Chief of Staff for Research, Development and Acquisition.

Secretary Augustine is the first witness.

I have a notation here, Mr. Secretary, that you have been promoted to be the new Under Secretary of the Army.

Mr. AUGUSTINE. That is correct. I am just waiting for confirmation hearings, so I am hoping that will soon be the case.

Chairman McCLELLAN. Congratulations.

Mr. AUGUSTINE. Thank you.

PREPARED STATEMENT

Chairman McCLELLAN. You may proceed.

You have a prepared statement?

Mr. AUGUSTINE. I would like to suggest that General Cooksey and I submit our combined detailed statement for the record and, with the committee's permission, we could each read about a 5- or 7-minute summary statement.

Chairman McCLELLAN. Very well.

It will be received.

[The combined statement follows:]

BIOGRAPHICAL SKETCH

HONORABLE NORMAN R. AUGUSTINE
Assistant Secretary of the Army
(Research and Development)

Norman R. Augustine was born on July 27, 1935 in Denver, Colorado and was educated in the public schools in that city. He attended Princeton University where he majored in Aeronautical Engineering and was awarded a BSE, magna cum laude, a MSE, and was elected to membership in Tau Beta Pi, Phi Beta Kappa and Sigma Xi. After graduation he took various courses at Columbia University Graduate School of Business Administration, the University of California at Los Angeles and the University of Southern California.

Mr. Augustine's initial professional employment was on the Princeton faculty as an Assistant in Research at the James Forrestal Research Center. In 1958 he joined the Douglas Aircraft Company in Santa Monica, California where, during a period of seven years, he held positions as Research Aerodynamicist, Design Group Leader, Section Chief, Program Manager and Chief Engineer.

In 1965 he joined the federal government in Washington, D. C. in the Office of the Secretary of Defense where he held positions as Staff Assistant to the Assistant Director of Defense Research and Engineering for Strategic Defensive Systems, and as Assistant Director of Defense Research and Engineering for Tactical Missiles and Ordnance and for Land Warfare. Upon completing his service with the government in 1970, he was presented the Secretary of Defense Meritorious Service Medal.

Mr. Augustine then joined the LTV Aerospace Corporation in Dallas, Texas where he served in such capacities as Vice President, Advanced Programs for the Vought Missiles and Space Company and as Director, Advanced Missiles and Space Systems for the Vought Systems Division.

He is an Associate Fellow of the Institute of Aeronautics and Astronautics, a Director of the American Helicopter Society, and has served as a consultant to the Office of the Secretary of Defense, the Executive Office of the President and the Department of the Army. He has been the U. S. member of the NATO Group of Experts on Air Defense and is a licensed professional engineer in the State of Texas.

Mr. Augustine is married to the former Margareta Engman and they are the parents of a son Gregory and a daughter Rene. Mr. Augustine has held adult leadership positions in various youth programs sponsored by the Boy Scouts and the YMCA.

Mr. Augustine was sworn in as Assistant Secretary of the Army (Research and Development) on 14 September 1973.

BIOGRAPHICAL SKETCH

LIEUTENANT GENERAL HOWARD H. COOKSEY, USA

Howard H. Cooksey was born in Brentsville, Virginia, on 21 June 1921 and graduated from Manassas High School, Manassas, Virginia, in June 1939. After graduating from Virginia Polytechnic Institute, Blacksburg, Virginia, in 1943, he went on active duty with the Army and received his commission from Officers Candidate School, Fort Benning, Georgia, in July 1943. He fought in the Northern Philippines and Luzon campaigns. During the Korean War, he served with the 7th Infantry Division as a company commander and regimental operations officer.

From 1954 to 1958, he was assigned to the Office, Chief of Research and Development, in Washington, D. C., before attending the Armed Forces Staff College in 1958. From 1959 to 1961, he served with Headquarters, United States European Command; in 1961-62, he served in the 2d Battle Group, 6th Infantry Regiment, in Berlin. He attended the National War College in Washington, D. C., in 1962-63.

In 1963 he was assigned to the Office, Chief of Research and Development. In 1965 he was assigned as Executive to the Chief of Research and Development prior to being assigned as Commander, 1st Brigade, 2d Infantry Division in Korea.

General Cooksey has served as Assistant Division Commander, 23d Infantry Division (Americal), Vietnam; Deputy Chief of Staff, Plans and Operations, US Army, Vietnam; Commander, US Army Training Center, Infantry, and Fort Dix, New Jersey; Commander of the First Regional Assistance Command, United States Military Assistance Command, Vietnam; Acting Chief of Staff, United States Military Assistance Command, Vietnam; and Deputy Commander, United States Support Activities Group/7th Air Force, Thailand.

General Cooksey was assigned as Deputy Chief of Research and Development, Department of the Army, on 2 November 1973. He was promoted to Lieutenant General on 10 March 1975 and is currently serving as the Deputy Chief of Staff for Research, Development, and Acquisition.

Mr. Chairman, Members and Staff Members of the Committee:

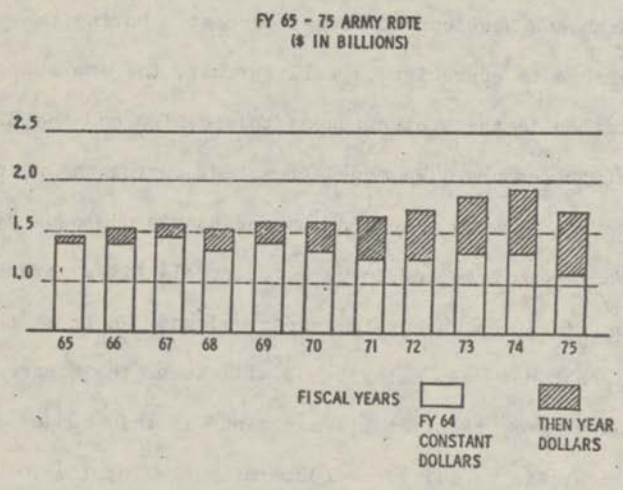
It is a pleasure to appear before you once again to present the Army's Research and Development budget request. During the past year we have come to appreciate, still further, the enormous responsibility entailed in the protection of this nation and the diligence and foresight it demands. We have attempted, during the past twelve months, to develop a continuous and candid dialogue with the members of your committee and to keep you at all times abreast of our successes, failures, progress, and problems. We trust that the relationship that has been established will serve the Congress well in understanding Army requirements contained in this budget request, because we entertain no illusions concerning the formidable economic problems which face the nation and the pressures they engender for cuts in the military budget.

We intend to present you with a strong case for each dollar we are requesting. We have pared and trimmed this budget request to the lowest level which we can in conscience ask for without jeopardizing the vital mission of Army Research and Development. Solid, well managed programs of high potential and clear need have been shelved because we took cognizance of the fiscal facts of life and realized they would be unaffordable in the time period we hoped to purchase them.

In addition to our paring, reductions have been made to our budget by the Office, Secretary of Defense; hence we come before you today with a substantial number of our major programs marginally

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funded. Given the inherent risks involved in research and development, this is a tenuous situation at best; additional reductions would indeed be harmful to these programs.



We are requesting 2.189 billion dollars. We have analyzed this budget, balanced it with the other needs of the Army, and have come to the conclusion that we need these funds to arrest the dangerous decline in RDTE purchasing power which you see depicted on the opposite page. This decline is especially dangerous when compared with the ever increasing level of Soviet R&D effort.

We expect and welcome your intense scrutiny and questioning of every one of our programs, and wish them to stand or fall on their own merits. We would prefer to see programs which you deem inappropriate killed, rather than face a series of level-of-effort cuts which would degrade our ability to manage, make us more vulnerable to the impact of future inflation, and result in a further weakening of our posture. Our level of effort is no longer even level. It tilts downward.

The origin of the very real concern we feel over the state of our developmental capability is, of course, the threat. The delicate balance in nuclear strategic capabilities which has overtaken us as a result of the Soviet advances over the past decade may, ironically enough, increase the possibility of conventional confrontations in a number of areas around the globe. Since the initiation of strategic atomic warfare, even in response to clear, massive aggression, now is becoming more and more tantamount to suicide, our adversaries may perceive opportunities for territorial or political aggrandizement in the use of their tremendous conventional war fighting capabilities. Of their clear superiority in numbers of men and equipment there can be no doubt. You have seen the figures. Another point worth noting is that the era of long conventional wars appears now to be waning. In addition, the massive losses suffered by both sides in the wars in the middle east illustrates the decisive effects produced by the increasing lethality of modern weapons. The Soviet Union and Warsaw Pact forces are Blitzkrieg oriented. All of their offensive tactics are based on rapid penetration and exploitation. Hence, our fortunes in a conflict of this nature are predicated on the weaponry we can bring into play immediately. The laborious process of gearing up, setting objectives and developing the type of national technological effort which brought us victory in World War II will be, quite frankly, irrelevant in almost any likely future conflict. Our aim was once stated as the winning of "the last battle." Now we must win the first! Pressures to avoid a general nuclear war may produce rapid negotiation after the initial clash, and we may be presented with a fait accompli if we were not prepared. The consequences of

reducing our RDTE efforts now may not be apparent until the 1980's; by then, however, it may well be too late to undo the damage.

The disquieting phenomena of increasing technical sophistication of Soviet military hardware are becoming more and more a source of concern. We no sooner complete our analyses of the advances in a particular piece of Soviet equipment when the intelligence community informs us that its successor is well down the road to deployment. The renaissance of armored warfare, resulting from the conflicts in the middle east, supplies an example of this. Our M60A1 tank was rated marginally superior to the T-62 in the October 1973 war, but certainly not decisively so. Now we are faced with a new Soviet tank, the M-1970, which is already in the process of deployment. As of today, several thousand have been produced, and this tank may only be an interim weapon, with another on the drawing boards. The BMP infantry combat vehicle, a better, more sophisticated, more expensive machine than any such vehicle we now possess, has also been produced by the thousands.

The reasons for the awesome Soviet ability to develop and produce quality weapons in such staggering quantities are quite simple. Not only do the Soviets, with a much smaller GNP than ours, spend more than we do on national defense, they devote more of what they do spend to weaponry and research. More than half of our defense budget goes for personnel costs; about a quarter of theirs is so dedicated. On top of this, their defense budget is increasing by a rate of five to seven percent a year while ours, in real dollars, is declining. Soviet military research and development expenditures exceed ours

annually by several billion dollars. This difference is the equivalent of the total spent by the US in FY 75 on SAM-D, AAH, the XM-1, Site Defense, the B-1, Trident, UTTAS, MICV and many other programs. The sums they are spending are increasingly manifest in their deployed hardware. The ZSU-23-4 anti-aircraft system, an integral part of Soviet tank and mechanized divisions, is a disturbing example. It possesses a land navigation system, shoot-on-the-move capability, moving target indication radar, and various other advanced features. Perhaps the most instructive and portentous of all, however, are the bulkhead hand grips in the vehicle. They are electrically warmed. A nation which, up until recently, relied on the tactic of sheer volume of fire and mass troop sacrifice is now willing to spend to insure that its vehicle operators have warm hands in winter combat. The Soviets have made a commitment to technical as well as quantitative superiority over the US. The budget request you have before you is designed to deny it to them.

Looking to the future, which is the primary mission of research and development, we are deluding ourselves if we believe that vastly inferior numbers of men, armed with equipment merely equal in quality to their enemies, can prevail on the battlefield against anything but an ill-trained and unmotivated force.

The 16 Division Army will be a major step toward the partial restoration of a reasonable balance of combat elements vis-a-vis the Soviet and Warsaw Pact, and this force, equipped with the systems for which we request your support, should vastly enhance the security of our posture.

This nation's ace in the hole in every modern war has been its technological and production superiority, and this superiority is still ours, at least for the present, but production declines in importance when we must win "the first battle." We cannot, in addition, remain superior in any respect in a climate of declining effort. For every dollar we are now spending on Research and Development the Soviets invest a considerable amount more. For every university graduate with a technical degree we produce the Soviets turn out almost three.

The R&D program which we present to you this year is designed to limit, to the level of a prudent risk, the chance that the Army will not possess technical superiority over its potential adversaries for at least the near future. The "Big 5," the cornerstone of our program, are progressing well, and their importance to the strength of our forces becomes more and more manifest as time moves on.

A word about inflation is in order, since it deals peculiarly crippling blows to RDTE efforts. A facile tactic of foes of the RDTE program is to take the cost of a weapons system, apply projected inflation indices to it many years into the future, and produce a growth in program unit cost which is interpreted as evidence of an "out of control" development. We propose instead that our programs be judged on:

1. The discernible need for them.

2. The promise and practicality they display in the development process.

3. Our ability to keep their cost, in real dollars, under control so as to insure the item is indeed cost effective.

The inflation indices used to estimate the cost of the XM-1 tank in 1985, if applied to the cost of our groceries, would produce cash register tapes whose total would exceed the entire present paycheck of most Americans. Yet one cannot stop eating because of the high cost of food. If asked why food stays on the list of necessities despite its price, the answer becomes "because we need it to survive." Similarly, the XM-1 will probably be necessary for the survival of our Army on any major battlefield of the 1980's.

FY 75 has been, on balance, an excellent year for Army RDTE. Both our UTTAS candidates are now flying and performing even better than we had anticipated. SAM-D completed a remarkably successful controlled test flight series and, within the next year, will prove the track-via-missile principle which will make it the finest air defense system ever fielded. The XM-1 has made the transition from blueprints to hardware and is meeting its critical milestones. SAFEGUARD has met its equipment readiness date and has scored 47 successes in 54 firings of SPRINT and SPARTAN missiles.

We are equally proud of a number of other achievements we have attained this year. The Cannon Launched Guided Projectile has proven its practicality, and will provide our combat forces with a hitherto impossible ability to hit and defeat even rolling armor on a non-random basis. An all aspect attack capable seeker has been developed for the CHAPARRAL missile. Improvements in our HAWK missile have

substantially enhanced its ability to engage maneuvering and formation targets at higher and lower altitudes. The armor we plan to employ on the XM-1 is now certain to provide us with a substantial, and perhaps decisive edge in tank warfare. Our night vision work is paying off to the extent that it is now possible, under some circumstances, for troops to see more clearly in darkness than they can during the day, and to see through haze and smoke. We are well advanced in remotely piloted vehicle technology, which will enable us, without risking a life or an expensive aircraft, to look deep behind enemy lines, report his movements on a continuous basis, and lase his positions for destruction by homing weapons. Our counter-mortar and counter-battery radars, proven in concept and well along in development, will pinpoint and enable us to neutralize, to a degree, the formidable Soviet advantage in artillery and mortar strength. The list is quite long. Our problems consist of selecting only the most practical and most critically needed technological advances, funding them, and managing them skillfully.

In addition to the revolutionary, we place maximum emphasis on the evolutionary aspect of weapons development as the means of getting the most for our money. The product improvement of existing systems such as CHAPARRAL, TOW, HAWK, the M60 tank, and the COBRA helicopter reflect our emphasis in this area. In some cases, HAWK and COBRA for instance, magnitudes of improvement in capability are being accomplished with a relatively small expenditure of funds. We will continue to squeeze the last drop of potential

from each of our fielded systems and we are aware that you support us in this objective. There are limits, of course, to the improvement potential of all systems. Nothing, for example, can be hung on, taken off, or put into the M60 series tank which will allow it to defeat, one-on-one, the probable Soviet tank threat of the late 1980's. Improved HAWK represents just about the outer limits of capability which can be added to that system, and NIKE-HERCULES has already reached its limit. Product Improve the M113 to meet the survivability, maneuverability and firepower capabilities required of the MICV, and the fuel guage and fire extinguisher are about the only parts of the original vehicle which would remain.

Permit us now to highlight our mission areas and the weapons and systems under development within them.

TANK ANTI-TANK WARFARE

It was once our habit to characterize Soviet ground combat forces as "heavy" in certain areas, i.e., tanks or artillery. The description has become meaningless in recent years as they have succeeded in their efforts to achieve a balance in the various branches of their Army. They have now achieved a modern, internally complementary force which substantially exceeds ours in size and could face us in a number of areas of the world which are ideal for mechanized operations.

Our analyses of large scale conventional ground conflicts points unmistakably toward the absolute necessity of a carefully balanced, fully coordinated mix of offensive and defensive weapons. The most effective tank in the world, which we believe our XM-1 will be in the 1980's, cannot survive alone on the battlefield; likewise the TOW missile, employed alone, cannot survive the Soviet artillery threat. Attack helicopters are proven and powerful anti-armor devices, but cannot secure and exploit the areas they operate in. The basic and irreplaceable infantry unit can hold and exploit ground, but must be supported and protected by all the other components of the combined arms team. The mix and employment of weapons on the battlefield is, of course, outside the responsibility of Army RDTE. Our task is to ensure that each component of the team is supplied with the equipment needed to do the job and to minimize our casualties. Two of our Big 5, the XM-1 and the Advanced Attack Helicopter, will figure prominently and perhaps decisively on the battlefields of the future. While these weapons are in development, and long after their operational advent, the combat proven M60 tank series, which we continue to upgrade, and the COBRA/TOW helicopter will be important factors in our anti-armor capability. We are, in addition, developing a new 8-inch nuclear artillery projectile which will provide a more controlled application of our nuclear power, enhancing physical security and military utility, and reducing the danger to our forces and civilians.

Permit us now to discuss these weapons in some detail.

XM-1 TANK

Examination of the military operations of both the Arab and Israeli Armys has reinforced our conclusion that the tank is still the central, and most truly offense capable weapon system on the battlefield. The tank's value stems from its ability to deliver high volumes of extremely accurate fire while maneuvering with and deriving mutual protection from supporting mechanized and leg infantry units.

Our concept in developing the XM-1 tank is to take the strong points which tanks traditionally have displayed, improve them substantially, and effect a similar decrease in the characteristic vulnerabilities and weaknesses which have manifested themselves on the battlefield. The mobility of the XM-1, as reflected in its cross country speed, will be more than double that of the M60A3 tank. Its silhouette and high agility represent major improvements over our current tank. The most outstanding characteristic this vehicle will possess will be its armor. The special armor developed for the XM-1 program represents perhaps the most significant breakthrough in this area in recent years, and will help assure its predominance on the battlefield of the future. The most concrete calculators we can effect at this point in the program show the XM-1 as a vehicle which is more than twice as likely to survive a battlefield hit as an

M60A3. The critical importance of a highly survivable vehicle was never more evident than in the armor clashes of the middle east war, where, in 19 days, Egypt and Syria lost a greater number of tanks than the United States possesses in Europe.

Due to the 4:1 advantage in medium tanks enjoyed by the Soviets, our only recourse is to develop a tank which can defeat anything they are likely to field, and return again and again to fight. The XM-1 appears, at this point, to be the only solution to this requirement.

This tank will offer the best possibility of achieving the battlefield capability we so urgently require, and the design-to-cost estimate established at the beginning of the program is being met. The 34 month competitive Validation Phase of the program is now two-thirds complete, and the contractors, Chrysler and General Motors, have made significant progress during this past year. Prototype design, fabrication, and procurement of hardware is essentially proceeding on schedule. Automotive test rig fabrication has been completed, instrumentation installed, and performance and durability testing is ongoing. A total of over 3,500 miles have been accumulated to date on these vehicles. Techniques for fabricating the special armor have been satisfactorily demonstrated and ballistic structure designs verified. Contractor

structures were test fired at Aberdeen Proving Ground and then returned to the contractors for tear down analysis.

Our improved kinetic energy anti-tank round, the XM735, demonstrated precision and penetration performance during this period which exceeded our original expectations.

FY 1976 will be a significant year for the XM-1 tank program. Contractors will complete the fabrication of their ballistic and mobility test rigs and prototypes and will submit them for Army test and evaluation beginning in February 1976. The winner of this competition will continue into full scale Engineering Development of the XM-1. In order to get the best possible tank within the dollar constraints, the Army will also test and evaluate a LEOPARD II prototype which will have been specially modified to meet the XM-1 requirement. Although this prototype will not be available for testing by the Army until September 1976, it will be evaluated against the XM-1 requirement and a jointly funded study will be conducted in the 1975-1976 period to determine the cost and producibility of the modified LEOPARD II in the United States. The Tripartite Gun System Evaluation, which is critical to the final national selection of the XM-1 main armament, will be concluded in August, 1975.

M60A1 TANK PRODUCT IMPROVEMENT PROGRAM

The numerical backbone and bulk component of the Hi-Low tank mix the Army plans to possess by 1990 will be the Product Improved M60 series tank. 6,742 M60A3's will be in service along with 3,312 XM-1's and 540 missile-firing M60A2's. The M60A3 will be required, as well, to offset the Soviet M-1970 series which is now in production, until the XM-1 can be fielded.

Phase I of the current M60A1 Tank PIP involves the development, engineering and application to the M60 series tank of nine major product improvements. These are a main gun stabilization system, solid-state ballistic computer, laser rangefinder, tube-over-bar suspension system, improved reliability engine, improved electrical system, improved track, top-loading air cleaners and passive night vision. The tube-over-bar suspension system, laser rangefinder and solid state computer are funded from the RDTE appropriation. Developmental Testing/Operational Testing II (DT II/OT II) of the product improved components, integrated into the tank system, commenced at Ft Knox, Kentucky on 31 January 1974. DT II was completed 18 October 1974 while OT II was completed in January 1975.

After 16 weeks of DT II it became apparent that if testing continued to completion (5 tanks operated for 4,000 miles each) without corrective measures, the demonstrated reliability of the tank

would not meet Materiel Need (MN) requirements. The primary cause of the low reliability was determined to be related to the dynamic interaction of the entire suspension system; other major contributing causes were loss of power in the laser rangefinder, and oil and fuel leaks in the improved reliability engine. With the exception of the suspension system, the significant deficiencies were determined to be correctable. A decision was made to defer further testing to the tube-over-bar suspension system pending the findings of the investigating task force and to temporarily delay DT II testing until corrective fixes could be applied and detailed quality assurance inspection conducted. Additionally, DT II was extended 1,000 miles per tank and testing resumed 29 August 1974. Test results of remaining and extended portion of DT II showed reliability of the tank to be well above MN requirements; however, results showed only the unchanged components of the tank meeting requirements. The tank system achieved a reliability figure of 150 mean miles between failure (MMBF) toward a requirement of 140-150 MMBF. With the exception of the deferred effort on the tube-over-bar suspension system, Phase I of the PIP, as described above, will be completed.

In FY 76 we plan to start Phase II (product improvements for future application) of the program which includes two items recommended by the user as a result of lessons learned during the 1973 middle east war. These are a searchlight under armor or turret

integrated xenon illuminator (TIXI) and a modified tank commander's station. The new armor protected, miniaturized searchlight will provide it greater survivability under combat conditions and enhance its effectiveness in the type of total darkness clashes which occurred in the desert battles of the 1973 war. The improved commander's station features a pop-up type hatch which provides all-around observation while insuring overhead protection.

The new commander's station will have a lower profile than the current cupola and will provide the tank commander with both powered and manual traverse. One criticism of the M60A1 was voiced unanimously by the Israelis who employed it: its profile is too high.

Another of the problems that surfaced during the war was the flammability of the hydraulic fluid used in the M60 tanks. We have adopted, on an interim basis, an Air Force fluid which has a fire-resistant chemical composition to be utilized as a "quick fix." However, we are actively evaluating fluids such as, silicones, water-glycols and phosphate eaters, which will provide us even better fire resistance and performance.

ADVANCED ATTACK HELICOPTER

One of the few quantitative advantages which the Army possesses over the Soviets is in the area of attack helicopters. The AAH program proposes to exploit our superiority in this area with the

introduction of a fast, highly maneuverable, highly survivable aerial weapon system as a deterrent to the Soviet and Warsaw Pact armor threat. Armed with the combat proven TOW missile system, this aircraft will be able to take advantage of natural cover and terrain features, in total darkness, to deliver extremely accurate missile and cannon fire against tanks and other targets. The night and adverse weather capability it will possess is especially critical in light of the Warsaw Pact's propensity for night operations and the unfavorable weather conditions likely to be encountered in European warfare. The aircraft's armor, redundancy of critical systems, and other design features, in addition to its innate elusiveness, will provide it with a strong chance of survival in the event of hits from a variety of anti-aircraft, armor piercing and incendiary projectiles.

The $60.9 million in FY 1975 has provided for the engineering design and fabrication of two flyable prototypes and a ground test vehicle by each of two contractors involved in the competitive airframe development program. Mock-up reviews and critical design reviews have been completed and there have been no technical problems encountered with either of the two designs. Inflation, however, as well as other factors, resulted in program cost growth in excess of budgeted funding levels. As a result, the Army has decided to extend the airframe development portion of the program by six months.

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During FY 76, the $65 million requested will support completion of the prototype development and flight test program. With a schedule extension, first flight is now planned for September 1975, rather than March 1975 as reported last year. FY 76 budget request also contains funds to initiate early development and procurement of selected subsystems required for the three additional prototypes in the second phase of the AAH program. The $17.9 million requested for FY 7T will be used primarily to support the government competitive flyoff.

Following selection of the winning airframe, we will proceed with full subsystems development and integration. The Army recognizes the importance of achieving the design to cost goal of $1.4-$1.6 million recurring unit flyaway cost in FY 72$ and our present estimate is that we will meet it.

This program remains one of the highest priority for the Army. Our ability to mass high volumes of tank-killing fire at all hours and under adverse weather conditions will be a critical factor of uncertainty in the offensive plans of any potential adversary.

COBRA/TOW

The COBRA/TOW program was initiated to fulfill an urgent requirement for an early aerial anti-tank system prior to the inception of a more capable Advanced Attack Helicopter. Congress approved funds

in FY 74 and FY 75 to modify 290 existing COBRA's with the TOW missile system. Deliveries of these aircraft will begin in June of 1975, and deployment to Europe will follow soon thereafter. The airborne TOW is combat proven. During the 1972 North Vietnamese offensive, the enemy employed numerous tanks against front line units. The US Army countered this threat with heliborne anti-tank weapons. The most dramatic results were achieved by two UH-1B helicopters equipped with the TOW missile. These two helicopters destroyed 27 tanks and many other material targets during the peak of the enemy's offensive. At the battle of Kontum, the Army's two TOW helicopters destroyed ten tanks in one day and were given credit for saving the city during the battle. The capability of the COBRA/TOW will be enhanced when product improvements currently under development are applied. A follow-on evaluation to Operational Test II was conducted during the period 15 April - 30 June 1974 which assessed the operational effectiveness of the COBRA/TOW after inclusion of systems modifications resulting from previous operational and developmental testing. This test showed the COBRA/TOW's missile hit performance to be higher than the OT II results, which compared favorably with ground anti-tank weapon systems. A developmental check test was conducted during July and August 1974 which was a follow-on to Development Test II conducted last year. In the FY 75 budget, Congress appropriated $4.5 million to support

the Product Improvement Program (PIP) to increase the COBRA/TOW aircraft performance capability. This PIP will enable the Army to uprate the existing COBRA engine from 1400 to 1800 horsepower, and uprate the transmission and dynamic components. This allows the aircraft gross weight to be increased from 9,500 to 10,000 lbs. and improves the aircraft's performance, particularly in hover and at higher temperatures.

First flight of a COBRA aircraft with these improvements took place on 7 December 1974, and completion of testing is scheduled for June 1975. We have also initiated development of an improved rotor blade that will produce greater lift efficiency and survivability than blades in current use. Success in this blade development program could result in incorporation of an improved rotor blade on the COBRA/TOW as well as on other segments of the COBRA and Huey fleet. A development contract is scheduled for award during this fiscal year.

HELLFIRE/AIR DEFENSE SUPPRESSION MISSILE

Though the TOW system has been battlefield tested and represents a highly effective anti-tank weapon system, it nevertheless is tied to the helicopter with wire guidance. A more desirable system for the mission would ideally free the aircraft after firing, thereby

increasing survivability, and would provide additional range to lessen the ZSU-23-4 anti-aircraft threat. HELLFIRE Laser is the on-going developmental program to satisfy these requirements. It has greater range and can be used on targets that are designated by lasers located remotely on either the ground, in a scout aircraft, or in the attack helicopter itself.

Recent funding reductions have curtailed certain development efforts for HELLFIRE, but the $9.0 million programed for FY 1976 and the transition period will allow for completion of the current testing. Firing tests performed at MICOM during the past several months have been tremendously successful. A total of 52 test shots have now been made using both the 6 and 7 inch HELLFIRE missile with laser seeker. Of these, 38 have been direct hits. Operational testing to resolve some uncertainties will continue.

The funding level for FY 1977 is now $27 million, and will allow the option of initiating engineering development if such a decision is made at the December 1975 ASARC. The $27 million is required for procurement of ED missiles, laser seekers and associated equipment for qualification, testing, and the necessary support for interface with the AAH.

During the past year the Army has joined with the Air Force in an effort to design a laser seeker with a high degree of commonality to both MAVERICK and HELLFIRE. This attempt appears to be reaching a successful conclusion, and, if it is, any future procurement of laser seekers for this missile will probably be made through the Air Force.

Air Defense Suppression Missile development has been deferred as a result of recent budget decisions that eliminated further funding. This is an example of one of our painful budget scrubs. The ZSU-23-4 Soviet gun threat is very real and ominous. We will have to cope with it by using a general purpose missile like TOW or Laser HELLFIRE because the special purpose, but more effective, missile simply costs too much in its present configuration.

SCATTERABLE MINES

Mines represent a relatively low cost, high payoff counter to the Blitzkrieg method inherent in Soviet offensive strategy. A mine need never explode to accomplish its intended mission of delaying, canalizing and demoralizing an advancing enemy. The generally well-defined avenues of approach of Warsaw Pact forces in Europe are especially vulnerable to mining by artillery, helicopters, ground dispensers, and fixed-wing aircraft, and pose two choices for the enemy. He can continue to "plow through" a random minefield with very high losses,

or he can halt and painstakingly clear the field while under assault from attack helicopters, ground anti-tank forces, TACAIR, and massed artillery fires. Additionally, the anti-disturbance capability and other countermeasures inherent in scatterable mines will negate a number of his countermine devices and increase his tank losses. Upon exiting the minefield and having expended his breaching capability, he may encounter additional minefields which have been remotely emplaced in the interim.

The M56 helicopter dropped anti-tank mine system and 155mm Howitzer delivered anti-tank and anti-personnel mine system provide the additional advantages of rapid reaction and a selectable self destruct mechanism. The self-destruct feature permits friendly troops to counterattack through the minefield with maximum safety after it has served its purpose in delaying the enemy.

The M56 system was type classified in FY 74 and will be fielded in Europe. The artillery delivered anti-personnel (XM692E1/XM731) and anti-tank (XM718/XM741) systems have progressed well, and the anti-personnel mine has successfully completed development. An overall delay was encountered due to the M483 carrier projectile instability when fired at transonic velocities at low temperature, high air density conditions. Now that the verification tests of the modified M483 projectile at Nicolet Range, Canada have been completed, the entire XM692E1 mine system will undergo final

evaluation and be considered for type classification. The artillery delivered anti-tank mine has also proceeded without incident and will undergo Development/Operational Test II during FY 76.

For the enhancement of our barrier operations the Ground Vehicle Mine Dispensing System will provide a significant advantage over the current mines laid by hand and the M57 mechanical dispenser. The ground dispensing system entered engineering development during the third quarter of FY 1974. Now in its second year of development, follow-on contracts have been awarded for fabrication of Engineer Design Test hardware. This system will dispense AT and AP mines with a self destruct and anti-disturbance capability. We are requesting $16.8 million in FY 1976 for these programs, and $6.3 million and $15.4 million for the transition period and FY 1977 respectively.

IMPROVED LIGHT ANTI-TANK WEAPON

Development of an Improved Light Anti-tank Weapon (ILAW) will be initiated in FY 1976. This new system is to replace the current LAW, and it will be significantly more effective because of its greater lethality, range and hit probability. The projected low cost of ILAW will allow proliferation of the weapon

on the battlefield. ILAW will augment the long and medium range heavier anti-tank weapons systems and will broaden and deepen our capability to deal with the growing armor threat by providing an economic and effective short range anti-armor solution.

IMPROVED MOBILITY SYSTEMS

The systems we are developing in this area are designed to maximize the effectiveness of the manpower and materiel available to us; to enable us to rapidly mass our forces for attack and to repel attack, and to enable us to disperse them as required by the tactical situation. A ground war in Europe or the Mid-East would involve an intensive series of thrusts, reactions and counterthrusts, and the side with the ability to mass its power at critical points and move when vulnerable will possess a tremendous, if not decisive, advantage. This will be particularly important to our Army since if we spread our forces uniformly across the front to oppose an enemy who already outnumbers us, and who can concentrate to attack, we will be too thin everywhere.

To obtain the desired "float like a butterfly, sting like a bee" capability, we are developing the Utility Tactical Transport Aircraft System; the Army's first true squad carrying helicopter. It will permit the battlefield commander to shift men and equipment around

the mid-intensity battlefield with a degree of efficiency, speed and safety unattainable by the currently operational UH-1 series.

The Mechanized Infantry Combat Vehicle, another mobility oriented member of our Big 5, will enable our infantry to fight from and remain under cover of armor while moving toward their objective. It will possess cross country speed and agility commensurate with the XM-1, and its stabilized cannon will be capable of defeating any Soviet lightly armored vehicle we foresee in the 1980's.

The provision of real time tactical intelligence information to the commander is the object of the Armored Reconnaisance Scout Vehicle. Work accomplished during the past year persuades us that we do not need a special purpose vehicle for this role. To save costs we are seeking a way to accomplish this mission, perhaps with a derivative of the MICV.

The modernization of the CH-47 medium lift helicopter is designed to insure continuous logistic support to the field Army and to speed the movement of artillery pieces, anti-aircraft weapons, communication equipment and vehicles to optimum locations in the battlefield area.

Permit us now to provide you with more detail on the progress of these programs.

UTILITY TACTICAL TRANSPORT AIRCRAFT SYSTEM (UTTAS)

The UH-1 (Huey) series of helicopters is one of the most successful systems ever fielded by the Army. Continuous improvements and refinements, many based on combat experience, will insure its usefulness to our Army and those of our allies well into the 1990's. The aircraft, because of the 1950's technology it represents, possesses some innate shortcomings which cannot be rectified by product improvement. Hot weather and high altitudes, such as were frequently encountered in Southeast Asia, severely limit its passenger carrying capacity, often to one or two combat laden soldiers. It has limited speed and agility and can often be brought down by a single shot fired by a lone enemy infantryman. The Huey will continue to serve the Army, but it will be replaced in assault helicopter units, air cavalry squadrons and aeromedical evacuation units by the UTTAS we are presently developing.

UTTAS will be capable of carrying a combat loaded 11 man squad in virtually any climatic conditions or altitudes in which the Army is likely to operate. It can maneuver agilely at nap-of-the-earth altitudes and is virtually invulnerable to 7.62mm fire. Its main and tail rotors are designed to withstand impact with branches and small obstructions, and the airframe is engineered to progressively deform under crash impact forces, enhancing the chances of survival for the crew, passengers and the aircraft itself.

The two GE T-700 engines which will power UTTAS (as well as the AAH) are composed of four separable modules and are designed to substantially reduce required maintenance and provide the helicopter with a "live in the field" capability. Field maintenance can be performed with only ten tools from the mechanic's common tool kit. UTTAS has been designed with the durability and growth potential which will insure its effectiveness into the 21st Century.

1974 was an important year for the program. Candidate aircraft from both competitors are performing quite satisfactorily in their flight tests, as is the General Electric YT-700 engine, which passed its Preliminary Flight Rating Test in July 1974 and is scheduled to complete the 150 hour Military Qualification Test milestone in March of next year.

Both airframe contractors started Ground Test Vehicle operations in the summer of 1974. Sikorsky completed their Preliminary Flight Approval Test and achieved a successful first flight on 17 October 1974. Boeing Vertol completed pre-first flight requirements and accomplished their first flight on 29 November 1974. The flight test programs are proceeding satisfactorily and both companies are currently testing their flying prototypes.

Due to unforeseen inflation problems, increases in materiel costs and work-arounds resulting from hardware lead time increases, both Boeing-Vertol and Sikorsky have depleted their FY 75 contract funding allocations. We are hopeful that General Electric will make it through the fiscal year before depleting their contract funding allocations. However, if GE does not, we estimate that the total funding shortfall for the UTTAS contractors in FY 75 will be approximately $21 million. The FY 76 budget request of $91.9 million includes $14 million for additional FY 1975 costs incurred by the contractors.

With Congressional consent, the Army will reimburse the contractors for their FY 75 cost growth in two installments, $14 million in FY 76 and $7 million in FY 77. Boeing-Vertol and Sikorsky have depleted their FY 75 funding allocation and, in accordance with the contract limitation of funds clause, elected to continue the schedule at their own risk and cost, with no guarantee of government reimbursement. The contractors have alluded to the potentially very lucrative utility helicopter market and the Navy LAMPS program as incentives for continuing the UTTAS development at their own risk.

MECHANIZED INFANTRY COMBAT VEHICLE (MICV)

MICV is one of our highest priority systems because of the Army's

urgent need for a fighting infantry vehicle with the firepower and mobility necessary to operate effectively and mutually support the XM-1. MICV will be used as the combat vehicle for the mechanized infantry squads in selected units. The M113, our current personnel carrier, is an excellent vehicle and will continue in service as the "low" in the high-low vehicle mix, carrying the rifle squad in some units and performing certain combat support and combat service support roles such as TOW carrier and ambulance; but, like the Huey, the M113 represents aging technology and cannot be improved to the point of complete mission adequacy. The MICV is the most important piece of hardware, aside from his individual weapon, that we can provide our infantryman. It will vastly increase his chances of reaching his objective and accomplishing his mission when he does. A dismounted infantryman is extremely vulnerable when advancing across the final yards of terrain before his objective. The MICV will enable him to fight, while protected, until the final moments of the assault. The Soviet counterpart vehicle we now face, the BMP, is already widely deployed. A product improved version of it, with increased ballistic protection, was noted in 1970. It is a beautifully designed, highly sophisticated example of the advanced state of Soviet weapons technology, and poses a very grave threat to our ground elements. The only armament on the M113, an unstabilized caliber 50 machinegun, is no match for the 73mm automatic loading gun mounted on the BMP. Our MICV, when fielded, will be capable of

23 mph cross-country speeds, a 300% improvement over the M113, which will enable it to outmaneuver the BMP while defeating it with stabilized cannon fire. In addition, the infantry squad it will transport will have the capability of fighting, while en route to their objective, with the six 5.56mm port firing weapons. MICV's armor will provide a great improvement over the limited protection of the M113A1.

The first prototype of the MICV was received in FY 1974 and was subjected to extensive component integration testing. During the course of this testing, technical difficulties were uncovered in the power train and suspension system. The engineering development phase of the program was extended five months to permit corrections to be made. Fixes are being developed and applied, and vehicle testing of the fixes is proceeding, however, transmission reliability remains a problem and a back-up program is being considered. The first three engineering development pilot vehicles are being made available for additional testing of the fixes that are applied. An extensive development and operational test program for the MICV system will be conducted in FY 1976. We are requesting $16.4 million in FY 1976 to continue this program, and $3.0 million and $5.1 million in the transition period and FY 77 respectively.

The Vehicle Rapid Fire Weapon System (BUSHMASTER) program is designed to develop a cannon for the primary armament on the Mechanized Infantry Combat Vehicle. This automatic cannon will provide a substantial improvement over the caliber .50 machinegun and the 20mm M139 cannon, and will enable MICV to defeat the BMP at standoff ranges. BUSHMASTER will have a dual feed subsystem that allows instantaneous selection of either armor-piercing-tracer or high explosive with incendiary tracer ammunition.

Since March 1974 the Army has completed a Cost and Operational Effectiveness Analysis, a review of the enemy threat, and a study of commonality. The results of these analyses supported the need for a 25mm cannon on the MICV. On 17 December 1974 we made the decision to use the M139 product improved 20mm cannon as the interim weapon on MICV to be followed by a 25mm BUSHMASTER weapon. This program is now being reviewed by OSD to determine its future.

Funds required for 1976 are $16.07 million. These funds are needed for the second increment of full-scale development of the selected weapon system. Approximately $4 million dollars of this amount is required to modify the M139 Gun and its ammunition so it can serve as the interim weapon on the MICV.

ARMORED RECONNAISSANCE SCOUT VEHICLE (ARSV)

At this time last year the Army and Congress concurred in redirection of the Armored Reconnaissance Scout Vehicle program. Reservations had surfaced as to the advisability of introducing another special purpose vehicle into our inventory. As a result, programmed funding for FY 75 was reduced from $4.2 million to $.9 million, just enough to support field testing of candidate vehicles. Competitive prototyping contracts were allowed to expire in September 1974. Our analysis, to date, has reaffirmed the need for a ground scout vehicle, though not necessarily a dedicated one. Field evaluation of thirteen candidate scout vehicles narrowed the list to five; these are being further considered in a cost and operational effectiveness analysis scheduled for completion in July 1975. Emerging results indicate that a specially equipped common infantry carrier may be the solution. Specifically, the answer may be to continue the M113A1 as the interim scout vehicle, and replace it eventually with a scout configuration of the MICV. The FY 76 budget includes a small planning wedge for follow-on RDTE once the scout vehicle requirement has been redefined.

HEAVY LIFT HELICOPTER

This aircraft is designed to meet a very real need in the logistical and tactical transport area. During the war in Vietnam the harbors at Saigon, Cam Ranh Bay and other ports became literally

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choked with cargo vessels waiting to load and unload. Turn around times frequently exceeded a month and transportation costs rose to extremely high levels while badly needed supplies and equipment sat in the holds of the queued vessels. The ports and airfields of Western Europe will be priority targets in the event of a conflict in Europe, and we may well be confronted one day with the task of unloading and delivering badly needed equipment without adequate means to do so. The standard sea-borne container (MILVAN) fully loaded, weighs 22 tons. There is currently no helicopter in the US inventory capable of lifting such a load. The Heavy Lift Helicopter is designed to rapidly and economically offload ships miles out at sea, and disperse and deliver their cargos to critical supply points at secure areas inland. Cargo ships are prime and easy targets. It is unlikely that we would be permitted the luxury of massing them; dead in the water, for any period of time while the lengthy lighter unloading process was employed. The HLH, therefore, represents the most nearly perfect solution to this logistical problem. The Army has, however, reluctantly decided not to carry the program into engineering development or procure operational aircraft because we simply cannot afford to at this time. Other, more urgent needs and priorities must take precedence, and the current objective of the program is to maximize the return on our investment to date, shelve as much valuable technology as possible, and delay our research for a solution to this requirement to sometime in the future.

The HLH program was initiated in 1971 to develop and test the components and subsystems of a 22.5 ton capacity crane type, three engine, tandem rotor helicopter. One prototype of this aircraft is being built and will be flown and tested in March 1976. We have now spent about 82% of the funds needed to support this flight program and the aircraft is being assembled at the contractors plant.

The program has been responsible thus far, for a series of important technological advances. The advanced geometry, composite fiberglass rotor blades have demonstrated the highest level of efficiency ever validated for a full-scale rotor. We have successfully completed 300 flight test hours of the HLH fly-by-wire flight control system (on a modified CH-47 test aircraft), a rotary wing first. The pneumatically powered cargo handling system has proven its ability to lift the projected loads, and the Allison XT 701 engine development is progressing satisfactorily. Fabrication of the prototype fuselage primary structure is now 85% complete.

Two significant problem areas have caused a seven month slip in the program. First, after two transmission failures, we concluded that the original transmission design could be qualified only to 60 - 70% of the maximum power requirements. Limited endurance testing of this configuration and 50 hours on the Dynamic System Test Rig have been completed. 150 hours of endurance testing and

50 hours of ground test will be accomplished to qualify the revised design prototype configuration transmissions to fill 100% of the power requirements. The second problem, "fretting," or chaffing of certain titanium hardware in the hubs and upper controls has required redesigns and exploration of various coating materials to inhibit the fretting problem.

In FY 76 the prototype hardware will be fabricated and tested, fuselage assembly completed, and 50 hours of ground test on the prototype aircraft will be completed leading to first flight in March 1976. A 117 hour flight test program will then evaluate the many revolutionary technological concepts incorporated in the HLH. This program follows the original Army plan, however, as you are aware, we have decided to make no committment for either engineering development or production due to more urgent requirements in other areas.

CH-47 MODERNIZATION

This is an evolutionary program in which we are using technology derived from the HLH and UTTAS programs. It will result in improved safety, reliability and maintainability and lift capabilities and reduce the vulnerability of the CH-47 helicopter. A special study group is now in the process of determining which components should be included in the improvement program for maximum return on our

investment. The major components being examined are the rotor blades, transmissions, hydraulics, electrical system, load handling system and flight control system. The total RDTE cost of this program is estimated to be $59.9 million. This includes modification and flight testing of one each CH-47A and CH-47B to test and prove the components prior to fleet modification. We anticipate that this program will prolong the life of the large CH-47 fleet through the 1980's and that it is the most economical way to satisfy the Army's medium lift requirement.

AIR DEFENSE

The Soviet Union and Warsaw Pact forces in Europe are equipped with over 5000 combat aircraft, thousands of which are located within a half hour's flying time of critical NATO installations and airfields to the west. In addition, a major and significant modernization program in the Soviet tactical air force is raising the qualitative level of their aircraft to a point increasingly close to ours. Our air defense equipment consists of NIKE HERCULES, HAWK, CHAPARRAL, VULCAN, and REDEYE. While fine weapons, they are not capable of inflicting unacceptable attrition rates on a mass formation of sophisticated high speed attack aircraft. This inadequacy in the face of a surprise mass attack might cause the loss of essential installations and units, but it is certain to

cause diversion of high performance tactical aircraft to the air superiority role, to the detriment of our ground forces.

The advantages of a strong air defense system have never really been questioned, but they were pointedly underscored during the war in the middle east. Israeli troops were deprived of vitally needed air support in some areas when the Israeli air force was unable to penetrate the Egyptian and Syrian air defense umbrella without suffering unacceptable losses. The Soviets have long recognized the value of an overlapping, effective air defense system. German aircraft in WW II virtually destroyed their convoys and installations at will. Their doctrine of proliferation of air defense systems has been extended to their allies and clients, and today, to give a shocking example, Egypt alone has more SAMS along the Suez Canal than we possess in our total inventory.

Our current efforts in developing anti-aircraft systems are designed to work, in conjunction with the Air Force, to impose unacceptable attrition rates on attacking aircraft and to help free the Air Force to support our engaged ground forces.

SAM-D, one of our Big 5 systems, embodies a multiple simultaneous engagement capability and will possess the increasingly critical ability to perform effectively in an electronic countermeasures

environment. Improved HAWK is an ongoing program designed to extend the effective life of a proven system into the 1980's and improve its kill probability against certain target types. Our SHORAD missile program will fill the low altitude-all weather void in our present air defense capability. The LOFAADS gun could fill a similar gap in the air defense gun area. The STINGER missile will give front line infantry units a vastly increased self-defense capability against the burgeoning Soviet air attack threat. We will now describe these programs for you in some detail.

SAM-D

Aircraft today have a greater target attack capability than ever before. Combining these increased aircraft capabilities with the advances in electronic countermeasures and saturation tactics, poses a formidable threat to our forces on the ground. The projections are that the capabilities of this potential threat will continue to increase. Our present systems, HAWK and NIKE-HERCULES, are products of 1950's technology and their capability to handle this threat diminishes as time progresses. It will be vastly degraded by the mid 1980's.

SAM-D is the system being developed to counter the threat that is projected for the 1980's and beyond. Each SAM-D fire section will have a high rate of firepower, and the capability to engage a number

of targets simultaneously with a high probability of kill.

The SAM-D system will have the electronic counter countermeasures to continue to operate in the severe electronic countermeasures environment predicted for the future. SAM-D will require significantly less personnel and maintenance than the present systems. "People" costs account for the largest percentage of our budget, and a reduction in the number of required personnel, when considered over the lifetime of a system, represents a worthwhile return on the R&D and procurement funds invested.

As a result of the FY 74 program reorientation a majority of the engineering development model hardware fabrication and the other engineering activities were deferred. The program is now primarily focused on the guided test flights designed to demonstrate that the track-via-missile guidance concept will work. In preparation for these flights, a series of 10 controlled test vehicle (CTV) firings were completed in August 1974. This series of firings successfully demonstrated the propulsion system and the aerodynamic and control characteristics of the missile. During these flights the radar successfully demonstrated the ability to acquire missiles in flight. The missile guidance sections were integrally tested and subjected to temperature extremes, shock and vibration. Computer hardware/software integration tests were conducted and the software program

frozen. In captive carry flight tests, a missile was mounted on an aircraft wing and flown against a target aircraft to simulate the geometry of intercept and to check out the operation of the airborne guidance section and missile uplinks and downlinks.

In addition to the efforts preparatory to the flight tests, efforts were continued to incorporate changes to the SAM-D design which would result in procurement savings and a minimum development effort to provide for a continuation of the program after successful completion of the proof of principle tests. The initial series of proof of principle guided test flights began on 27 February, 1975 when a SAM-D missile intercepted a subsonic drone at medium altitude and range while employing terminal phase track-via-missile guidance. The second flight took place on 30 March 1975. All data indicates that both flights were resounding successes.

We are requesting $130.0 million in FY 1976 to complete the proof of principle flight test series, to continue the cost reduction efforts and to maintain the minimum development program. This program will provide the fabrication of engineering development models, fire control groups, launcher groups and missiles to be used to begin flight testing in an ECM environment upon completion of the initial tests in a benign environment. We believe this conforms with the quite reasonable Congressional concern for realistic testing of this vital system.

IMPROVED HAWK

The Improved HAWK is the Army's primary low-to-medium altitude air defense system used for defense of the division as well as critical targets in rear areas. It is an all-weather, day and night system.

The Basic HAWK systems fielded beginning in 1960 are now being converted to Improved HAWK configuration, which gives us a significantly improved air defense capability. In FY 75 we concluded efforts to identify and validate missile modifications which will improve effectiveness against critically spaced multiple targets. These modifications have been incorporated into production and all previously produced missiles will be retrofitted.

We are currently developing three further evolutionary changes which will increase the reliability of one radar, increase the effectiveness of another, and provide an increase in overall system effectiveness by establishing a digital computer-to computer interface between HAWK batteries and the AN/TSQ-73 Fire Distribution System at battalion level. In FY 76 we will continue these three improvements and begin development of an optical tracking device for HAWK tracking radars which will substantially enhance operations in an electronic countermeasures environment. Optics will provide several other improvements, including enabling the

radar operator to optically bias his radar toward a single target in a formation. The increased illumination of that target relative to others in the formation will cause the missile seeker to resolve on that target sooner, thereby avoiding the "fly between targets" syndrome which degrades the present system's effectiveness. The USSR is also using an optical device on its SA-6 system. We will also initiate development of modifications to increase HAWK survivability by shortening the march order and emplacement times. These latter are essentially mobility improvements. We are requesting $15.7 million for the FY 76 efforts and $3.1 million to continue them through the transition quarter.

The $16.1 million programed for FY 77 will essentially complete development of the three product improvements already begun and will continue work of the optical tracker and the mobility improvements.

STINGER

Shoulder-fired anti-aircraft missiles serve an increasingly important dual function on the mid intensity battlefield. In addition to their obvious capability to destroy attacking aircraft, their mere launch, in sufficient numbers, has the tendency to force ground attack aircraft toward higher altitudes, thereby hindering accurate ordnance delivery and exposing them to more lethal air defense missiles.

The present REDEYE system possesses these capabilities, but its performance is quite limited because of a number of major limitations. Its primary weakness is its ability to attack only receding aircraft, and it has thus been ruefully referred to as a "revenge weapon" by the troops trained to employ it. In addition, its range and lethality leave much to be desired.

The STINGER missile we are currently developing represents a vast and significant increase in the self-defense capability of our maneuver units. Its seeker will enable it to attack, from all aspects, any aircraft flying at speeds and altitudes which permit reasonably accurate bombing or strafing.

Development of this missile is going well overall. This past year the Army has flown the first series of flight tests against drone targets. Of the fifteen firings conducted, eight were completely successful, three were partial successes, and four were unsuccessful. Although this record leaves room for improvement, we have gathered the data needed and have begun testing a modified design. Barring a reversal of the current success STINGER is having, we will complete engineering development of this program next year. STINGER deployment will probably be delayed six months from the previously planned date. Further, we have experienced some cost growth ($2.4M) associated with the development

and inflation.

The primary effort in this program during FY 1976 is the completion of the Research and Development and the initiation of the development and operational testing program. By utilization of independent evaluations of 90 missile firings the Army will be in a position to effectively evaluate the capability of STINGER and measure its performance against the stated objectives.

SHORAD MISSILE

The effectiveness of the Army's Short Range Air Defense System, CHAPARRAL, is currently being increased by a series of product improvements. The system, however, will still not possess the ability to counter the complete spectrum of threat capabilities projected for the 1980's, hence the Army is proceeding in the development of the SHORAD missile system. This system will have an all weather capability and can engage high speed targets from all aspects, two important features which the presently fielded CHAPARRAL does not possess. In addition, it is designed to fire and automatically reload 10 missiles in a very short period of time. A CHAPARRAL fire unit carries only four missiles in a ready to fire configuration, and must be manually reloaded.

This feature will significantly increase our capability to inflict unacceptable attrition rates on enemy aircraft attacking in numbers.

Typical of many of the systems we are hoping to develop, the SHORAD system, as a result of its ingenuity of design, requires two less crew members in a fire unit than the far less capable present CHAPARRAL system.

On 9 January 1975, the ROLAND II, a French-German designed system, was selected by the Army from a field of four candidates, three of them foreign. It will be fabricated and produced in the US by Boeing-Hughes. The selection of this system hopefully will allay some of the "not invented here" accusations which occasionally are directed against the DOD, but we wish to emphasize that considerations other than cost effectiveness and the needs of our troops played absolutely no part in the choosing of ROLAND II. We are requesting funds in FY 76, 7T and 77 to continue the development of ROLAND II. Our program involves the fabrication of four systems for engineering development test and the conduct of a cooperative test program with the Federal Republic of Germany. We are not developing a new system for we have accepted the basic French-German design. Our purpose for the R&D is to verify that we can produce the foreign design after incorporating a minimal number

of required changes. This will be followed by the absolute minimum amount of testing prior to a production decision. This testing is required to fill the voids in foreign testing due to their limited test range facilities and restricted ECM test flexibility.

LOFAADS GUN

The October 1973 middle east war highlighted the effectiveness of gun air defense weapons against low flying high performance aircraft and helicopters. The capabilities of the ZSU-23-4, which we discussed earlier, have caused us to reexamine our gradual drift from air defense gun technology. In April 1974 the Gun Air Defense Effectiveness Study (GADES) was completed and it concluded that the VULCAN, our present air defense gun, was severely limited in range, accuracy, and kill probability. It pointed to the need for a system which could provide the mobility, survivability and lethality which would complement missiles in the defense and protect forward elements in the offense.

Prior Air Defense gun research efforts provided technical evidence necessary to undertake a prototyping effort for the new Low Altitude Forward Area Air Defense (LOFAAD) Gun in Advanced Development. The new program will be founded on this technical evidence and it will be structured to determine if an advanced air defense gun can effectively contribute to meeting the Army's need for increased low altitude air defense in the forward area.

The Advanced Development program to begin in FY 1976 will include fabrication of two significantly different prototypes with radar aimed medium caliber cannons; and evaluation of existing competitive foreign systems, including European candidates, to determine which approach will best fill the Army's requirement.

BALLISTIC MISSILE DEFENSE PROGRAM

Even as the United States continues to pursue a policy of deterrence and seeks, through negotiation, the reduction of offensive strategic weapons, the need for an aggressive and imaginative ballistic missile defense program continues. Our past efforts, resulting in the attainment of a significant BMD capability, were a major contributor to the successful negotiation of limitation agreements on both offensive and defensive strategic weapons. Our resolve to maintain the deterrence value of a strong BMD program will most certainly impact on future arms limitation agreements.

The recent Vladivostok Agreement on strategic offensive weapons, while a significant step in the right direction, does not signal a decline in the Soviet threat to our strategic forces and policies. In fact, it realistically anticipates that the threat will be limited only by technical capabilities and will continue to grow in numbers and improve in accuracy and reliability into the mid-1980's.

There is no room for complacency in the face of this threat, particularly in the area of strategic defense. There is much that we can and should do, within the limitations of the current ABM Treaty, to insure that we maintain a credible and responsive BMD capability. The Soviets are working hard on BMD--and we must maintain a strong program if we are to retain our technological lead in this vital area.

Our integrated national BMD program provides a strong incentive for the Soviet Union to negotiate additional agreements and to adhere to the treaties and agreements already made. It provides assurance against technological surprise and assists in the design and evaluation of US strategic offensive systems. In addition, it provides limited protection to a portion of our offensive forces and the capability to deploy additional defenses if necessary.

The BMD program has been structured in three interrelated parts: SAFEGUARD, Site Defense and Advanced Technology. The BMD Program Manager also operates the Kwajalein Missile Range as a national range in support of strategic weapons test programs of the Air Force and Navy as well as BMD test objectives.

The SAFEGUARD BMD System met its Equipment Readiness Date (ERD) on 1 October 1974 and will achieve an initial operational capability

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(IOC) in early 1975. Meeting the ERD, originally set in February 1970, represents a landmark accomplishment in the management of a major weapon system acquisition process. The research and development to attain this objective involved impressive breakthroughs in phased array radar, digital computer, and high acceleration interceptor technologies. The high percentage of successes achieved during the development of the SPARTAN and SPRINT interceptors is remarkable in itself, yet it is almost overshadowed when considering the fact of on-schedule completion of the largest dollar construction contract awarded at that time in the history of the Corps of Engineers. The complete system will go into operation in order to gain experience in the deployment and operation of this complex weapon system, a type of experience which the Soviet Union has been accruing for several years. No additional R&D funds are required for this system.

The Site Defense Program is designed to develop and validate, in a system context, advancements in terminal defense system technology while preserving the option to provide an active defense of land based strategic missiles or other high value targets. Thanks to SAFEGUARD, the US is quite competent in the design of BMD components--we can build radars, missiles, and computers that work. But the real key

to the viability of any BMD system is the ability to make BMD components work together. We would be seriously in error if we did not also actively address this total systems problem. That is the purpose of Site Defense.

In conformance with the desires of Congress, this program has been redirected from the demonstration of a prototype BMD system specifically designed for the defense of MINUTEMAN to one emphasizing subsystems integration and component technology important to ballistic missile defense in general and Site Defense in particular.

The Site Defense program will be pursued in two overlapping phases--(1) A validation phase (FY 75 to FY 78) to prove the adequacy of our solutions to key technical problems associated with any terminal BMD system, and (2) a second phase beginning in FY 76 which will augment the first by incorporating further advances in technology.

The first phase will emphasize the validation of technical solutions to five key problem areas--bulk filtering of tank fragment radar returns, discrimination of warheads in clutter, operation in a nuclear environment, prompt activation of the system from a peacetime dormant posture and software for real-time engagement--all in a systems context. The missile portion of the program has been deemphasized and no flight tests will be conducted. Further improvements in interceptor

performance may be pursued, however, by incorporating technological advances into the interceptor design. The validation phase of the program will require tests at Kwajalein Missile Range utilizing the new Site Defense radar and software with a commercial CDC 7700 data processor.

The second phase of the program will be implemented gradually during FY 76 and will replace the validation phase by FY 1979-80. This will be a concurrent and continuing effort to improve the system with new technology to match the growing threat.

Within the structure of this realigned Site Defense Program we have retained the flexibility to rapidly respond to changing strategic and political environments as well as significant advances in BMD technology. As long as the program is conducted within the constraints of a system concept, the US will retain the capability, within a few years after funding appropriation, to initiate deployment of an improved BMD system. To support essential testing at KMR and to develop these technical improvements will require the requested $140 million in FY 76, $38 million in the transition period, and $160 million in FY 77.

The Advanced Technology Program is a vigorous, broad research and development effort on all BMD functions and component technology

including advanced interceptor technology, advanced radar and optical sensors, new data processing technology, reentry phenomenology and the continuing assessment of new technologies. This program has the mission to provide the advanced technological foundation for potential improvements and new techniques in BMD systems; to avoid technological surprise by Soviet BMD developments; and, to assist in the design and evaluation of US strategic offensive systems. To achieve these objectives, the FY 76 Advanced Technology program is designed to conduct a balanced research and advanced development effort in each of the BMD technology areas.

The ability of a BMD system to recognize and identify a hostile reentry vehicle and separate it from decoys, tank fragments and other accompanying junk is essential to its effectiveness against a sophisticated threat. The special target program and Signature of Fragmented Tanks flight test in FY 75 provided valuable data on decoy signatures and exoatmospheric identification of an RV in a cloud of fragments. We will continue to measure and analyze basic phenomena which characterize typical threat objects outside the atmosphere and during their reentry. Although a great deal of progress has already been made in this area, more data on the radar and optical signatures of tank fragments and other non-RV objects is needed for more effecient designs to improve performance and reduce the cost of future systems. The Ballistic Missile Defense Test Program, to

be conducted in FY 76, is designed primarily to gather radar data on fragments created by the breakup of ICBM and IRBM booster tanks as they reenter the atmosphere. TITAN and THOR missiles will be used. Data obtained in these flights will be used to update existing tank fragmentation models used in the design of BMD systems.

Data processing software is generally the largest single development cost item in a BMD system and requires the longest lead time to develop. In FY 75 we completed the first version of an automated system for production of BMD engagement software. In FY 76, we will continue our efforts to refine and develop this and other techniques for reducing software development time and costs. Designs were completed in FY 75 and fabrication of hardware to prove new parallel processing techniques for BMD will be completed in FY 76. Innovative approaches to advanced computer architecture for both ground and missile-born processors will be evaluated.

Optics technology appears to offer the greatest opportunity for overcoming some of the limitations of more conventional BMD sensors. In FY 75 we conducted experiments to gather data on the operation of optical sensors in the exoatmosphere and completed fabrication of a sensor hardened against nuclear effects to levels permitted by the current state-of-the-art. In FY 76, we will continue to define and develop optical sensor components and techniques to perform designation,

discrimination, tracking, homing and fuzing functions. We will begin a test program to evaluate the nuclear hardness of optical sensors and will gather optical data on reentry systems with a ground based optical system which we will install in FY 75 to evaluate the utility of optical adjuncts to terminal defense systems.

Current BMD radars are expensive. Primary emphasis in the radar technology program is placed on finding innovative methods of improving performance while reducing both investment and operating costs of radars. Tests of the experimental model of the dome antenna in FY 75 proved the feasibility of obtaining hemispherical coverage from a single planar array. This and other new approaches to antenna design show promise of reductions in costs and increases in reliability. Similarly, solid state power amplifiers, if they can be economically produced, will permit further economy in radar design and operation. Major efforts in FY 76 will verify the producibility of solid state components and the operation of solid state transceiver modules in an array configuration.

The advanced interceptor program in FY 75 is concentrating on critical technologies associated with high acceleration interceptors and near-zero miss distance interceptors for non-nuclear applications. The program will continue to emphasize the most critical technology required for increased acceleration; the development of a much faster

burning propellant which can be produced economically in large quantities. The integration of guidance and control components and evaluation of their performance without expensive flight testing is the objective of a guidance and control technology program which was initiated in FY 75.

The maintenance of a vigorous, balanced research and development effort in each of these technology areas is necessary to maintain our lead over the Soviets in BMD technology. New technological discoveries are occurring daily in this country and in the world. We must keep abreast of these discoveries, contribute our own innovations and be alert to the application of revolutionary concepts to ballistic missile defense. To continue this important basic technology program at a relatively constant level of effort, we are requesting $105 million in FY 76, and about $30 million in the transition period, plus an authorization of $110 million for FY 77.

In FY 76 Kwajalein Missile Range (KMR) will continue its National Range mission in support of strategic offensive and defensive ballistic missile test programs. In previous years of intensive BMD test activity, Air Force and Navy test programs accounted for approximately one half of the major missions supported at KMR. The recent decrease in BMD testing has been offset by an increase in tests conducted by the other services, so that in FY 76 BMD testing will account for only

about 15% of the major missions. All major missions are extensively instrumented tests which require a near total commitment of range sensors and technical resources.

Range costs directly attributable to supporting a user's mission are reimbursed to the range under uniform DOD procedures initiated in FY 75. However, the bulk of the range technical costs cannot be attributed to individual test missions (calibration, maintenance, logistic support and instrumentation upgrading) nor are these costs appreciably affected by moderate changes in the annual number of major missions.

In FY 75 the Kwajalein Missile Range supported approximately 45 major test missions. Increased costs for fuel and transportation, coupled with an FY 75 program that is $8.6 million below the Army request, forced drastic reduction in planned improvements to the range's instrumentation and data gathering capability.

In FY 76, $87.4 million is required for the operation of KMR. $23.6 million is requested for the transition period and $92.9 million for FY 77. High quality testing of our strategic weapons systems is critical to the continued viability of our deterrent forces. These funding levels are considered to be essential to maintain the facilities for this critical activity.

ARTILLERY AND ORDNANCE

In every major war in modern times, the overwhelming amount of casualties and damage has been inflicted by the artillery, and it is our intention in this area to develop weapons which have the range, mobility, accuracy and reliability to offset the three to one advantage now possessed by the Soviets in numbers of artillery pieces.

Two World War II weapons, the M114A1 155mm and the M101A1 105mm howitzers are rapidly approaching unimprovable obsolescence, and we are developing the XM-198 and XM-204, two weapons which will provide vast increases in range, operational availability, traversibility, and compatibility with various types of improved US and foreign ammunition.

The capabilities of artillery fired ordnance are also being vastly upgraded by ongoing developments. The Cannon Launched Guided Projectile has already proven its ability to achieve first-round hits on maneuvering tanks. Coupled with laser designating remotely pilote vehicles it may prove one of the most valuable and cost effective contributions the R&D community has ever provided our forces. Permit us now to elaborate on the progress of these programs.

155MM TOWED HOWITZER XM-198

This weapon will replace the 1942 vintage M114A1 and will overcome the dangerous range advantage now possessed by the equivalent Soviet piece. Additionally, it will require less maintenance than its predecessor and will be operationally available a minimum of 26% more of the time. It is designed to accomodate newly developed rocket assisted and improved conventional munitions which cannot be fired from the M114A1. Its combination of extended range, helicopter transportability and increased reliability will make it the finest weapon of its type ever made available to our artillerymen.

A 15,000 round, 5000 mile durability test, completed last August, has produced excellent results, and rectified a number of problems we experienced during testing in FY 73. In FY 75 six prototypes are being delivered for the initiation of Development Test/Operational Test II. This testing will be conducted this spring.

The $.6 million we are requesting for this program will complete its R&D funding. The historical operational longevity and critical importance of field artillery weapons necessitates painstaking and thorough testing, and this year we plan to complete intensive DT/OT II XM-198 test firing to insure its effectiveness when placed in the hands of the Army in the field.

105MM HOWITZER XM-204

The XM-204 is a lightweight towed howitzer, designed on the soft recoil concept, which provides it with increased firing stability and greater range. It will replace both the Army's M101A1 and M102 assets, and embodies vast improvements in tube life, operational availability, and the capacity to handle development projectiles.

The XM-204's range improvement over the older howitzers and its adaptability to a wider variety of terrain will permit the Army's light divisions and brigades greater flexibility and fire support.

The soft recoil system of this weapon, a major new technological advancement, allows the tube, when fired, to travel forward before ignition so that its firing momentum is balanced by the forward movement. This significantly reduces recoil forces (rod pull reduced by 70%), permitting greater reliability and eliminating the need for trails or ground anchors for stability. Test results to date have been outstanding in every respect. In FY 75, fabrication of prototypes three through eight will be completed, Development Test II will continue, and Operational Test II will be initiated. In FY 76 we are requesting $3.14 million to complete PEP, complete DT/OT II, provide for Type Classification and to refine the man/materiel interface.

CANNON LAUNCHED GUIDED PROJECTILE (CLGP)

The Cannon Launched Guided Projectile will give the artillery the capability of achieving first round hits against moving hard point targets such as tanks and APC's, and fortified stationary point targets such as reinforced bunkers. Attack of these targets today achieves only marginal results by random hits using total target saturation, or methodical precision fire methods requiring much greater expenditures of ammunition. With CLGP a forward observer will illuminate the target with a narrow beam laser when the projectile is approximately ten seconds from the target. The CLGP then homes on the reflected laser energy with a high probability of first round hit. This represents a significant technological achievement, both in the achievement of the required accuracy and in the design of the guidance system to survive cannon firing. In FY 74 and 75 we demonstrated concept feasibility by firing a series of projectiles from each of two competing contractors. Field tests of the tactical concept and a cost effectiveness analysis were initiated and completed. Additionally, a flyoff between the Navy 5-inch saboted guided projectile and the Army 155mm guided projectile is in progress at White Sands Missile Range and both services have conducted extensive tests and studies of hardware components. All of this effort was essential input to a special Defense Systems Acquisition Review Council (DSARC), to address commonality, conducted on 25 January 1975. Following the special DSARC, OSD directed us to proceed with our planned program.

We now intend to enter full scale development in 1st Qtr FY 76 with the successful contractor being awarded the Engineering Development contract. We are requesting $17.8 million to initiate Engineering Development and request your support for this program, which we feel has truly enormous potential for increasing our combat capability.

PERSHING II

This advanced technology development is designed to answer the need to improve the current PERSHING missile system in both accuracy and responsiveness to better fulfill its JCS/NATO Quick Reaction Alert Role.

The phenomenal accuracy this system will possess is attained by the use of a combination of both inertial and Radar Area Correlation Guidance. Prior to launch, a reference scene of the target area is inserted into the reentry vehicle. During the powered portion of flight, an inertial measuring unit provides initial guidance corrections; after separation, the RV orients its nose and flies through space toward the target, presenting a minimum radar cross section. After reentry the inertial guidance unit corrects all errors accumulated during exoatmospheric flight and the on-board radar begins to scan the target area, comparing each "picture" with the previously inserted reference scene. Appropriate guidance

commands are then initiated, guiding the RV to a pinpoint landing on the target.

The accuracy provided by this guidance system; in combination with the earth penetrator warhead PERSHING II, will employ, will greatly enhance the probability of assured destruction of critical, time sensitive targets, and its use of a low yield atomic warhead will greatly increase its political acceptability in Europe by assuring reduced collateral damage and civilian casualties.

While the Department of Defense has deferred full commitment to the fielding of PERSHING II until FY 78, it has fully endorsed demonstration of the advanced technology embodied in this program as a means of preserving options for improvements to our theater nuclear forces in the 1980's. We are requesting $19.0 million for this high potential program in FY 76, $6.0 million in the transition quarter, and $36.3 million in FY 77.

8 INCH NUCLEAR PROJECTILE

The Army is moving ahead rapidly in development of a new 8-inch nuclear artillery round. The thrust of this program is to field a weapon that will be highly effective in halting attacks of massed armor as a backup to our strong conventional anti-tank defenses. A principal goal of the program is to assure that if employment of such

a weapon becomes necessary, the unwanted collateral damage to the civilian population and facilities is reduced to a bare minimum.

CHEMICAL AND BIOLOGICAL WARFARE

BINARY CHEMICAL MUNITIONS

The US offensive capability for CW is governed by long-standing US policy which renounces the first use of lethal chemical weapons. In November 1969, the President, in renouncing all forms of biological warfare, reaffirmed this "no first use" policy. We retain a chemical warfare capability designed to deter the use of these weapons against us and, should deterrence fail, to permit us to retaliate.

Current operational assessment is that our present lethal chemical agent stockpile does not meet the qualitative nor quantitative prerequisites to permit US forces adequate retaliation to a chemical warfare attack, and as such is a questionable deterrent.

Our binary munitions development program is directed towards modernizing our deteriorating lethal chemical agent stockpile and improving the safety aspects of the manufacture, storage, transportation, and disposal of chemical weapons.

Binary chemical munitions consist of two non-lethal components that remain separated until a decision is made for employment. After the projectile is fired, the two components react and form lethal chemical agents. The lead items in our program are a 155mm GB projectile and an 8-inch VX round. Both are in the engineering development phase.

During FY 75 the 155mm GB round continues to undergo development testing to validate the engineering design to determine that design risks have been minimized and to demonstrate that the system will meet specifications. Over 400 simulant-filled rounds have been fired in support of the above and to develop a safety release and provisional firing tables. For the 8-inch VX projectile, we expect to procure hardware and fabricate rounds for initiation of engineering development test.

The $3.52 million requested for FY 76 will support the final phases of engineering development of the 155mm GB round to Type Classification. These funds will also support initiation of engineering design tests, flight stability, dissemination, surveillance, environmental safety and operational performance tests of the 8-inch VX projectile. New chemical agents are not being developed.

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CHEMICAL AND BIOLOGICAL DEFENSE

An essential objective of our chemical warfare policy and programs is to maintain the capability to withstand an adversary's use of lethal agents against us. In light of the threat and in support of national policy, we must develop an adequate defensive system that includes early warning, detection, physical protection, therapy and decontamination capabilities.

Intelligence from the October War in the middle east highlighted the relative unpreparedness of US forces to engage in chemical warfare. Our defense program is oriented to helping overcome this mission area deficiency.

An accelerated program has provided a new nerve agent anitdote and decontamination kit for protection of the individual soldier. US forces in Europe will be fully equipped by the end of the second quarter of FY 76. Research will continue to optimize dosages and fill knowledge gaps about the antidote. LOPAIR, a remote area scanning alarm to warn of the approach of a chemical agent cloud, is in the late stages of advanced development. Until this item is standardized, the Army has only a point detection and alarm capability for chemical agents.

Improvements in our liquid agent detection and identification capabilities are being sought through a new detection kit (XM256) and detection paper (XM9 LAD). Short shelf life, complex operating procedures and low quality performance make our current standard items of limited value. The development items will complete formal tests in FY 76 and be standardized in FY 77.

Research is continuing in the vital effort to achieve a substantial increase in our individual and equipment decontamination capabilities.

We are requesting $26 million in FY 76 to support lethal agent defense programs, an increase of $9 million over our FY 75 expenditure. These funds will support acceleration of efforts on warning devices, on collective protection equipment for command and control facilities, and continued research on the new antidote and decontamination material.

SURVEILLANCE, TARGET ACQUISITION AND NIGHT OBSERVATION (STANO)

As a counter to the formidable Soviet indirect fire threat, work is continuing on the development of reliable automatic radar systems for the detection and location of enemy mortars and artillery. Our present techniques in this area are deficient because of their susceptability to adverse visibility conditions, their short range capability, and their dependence on human reaction and operation.

Over 40 percent of Warsaw Pact exercises are conducted at night and Soviet equipped Arab Armies have demonstrated night operational capabilities. We possess strong night vision technology and are proceeding with development of infrared detection and night vision sighting devices which are being incorporated into existing systems.

Envisioned to both complement and supplement the radars and night vision devices as surveillance, early warning, and target acquisition systems, we are also developing remotely piloted vehicles and an unattended ground sensor system.

ARTILLERY LOCATING RADAR

Current Soviet doctrine places major emphasis on the use of massive concentrations of artillery and rockets to support both offensive and defensive operations. Our ability to locate the firing positions of hostile artillery and rockets is very limited, especially when multiple firings occur. Experience in Vietnam vividly indicated the importance we must place on improving our capability in this area. We therefore have expedited development of an artillery locating radar which will automatically detect and locate the source of enemy artillery and rockets. In FY 72 we initiated a two contractor competitive validation phase program. Contracts were awarded late in FY 72 and during FY 73 the two selected contractors began work on building fully operational models of the radar system.

Fabrication of these radars, which continued through FY 74, will be completed this fiscal year. Live fire acceptance testing of both radars will be completed and competitive Development Test I/Operational Test I will also be initiated in this year. Initiation of the live fire acceptance testing was delayed approximately 120 days to insure complete system readiness for the testing. The delay was not caused by any technological problems, but was to permit more thorough validation of system software. A modification/refurbishment phase and an additional testing phase has been added to this program. These additional phases will reduce program risk and provide a more thorough evaluation of the system prior to low rate initial production decision point. In FY 76 Development Test I/Operational Test I will be completed. It will be followed by environmental testing and six month modification/refurbishment phase and a modified Development Test II/Operational Test II. The $13.3 million requested in FY 76 will be used to support the testing and the modification/refurbishment phase of the program.

MORTAR LOCATING RADAR

The Soviets have a two-to-one advantage in heavy mortars organic to units within the division. Use of the manually operated AN/MPQ-4, Countermortar Radar, now in the inventory, against this massive threat is grossly inadequate. We are developing a highly mobile, automatic radar system to detect and locate hostile mortars. After

a 17 month delay due to contractor protest of the selection of a developer, a full-scale development contract was awarded in FY 74 to the originally selected contractor to build test models of the radar. The program includes operational testing, developmental testing, and environmental and electromagnetic-compatibility testing. The bulk of the FY 74 funds were for contractual efforts on long lead-time items, design efforts, with emphasis on reducing production costs, and manufacture of the models. The US Marine Corps initiated development of a Hostile Weapons Location Radar in FY 74. As a result, a comparative evaluation phase has been added to the Army mortar locating radar program so the Army system and the USMC system can undergo a comparative evaluation. This allows both services to evaluate different technologies prior to a production decision and should reduce the production cost of the selected system. The addition of this comparative evaluation phase and increased design to cost effort caused a schedule slip of the Army system of about one year with a research and development cost increase of $5.3 million. Fabrication of the first model of the Army mortar location system will be completed and live fire testing initiated in late FY 75 or early FY 76. Appropriate modifications derived as a result of this testing will be incorporated into the remaining four systems. The $10.8 million requested in FY 76 is to complete fabrication of the remaining systems, support the comparative evaluation between the Army mortar locating radar and the USMC hostile weapons location system, and to buy spare parts and

special test equipment to support the modified Development Test II/ Operational Test II.

REMOTELY MONITORED BATTLEFIELD ACQUISITION SYSTEM (REMBASS)

The objective of this program is to develop a family of Unattended Ground Sensors and associated data communications and readout equipment. REMBASS is the name given to this system which the commander will be able to tailor in various configurations to obtain an all weather surveillance, early warning alert, and target acquisition capability that will both complement and supplement other manned and unmanned surveillance systems.

The components that comprise REMBASS are in varying stages of development with the overall system being in the validation phase which will extend through FY 75. The main efforts of this phase include completing the Cost and Operational Effectiveness Analysis, updating the requirements document and developing solutions to target recognition and location problems. One integral subsystem of REMBASS, designed for independent employment, is the Platoon Early Warning System which is well along in the development cycle. During the past year REMBASS saw the completion of the electronic warfare threat tests, several engineer design tests, decision risk analyses, and DT I/OT I. The Cost and Operational Effectiveness Analysis has been underway as the user and developer jointly have

been analyzing a full range of trade-offs in order to arrive at sound design specifications. A contract for 25 Platoon Early Warning System models was let in June 1974 for delivery in April 1975.

Proposed REMBASS hardware configurations are being evaluated in preparation for the next phase - Engineering Development. The REMBASS test reports will be completed by April 1975; these include four engineer design test reports and the DT/OT I test report. The Cost and Operational Effectiveness Analysis will be completed during the 4th Qtr, FY 75 and will be followed by a decision In-Process Review prior to entering Engineering Development.

REMOTELY PILOTED VEHICLES (RPV'S)

The purpose of this program is to exploit the technology of Remotely Piloted Vehicles (RPV's) for Army application. Army missions for which RPV's are potentially applicable are surveillance, target acquisition, target designation, artillery fire adjustment, jamming and target destruction. An ideal RPV can provide real-time imagery to the ground day or night, where judgment can be made regarding the targets to be taken under engagement. As an extension of the conventional forward observer, the RPV can locate targets for attack by conventional artillery and adjust fire as required. By carrying a laser designator, the RPV can be used in conjunction with laser guided weapons to permit effective engagement of hard targets.

By remaining in the target area, the RPV can facilitate real-time post-strike damage assessment. Each of the services is pursuing RPV programs. We are concentrating on physically small, low cost, short range vehicles which can be used "to see over the next hill."

The intent of this program is to develop small, low-cost, easily operated RPV's which are deployable in the forward tactical areas. During FY 74, feasibility models were tested and analyzed for the target acquisition/designator mission under the Remotely Piloted Aerial Observer/Designator Systems (RPAODS) program. The RPAODS was conceptualized as a low-cost, remotely piloted aircraft with the primary function of laser designation of tank sized targets out to the range of supported laser-guided weapons. During FY 74 the RPV program was revised and a Weapons Systems Manager was assigned to develop a coherent program which would encompass all of the RPV efforts within the Army. A revised program was established which utilized the data obtained from RPAODS, incorporated the general requirements established by the user, and developed a program which would demonstrate the technology to the user, determine the cost-effectiveness of the system, and establish the operational and organizational concepts necessary to operate the Mini-RPV's in the field.

A contract was signed with Lockheed Missiles and Space Company on 20 December 1974, for $7.6 million to provide airframes, sensor payloads, ground stations, launch and recovery systems and miscellaneous ground handling equipment. The entire system is being designed to closely represent a complete tactical system while still using a maximum of off-the-shelf commercial components. The equipment will be delivered during FY 76 whereupon there will be a joint material developer/combat developer experimentation to demonstrate the technology, identify the operational capabilities, limitations and potential problem areas. The demonstration should begin in October 1975 and continue for approximately 11 months. At that juncture a ROC will be written and Advanced Development/Engineering Development will then be initiated.

TECHNOLOGY BASE

The preservation of the technology base, one of our most fragile and valuable national assets, is our number one priority. We propose to increase the funding for the technology base 6.1 and 6.2 program elements to the level that it has averaged since FY 63, i.e., 5 and 15% respectively of the RDTE budget. This will allow us to solve critical combat deficiencies and to concentrate our efforts on improving R&D management and return-on-investment.

The technology base not only leads to improved and novel systems and equipments but also supports the soldier as an individual, to include his health, food, clothing, shelter, weapons, equipment, and logistic needs. The technology base covers both fundamental and applied effort. We are currently pursuing several efforts so as to make the technology base more responsive to user goals. It is a key objective of Army R&D policy to strengthen the coupling of Army laboratories to the Army's needs. Specifically, it is our ambition to make the technology base responsive to Army mission goals whether the work is done in-house or under contract. In other words, every investigator, laboratory or R&D manager should be able to answer the question, "What would you do with the results if successful?" The answer we seek would be that the results fit into an approved priority goal. That is not to say that we are blind to that important segment of R&D which cannot be defined, for a portion of the technology base budget must allow for free exploitation of technological opportunities essential to the creative and innovative climate in the laboratories. The current and expected funding must always be stretched to include resources for stimulating goals which are not yet identified.

The technology base has become more mission oriented. In FY 74 the lead laboratory concept was initiated with selected Army laboratories being charged with responsibility for particular technological areas. As an example, the Combat Surveillance and Target Acquisition

Laboratory is the lead laboratory for the Army program in low energy lasers, the type laser used in laser range finders and designators. Single Program Element Funding (SPEF) was also initiated in FY 74 and expanded in FY 75 as a management tool for the 6.2 program. An example of this is the Armaments Technology area which includes automatic cannon technology, field artillery systems technology, and the small-arms program. This SPEF concept has given each laboratory director the flexibility to adjust his program as requirements and technology change. A more responsive program with greater mission relevance utilizing more recent technology is the result. Based on the success of this approach, it is proposed to expand this concept in FY 76 to the 6.1 program with the establishment of Single Project Funding (SPF) for each Army laboratory or installation.

There are four goals for the technology base: tactical and technical superiority, cost savings, improved reliability and maintainability, and increased human effectiveness.

The technology base has produced many recent improvements in materials used by the Army. Recent developments by the Army Materiels Mechanics Research Center include (1) materials for aircraft with a strength-density ratio increased by a factor of 5, (2) a fluorosilicone/silicone blend of rubber springs, developed for armament applications, which has a much higher dynamic flex life than metallic

springs now used for loading and extraction of ammunition, (3) conductive metal coatings developed to inhibit corrosion of metals, (4) crystallized glass, hard enough to shatter the steel core of anti-personnel projectiles, developed for bullet-resistant transparent body-armor, (5) synthetic products to provide protection equal to standard steel armor at only half the weight, and (6) pigment formulations for coatings utilized in counter-surveillance systems to resist enemy surveillance by visual and photographic means.

At the Missile Command, work on parameterization of wind, density, and temperature profiles with altitude has continued with establishment of special data sets in the lowest three kilometers, an initial mathematical representation for every individual day, and a characteristic variable and set of constants varying only by month and season. The result is reduction of storage of atmospheric data by a factor of a thousand without sacrificing the realistic description of the atmospheric environment.

At Watervliet Arsenal, it was discovered that in surfaces of gun bores, all layers of reacted surfaces within the heated zone are established after the first round of firing, a result expected to lead to improved wear and corrosion protection.

At the Waterways Experiment Station, investigation of sedimentation in alluvial, estuarine and coastal areas has yielded data most helpful in consideration of river crossing, port construction, and location of construction materials.

The U.S. Army Institute of Surgical Research performed work directed to identify the types of lung injuries in burn patients, and to define their abnormal body functions. Means have been developed for early assessment of post-injury hyperventilation (excessive respiration leading to abnormal loss of carbon dioxide from the blood), and large airway inhalation injuries. Early identification of such changes following thermal injuries will result in better treatment of burn patients.

An eye movement measuring device has been completed, the only one of its kind known to exist anywhere, making it possible to begin research on eye movement of Army personnel under various situations, for example, when operating weapons systems. This work was done at the Human Engineering Laboratory.

Research on the materials which allow us to "see" temperature differences of objects, used in our passive night vision devices, have led to a room temperature, TV-like camera tube. This work, done at the Night Vision Laboratory, would allow future generations

of day/night sights to be operated without the supercooling devices that exact large power and weight penalties on current systems.

We are focusing on a limited number of all new system developments in combat essential areas wherein quantum jumps in capability can can be realized. Several important areas currently are:

a. The Remotely Piloted Vehicle Area, which we spoke of earlier.

b. High Energy Lasers have a vast potential for many applications. Employment of this technology in a number of roles is presently being investigated.

c. True Fire-and-Forget Missiles. True fire-and-forget air-to-ground and ground-to-ground missile technology includes an improved and less expensive system. Specifically, use of a fiber-optics data link between missile and launch platform is being explored to permit launch from cover and much greater stand-off distances. The data link is expected to be simple, inexpensive and effective, yet compatible with performance, range, electronic countermeasures and with high reliability. A significant cost reduction is expected through use of small, lower cost, less sophisticated seekers due to drastically reduced target lock-on range.

d. A High Rate of Fire Gun, capable of burst firing, is expected to effectively engage moving armored targets beyond the range for present lightweight gun systems. This gun, when mounted on the

future mechanized infantry vehicle or armored reconnaissance scout vehicle, could prove excellent in the assault role because it would also have a highly effective area fire capability in a direct fire mode.

e. A Closed Loop Artillery System will develop for evaluation of several candidate systems using an array of technologies, to include sensors, data links and processors, and rockets and cannon projectiles. The system will use these in synergistic multiple-function combinations to provide surveillance, target acquisition and location, weapon control, and damage assessment. Subsystem elements will include both currently available equipments and items now under development. The total system aspects of surveillance/acquisition/location, command and reporting, and fire delivery means are being emphasized.

RDTE MANAGEMENT

We are asking you for a sum of money which we feel is the absolute minimum we must have to accomplish the goals we have outlined in the preceeding pages. Our duty to expend these funds efficiently is coequal in magnitude or even greater than the responsibility of the technicians, engineers and scientists who perform the actual development of our systems.

Allow us to present you, briefly, with an outline of some of the measures we are taking to husband and direct the funds you provide us to their greatest advantage. These measures are not a series of acronyms, names, and catchy slogans, but hard and carefully planned measures which we intend to vigorously implement and which we expect to be held accountable to you for.

REALISTIC COST ESTIMATION

Cost overruns have been the bane of Defense Research and Development over the past decade and perhaps the single most important source of criticism directed at the Armed Services by the Congress and the people. In point of fact, many (not all) of these overruns are not the result of program changes, added requirements and gold-plating, but are caused by unrealistic cost estimates far back at the initiation of the program. Even a well managed, smoothly proceeding system may experience cost growth, with its attendant dislocation and delay, because account was not taken of the inevitable risks and unknowns inextricably connected with every technological step into the future.

We are implementing the following remedy, and have applied it to every major new start made during the past year. A new cost estimating concept, called the Total Risk Assessing Cost Estimate (TRACE) will

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include specific provisions for the statistical estimation of costs that would otherwise be undeterminate. Historical and other data will be used to help us assess the "unknowns" we will be likely to encounter in a new program. Each area of technology; automotive, electronic, aerodynamic or whatever, has a statistically isolatable risk factor which should be taken into account in estimating the cost of a new program many years from completion. We are quantifying these "known unknowns" and allowing for them in our estimates. This procedure, in concurrence with strict adherence to Design to Cost methods, should assure no greater likelihood of an overrun than of an underrun. Thus, the Congress and our own management will have a more realistic, less optimistic, estimate of development cost to consider before approval is given to enter development.

TRACE will, in many cases, involve higher estimation costs for programs we ask your permission to initiate, but it will likewise obviate to a considerable degree our need to return during the progress of the program to ask for more money. Additionally, and very importantly, it will permit us to place our programs in proper perspective and allow us to determine our own conception of priorities in a more realistic manner. TRACE, more than other management techniques we plan to employ, will require your cooperation, advice and support. TRACE will not, however, in any way free us of the ravages of inflation.

DESIGN TO COST

This technique, with which you are quite familiar, places the capability of a system within a band bounded by minimum acceptable performance and maximum acceptable cost in constant dollars. DOD and Army acquisition regulations are being rewritten to incorporate this method, and, although it is too early to assess its success, we are implementing it vigorously on a number of major development programs. Returning briefly, if we may, to our point about constant dollar cost estimation, we ask you to bind us to a constant dollar figure and judge our programs on our ability to adhere to it. Judging the cost of a tank on the basis of dollars inflated ten years into the future is as futile and irrelevant as deflating them ten years into the past.

PERSONNEL QUALITY

The Project Manager, the most important individual in the development of a program, and frequently its lightning rod, must be the most capable man for the job or all our management techniques and plans are worthless. We have hence revised the selection process for these men, and are applying the same scrutiny as is employed in the choosing of field commanders. The process will now provide us with a pool of trained candidates, and we hope to enhance the rewards available to them for superior performance.

ARMY MATERIEL ACQUISITION REVIEW COMMITTEE (AMARC)

The Secretary of the Army established the Army Materiel Acquisition Review Committee (AMARC) in December 1973. The Committee operated under the guidance of a Steering Group composed of the Under Secretary of the Army, the Vice Chief of Staff and the Assistant Secretaries of the Army for Research and Development, and for Installations and Logistics. The Committee was charged with a hard hitting and objective study to include a comprehensive review, analysis and critique of the Army's materiel acquisition process and to provide recommendations for improvement, with concentration on organization and procedures.

The goal of the AMARC review was to provide procedures and an organization which would be responsive to needs of the Army in the field, assuring that effective equipment is introduced in an efficient and timely manner, requiring fewer personnel and less Army-owned or operated facilities, and providing a proper balance in the distribution of field and headquarters personnel. This will result in the development, fabrication, and user verification of items more closely meeting established requirements prior to the commitment of full-scale production.

The review was completed in March 1974 and the final report submitted to the Secretary of the Army on 1 April 1974. Some of the major AMARC recommendations already implemented include strengthening the Army's organization for materiel acquisition by designating a single Department of the Army agency (Deputy Chief of Staff for Research, Development, and Acquisition) to monitor the process, and delaying settlement on a required operational capability until successful completion of advanced development.

Major AMARC recommendations still under study by the Army include further reduction in organization, depth and fragmentation of staffs and consolidation of the Army Materiel Command's Research, Development and Engineering activities into several system development centers.

REORGANIZATION OF ARMY STAFF

On 20 May 1974 the Army staff was reorganized. A vital portion of the reorganization was to consolidate the Army staff responsibility for research, development and procurement into a single staff agency, the Deputy Chief of Staff for Research, Development and Acquisition (DCSRDA). DCSRDA absorbed all the prior functions of the Office of the Chief of Research and Development, plus the life cycle management and system monitorship functions from the Assistant Chief of Staff for Force Development and the procurement appropriations

(aircraft, missiles, weapons and tracked combat vehicles, ammunition and other procurement) functions from the Office of the Deputy Chief of Staff for Logistics. These functions are now fully integrated at the working level within ODCSRDA.

TEST SUPPORT

All of the foregoing materiel programs must be tested to assure design risks are minimized, requirements have been met, decision information based on realistic testing is available, and that we know the life cycle support costs after deployment through reliability, availability, and maintainability testing. Such testing requires facilities with modernized instrumentation, excellent contractor support and capable test personnel. Under the DOD uniform funding policy for testing, users provide the direct costs for testing their equipment. As such, along with improved methods and test planning, these financial procedures are helping us to get the maximum of test data with a minimum expenditure of resources. We have completed a detailed review of our test funding procedures and organizations to assure Army materiel is properly tested before full production decisions are made..

CONCLUSION

Each man, woman and child in this country pays 3 cents per day to insure the soldiers who defend them will not be faced by forces who are much better equipped than they. These people demand and deserve a substantial and quality product for the money they spend and it has been and will be our number one priority to see that they receive it.

You have the duty to question, in detail, the need for each dollar we are asking for and examine our stewardship of the funds you have provided us in the past. We need the $2.1 billion dollars we have requested very badly. Above all, we need your confidence and active support in our efforts to turn around what we earnestly feel is a potentially disastrous diminution of the Army ability to equip its soldiers with the quality equipment they require and deserve.

We welcome your questions.

RESEARCH AND DEVELOPMENT PROGRAM

Chairman McClellan. You may proceed.

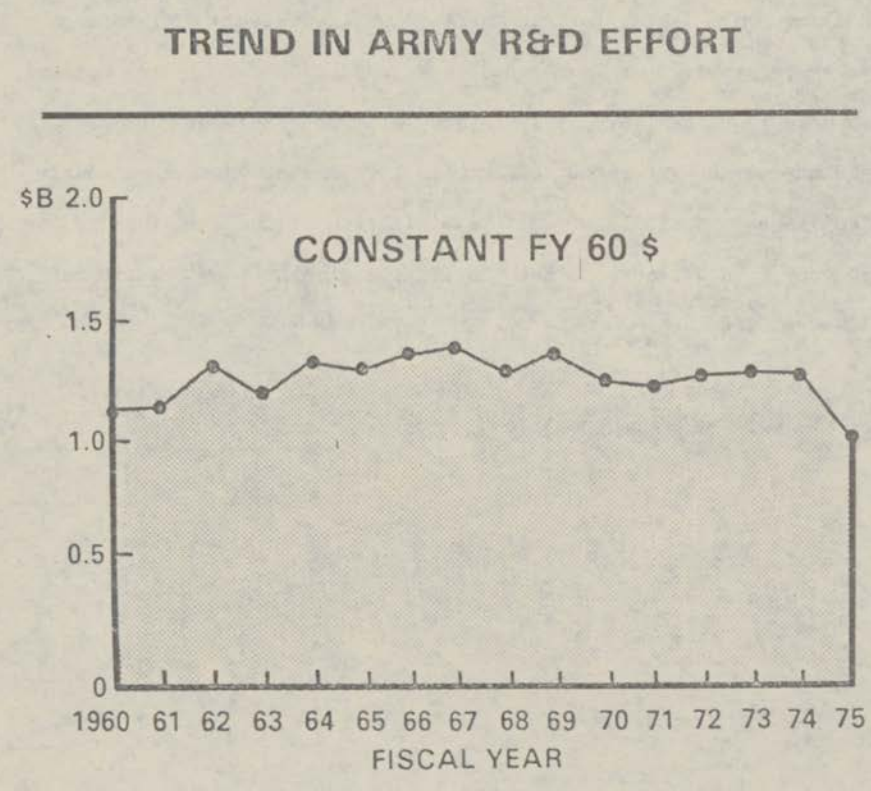
Mr. Augustine. First of all, Mr. Chairman, I would like to say again it is always a pleasure to appear before your committee to talk about the Army's research and development program.

I entertain no illusions concerning the formidable economic problems which face our Nation and the pressures they engender for cuts in the military budget. Therefore, I anticipate and welcome rigorous and detailed questioning of every dollar we are requesting.

TREND IN R. & D. EFFORT

During my appearance before the committee last year, I indicated concern that our level of real effort might decline in fiscal year 1975 to its lowest point in 14 years. This has indeed proven to be the case. The chart illustrates this.

[The chart follows:]



SOVIET MILITARY POTENTIAL

Mr. Augustine. Today, we face an enormous, well-trained, and increasingly well-equipped Soviet Army which has been paying the price to attain technological supremacy. By the best available estimates from non-Defense Department sources, the Soviets are now

spending approximately $2.4 billion per year more on military R.D.T. & E. than we are.

Chairman McClellan. That $2.4 billion more than we are spending—would it give them an appreciable advantage in research and development, do you think?

Mr. Augustine. I would think it would. That would represent about 25-percent more than we spend in this country for military R. & D.

Chairman McClellan. Will their money, dollarwise, buy more services over there than it would here?

Mr. Augustine. The way this was calculated, to avoid having to address that difficult issue, was to not get involved in a ruble-dollar conversion but to observe the amount of effort going on in the Soviet Union and figure the amount we would have to spend in this country to match it.

Chairman McClellan. How much would you have to spend? How much more than in the budget?

Mr. Augustine. About $2.4 billion more.

Charman McClellan. We would have to spend that much?

Mr. Augustine. Yes, sir.

Senator Young. Do you have the international comparisons?

Mr. Augustine. No; it is so difficult to get through the ruble-dollar comparison.

I have noted that they spend on the order of or around 15 percent of their gross national product on defense. However, I would have a very hard time defending that number.

Senator Young. They have a high price for the ruble in Russia; it is higher than you can buy the ruble for on the international market?

Mr. Augustine. I am not familiar with that area, sir.

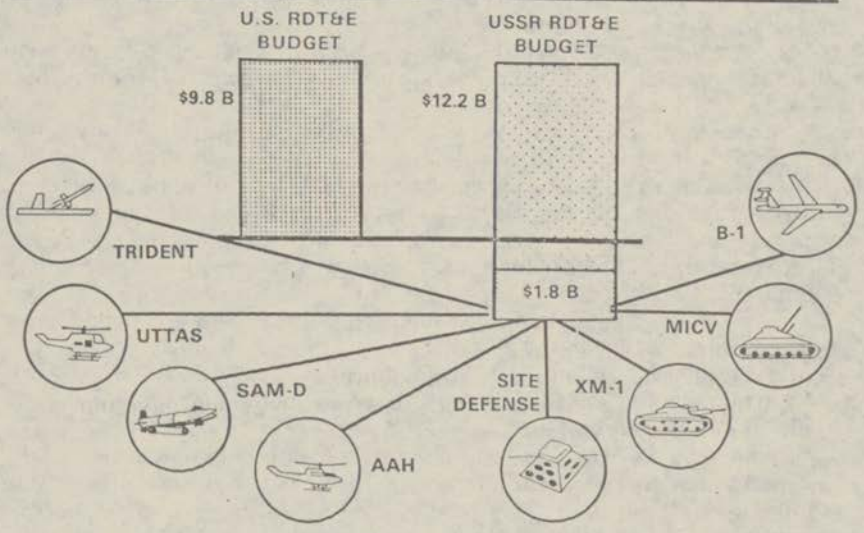
Senator Young. I am not, either.

U.S./U.S.S.R. R.D.T & E. BUYING POWER

Mr. Augustine. The following chart shows that the additional systems which the Soviets could develop with such funds as we have discussed; they match in magnitude the expenditures we are making on the XM–1, SAM–D, UTTAS, AAH, B–1, MICV, Site Defense and TRIDENT programs, all combined, with over a half a billion dollars still left over.

[The chart follows:]

COMPARISON OF U.S. AND USSR RDT&E BUYING POWER FY 74 DATA



ARMY STRATEGIC PROGRAMS

In the area of Army strategic programs, in the 3 years since the SALT I agreement curtailing ballistic missile defense deployments, the Soviets have doubled the number of ballistic missile defense interceptor tests conducted each year. In contrast, we in the United States have reduced our efforts to where we have no more firings planned whatsoever.

Chairman McCLELLAN. That is interceptor firings?

Mr. AUGUSTINE. That is correct, Mr. Chairman.

Chairman McCLELLAN. We have none at this time?

Mr. AUGUSTINE. Our last flight went last week. We have no more interceptor test flights planned.

Chairman McCLELLAN. You have no more money for firing them?

Mr. AUGUSTINE. That is correct, sir.

Chairman McCLELLAN. Is there any urgent need for continuation in that field?

Mr. AUGUSTINE. Sir, I believe it is important we continue an aggressive program in that field. The issue appears to be what is an adequate program.

As our budget has been reduced in this area, we have considered that our efforts in missile technology are probably the first area we should cut back on if we have to make cutbacks.

Chairman McCLELLAN. In this area?

Mr. AUGUSTINE. Yes, sir. That is the reason we have cut out any further interceptor flights.

Chairman McCLELLAN. There are funding problems with programs that have higher priority with limited funds; therefore, you have to defer to the programs of higher priority and cut back in this one?

Mr. AUGUSTINE. Exactly.

General Marshall is with us today and you may want to ask him some questions later on. He is the Program Manager for all ballistic missile defense programs.

Chairman McClellan. You may continue.

Mr. Augustine. Over the years, there have been a number of studies of scientific publications and of the content of technical courses taught in universities, which indicate that the half-life of technological information is only about 5 to 10 years. That is, fully half the technology available to our adversaries 5 to 10 years from today will have been created between now and then. Thus, to stand still, or even to move deliberately, is to rapidly fall behind in the world of technology.

Examples of an imbalance of technical capabilities playing a decisive role in determining victory or defeat are to be found throughout history. One need only to place himself in the perspective of the armored knights at the battle of Crecy facing infantry using the longbow; or, in more modern times, of the Japanese trying to comprehend the devastation of the atomic bomb.

Modern technology offers many such examples, ranging from the breakthroughs in electronic signal interception which gave our commanders at Midway the enormous advantage of knowing in advance the enemy's battle plans, to the use of radar by the British to locate and intercept unwitting German aircraft.

Turning to future battlefields, it is likely that the use of smoke for concealment will play a major role as armies attempt to neutralize the effectiveness of other recent breakthroughs in the area of antitank missiles.

However, if one side is equipped with the forward-looking infrared (FLIR) equipment now available, its troops will be able not only to see at night but also to see clearly through smoke which has, for all practical purposes, blinded its enemy.

Until recently, we had no antidote for the Soviet nerve agent Soman. It was, therefore, to our grave concern that we learned that the Soviets have such an antidote deployed in widespread quantities throughout their forces.

Under these circumstances, the Soviets possessed the opportunity for their troops to continue to function in the presence of this lethal agent when U.S. troops would not have possessed equivalent protection.

I cite these examples, which are but a few, to point out that technological inferiority can indeed lead to defeat—and that technological superiority is certainly not a birthright of America but, rather, is something that must be earned.

Permit me to summarize briefly our present materiel posture vis-a-vis that of the Soviet Army, which must inevitably be the ultimate, although somewhat worn, yardstick against which we measure ourselves.

The quantitative advantage enjoyed by the Soviet forces is the driving force behind our entire R.D.T. & E. program. Our efforts are directed toward providing our Army with systems whose quality will enable them to overcome numerical inferiority. This is a large order.

The Soviets currently have an army of 1.8 million men. Ours is 785,000 men. For each tank we possess, they have four. For each artillery piece we have, they have three. They have a third more armored personnel carriers and infantry fighting vehicles, twice as many heavy

mortars, and thousands more surface-to-air missiles. Among major combat components, we possess a quantitative lead only in helicopters; and the Soviets are now working feverishly to reverse that.

These observations are further complicated by the loss rates to be expected in future warfare, as suggested by the events of the Yom Kippur war. This was, of course, a war lasting but 19 days and not directly involving either of the super powers.

Yet, during that conflict, the Arab countries lost more tanks than we own in Europe today, including our prepositioned stocks. They lost about as many artillery pieces as we own in Europe. And, today, there are more SAM's deployed along the Suez Canal than we own throughout the world.

In short, modern warfare places more and more premium on the quality and quantity of forces in being, rather than in future catch-up potential in our production or technology base.

Quality is somewhat more difficult to generalize about than quantity. Currently, our tanks and ASM's are roughly the qualitative equivalent of the Soviets; our helicopters are superior, and our infantry vehicles are markedly inferior to theirs.

However, our greatest concern is the impending attainment by the Soviets of both a quantitative and a qualitative weapons advantage over our forces. If this occurs, our chances of deterrence of, or victory in, any future conventional conflict will be quite remote.

I am proud of the successes we have achieved in our Army R. & D. activities during the past year, and have never been accused of shyness in reporting them to you. But we have also had our share of problems, and they deserve mention. There is little I can tell you of the ravages of inflation that you do not already know.

The "million dollar tank" is a case in point. I feel it would be a genuine tragedy if the chances for fielding the XM–1 system, which represents a true breakthrough in armored warfare, were lessened by a false perception of its actual cost.

In 1988, when the XM–1 may cost $1.5 million, were we to apply the same inflation indices to our personal needs, we would be paying almost $2 a gallon for gasoline, $1.65 for a pack of cigarettes, and almost $10,000 for a Volkswagen. Similarly, we would be paying over $1 million for today's M60A3 tank.

We ask you to judge the affordability of the XM–1, and our other systems, by their cost in constant dollars and by our ability to keep that cost within the parameters set for them when we began their development.

On balance, I feel fiscal year 1975 was one of the most successful years, in terms of accomplishments for the Army R.D.T. & E. program, of any within my memory.

Our important successes have included such programs as Safeguard, XM–1, CLGP, TPQ–37, and Hellfire. General Cooksey will describe these in greater detail in his statement.

For my part, I am proud that within about 18 months we have placed Tow-Cobra, Dragon, Improved HAWK and the M60A2 in the hands of our troops and have begun production of seven items of electronic warfare, communications, and night vision equipment. Other recently introduced systems such as Tow, Lance and Redeye are continuing to perform in an exceptional manner.

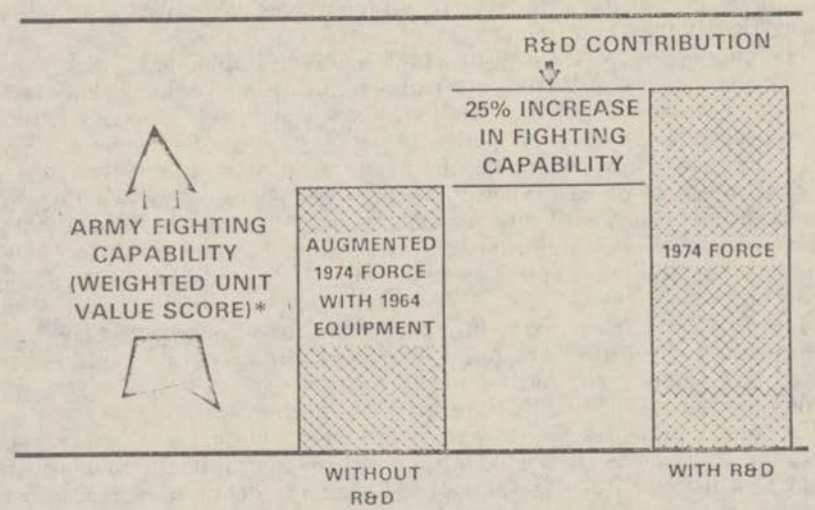
Before concluding, I would like to share with you the results of an assessment we conducted during the past year into the return on investment from funds previously allocated to Army R. & D.

Whereas in industry return on investment is traditionally measured in terms of dollars, for the purpose of this study return was measured according to the combat capability added to each of our divisions.

The major result of the study, which illustrates dramatically the vital importance of Army R.D.T. & E., is the conclusion that, over the past 10 years alone, the contributions made by R.D.T. & E. have, in effect, resulted in a net increase in fighting capability of over 25 percent in each of our divisions. This is, of course, a very significant increase in the capability of the Army. The chart illustrates this finding.

[The chart follows:]

THE PAYOFF OF RDT&E DURING THE LAST DECADE



*(DERIVED FROM V CORPS (USAREUR) ANALYSIS.....)

BELT-TIGHTENING

Mr. AUGUSTINE. Our efforts this past year have also been characterized by a considerable amount of belt-tightening.

One policy which has been promulgated is to rely upon product improvement of our existing systems whenever possible rather than to undertake new development programs. Product improvement can be very cost effective.

A relatively simple and quite inexpensive technique of providing additional guidance wire on the TOW missile, for example, has permitted us to increase its range substantially. We will continue to product improve, wherever possible, as a means of squeezing the last ounce

of performance out of our existing weaponry as is indeed being done on such systems as the CH–47, Cobra-TOW, M–60 tank and Improved HAWK.

Another policy, which I must refer to as "bullet-biting"—for want of a better term—involves taking cognizance of the fiscal facts of life and terminating programs which, while practical and needed, are simply not affordable. The Heavy Lift Helicopter is a case in point. We have reluctantly decided not to proceed beyond the flight of the HLH prototype because, in combination with our other higher priority programs, it is not affordable.

The Air Defense Suppression missile is another example of a successful and badly needed system which we have decided to forgo so that other programs will receive the funding they require.

Similarly, we are reviewing the cost of obtaining a special Scout vehicle developed specifically to perform the ground Scout mission and expect that we will use instead a version of the MICV.

In the matter of providing an all-weather forward area air defense system, we have decided to adopt a European weapon rather than develop one of our own.

The managerial streamlining which has been implemented this year has produced a single Army Staff organization, under Lieutenant General Cooksey which now has staff responsibility for acquisition, as well as R. & D., and has permitted a net saving of 60 spaces.

In the case of my own office, the needs for economy have driven me to conclude that we can function without the positions of two Deputy Assistant Secretaries of the Army; hence, these two high-level jobs have been deleted. We must place every cent we can save into hardware and technology, and I assure you we are serious in our intent to do so.

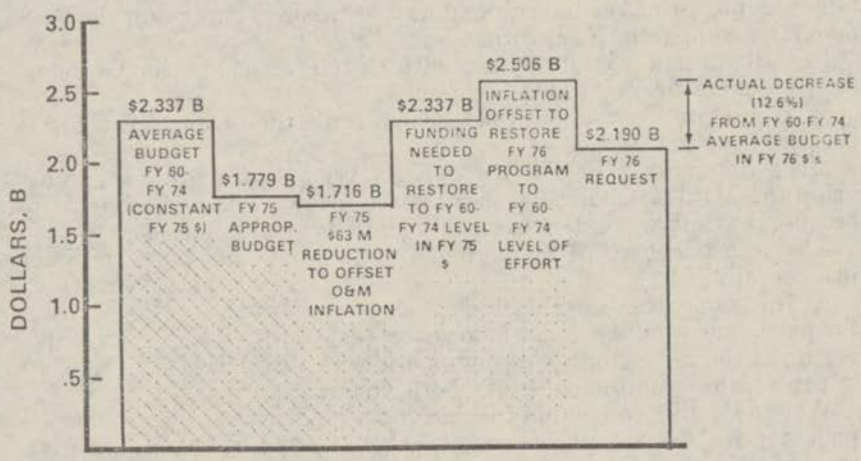
The $2.1 billion we are requesting today does not represent a vast jump in our level of effort, but a necessary attempt to pull out of the hole we have been gradually sinking into over the past few years and which has been deepened by the efforts of inflation.

The chart indicates the impact of last year's budget reductions and inflation and shows that what appears to be a significant increase in funding this year is, in fact, about a 13-percent decrease in real effort relative to the average budget for fiscal years 1960 through 1974, even if no further reductions were to be made by the Congress.

I could perhaps best explain this with the following chart.

[The chart follows:]

TREND IN ARMY RDT&E BUDGET



DESCRIPTION OF CHART

The first bar represents the average budget for our Army R. & D. in constant fiscal year 1975 dollars for the period of time from 1960 to 1974.

The second bar shows the budget we are operating under in fiscal 1975 in the same constant dollars.

As you know, in order to offset the thrust of inflation in the Army's O. & M. account, we took a further $63 million reduction in the fiscal 1975 budget to permit reprograming. That reduces to the figure shown in the third bar.

As we look to the future, if we say we will just restore our funding in terms of buying power, using the average level from fiscal 1974, we would need the amount shown in the first two bars. From fiscal 1975 to 1976, it would require a bar of $2.9 billion.

The next chart shows the amount of $2.19 million, so you see, though it appears a significant increase for fiscal 1975—and it is a significant increase—nonetheless, it places us with a level of effort in terms of the number of people working in the labs and the actual efforts for undertaking. It is about a 12-percent decrease relative to what we had over a 19-year period.

We are keenly aware that every citizen of this country spends 3 cents each day to insure that the soldiers who defend us have the equipment they need to survive and prevail on the battlefield. We pledge to you that we will do our very best to maximize the accomplishment from this budget. We feel it represents the minimum necessary to insure that our Army can perform the mission expected of it if we are indeed to remain a military power second to none.

I appreciate your attention and welcome your questions.

With your concurrence, General Cooksey will proceed with his brief opening statement.

Chairman McClellan. Do you have any questions at this point, Senator Young.

Senator YOUNG. Yes; a couple.

I noticed our Armed Services Committee discussed the new German tank and our own. We haven't had any testimony concerning the German tank compared to our own.

I recall we had a joint venture with the Germans and the Germans finally went their way and we went ours.

What do you know about the German tank, the Leopard, I think it is called?

Mr. AUGUSTINE. The FRG and U.S. Army had a program to develop the MBT–70. That was terminated a few years ago principally because the tank was extremely costly and rather complex.

Also, the problems of managing a joint development program are just very difficult.

At that time, the Germans took their version of the MBT–70, their Leopard, and endeavored to improve that into a Leopard II. We began, at the same time, working on a new tank, the XM–1. The work is proceeding simultaneously in both countries.

We would like to be able to agree on a single tank, or major components of a single tank between the NATO countries and ourselves, if we can.

Our plan to do this is that the Germans will provide us a modified version of the Leopard which we will test in the same series of testing as our XM–1, now being developed in this country by Chrysler and General Motors, will undergo. Leopard II testing will take place during the period between September and December 1976. The testing of the XM–1 will have been accomplished earlier, during the period February through April 1976.

At that time, it would be our plan to either compare and build the German Leopard II in this country or build the XM–1 in this country, whichever turns out to be the better and most cost-effective tank.

Senator YOUNG. There is a possibility we might use theirs, not that they would use ours?

Mr. AUGUSTINE. We are hopeful that it is an open street both ways and that we will both agree on which is the better tank and both use the same one.

I wouldn't want to suggest that it will be an easy thing to accomplish, but clearly there will be real benefits if we agree on the same tank.

Senator YOUNG. How do the costs compare?

Mr. AUGUSTINE. They are quite different. That is part of the problem.

Without getting into details of specific year dollars, suffice it to say the Leopard II, as it exists today, costs about 50-percent more than we expect the XM–1 to cost.

One of the things the Germans are doing is redesigning the tank to reduce its cost. The real test will be in their simplification of that tank to make it cost competitive with the XM–1.

Senator YOUNG. Thank you, Mr. Chairman.

Chairman MCCLELLAN. Mr. Secretary, I notice in your statement you make a comparison with respect to Soviet strength and ours.

Are you relating this to what we have in NATO, or to our total strength?

Mr. AUGUSTINE. These numbers here apply strictly to Russia versus the United States.

If one does a balance of the Warsaw Pact versus NATO, the trend is somewhat different, but the general conclusion is the same.

WARSAW PACT/NATO COMPARISON

Chairman MCCLELLAN. Could you provide us a table for the record of what you have here plus a comparison of the Warsaw countries and the NATO countries with respect to these weapons and others?

Mr. AUGUSTINE. Fine. We will do that, sir.

Chairman MCCLELLAN. I would like to have that. I would like a copy just for my own information, but I will also insert it in the record.

Mr. AUGUSTINE. All right. We will do that.

NATO DISADVANTAGE

Chairman MCCLELLAN. How do you think we compare on that basis? It looks as though we are pretty weak over here unless we have superior equipment.

Mr. AUGUSTINE. Quantitatively, NATO is at a disadvantage.

Chairman MCCLELLAN. At a disadvantage?

Mr. AUGUSTINE. Yes, sir; at a disadvantage to the Pact.

In terms of armor, as I mentioned, it is about [deleted]. Troops are about [deleted] but that depends on [deleted].

Qualitatively, the two are becoming very, very similar. I think in many areas we still have an advantage, but the two sides are becoming very comparable.

Chairman MCCLELLAN. Are you apprehensive about what might occur if and when the Warsaw countries' capability becomes superior to that of NATO's?

Mr. AUGUSTINE. There is no question, but that I would be apprehensive.

Outnumbered as we are, we have only two things going for us that I can see: One would be to have better trained troops and the other would be to have better equipment.

Chairman MCCLELLAN. How can we be certain that our troops are better trained than theirs?

Mr. AUGUSTINE. I am getting out of my area of expertise here, but one thing I could relate to my field would be providing simulators, for example, that would permit troops to conduct very realistic training.

Take, for example, the Dragon missile. It is expensive to launch, but we have developed simulators that give a troop almost as good training as he would get by firing the actual missile.

If the Russians had the missile but not the simulator, presumably our troops would be better. However I believe they do have simulators for their antitank missiles.

The second aspect that favors us is that we would probably be on the defensive, with the Pact nations, and Russia on the offensive. There are some inherent advantages in fighting on the defensive, especially if one has adequate advance warning of attack.

Chairman MCCLELLAN. Our position would be more stationary, and they would have to be more mobile in trying to advance?

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Mr. AUGUSTINE. Yes, sir.

We would be fighting on terrain with which we are familiar; prepared terrain, in many cases, with fortifications. We would be able to fight from behind things while the attacker would have to expose himself more.

Chairman MCCLELLAN. I would like to see these comparisons in a memorandum that I can insert in the record.

Mr. AUGUSTINE. We will provide that.

Chairman MCCLELLAN. You may elaborate on them some, if you wish.

Mr. AUGUSTINE. Yes, sir.

[The memorandum of comparisons follows:]

CONVENTIONAL EQUIPMENT ADVANTAGE OF WARSAW PACT FORCES

As of 31 December 1974, the Soviets and the Warsaw Pact Forces had a significant quantitative conventional equipment advantage in medium tanks, and surface-to-air missiles, a lesser advantage in armored personnel carriers/fighting vehicles and artillery. The U.S. and NATO forces possessed a significant quantitative advantage in helicopters.

Item	U.S.S.R.	United States	Warsaw Pact forces [1]	NATO forces
Medium tanks	[Deleted]			
Armored personnel carriers fighting vehicles				
Artillery				
Helicopters				
Surface-to-air missiles (radar guided)				

[1] Based on estimated Soviet pact requirements.
[2] U.S.S.R. only.
[3] United States only.

STATEMENT OF LT. GEN. HOWARD H. COOKSEY

Chairman MCCLELLAN. Very well. General Cooksey?

General COOKSEY. Mr. Chairman, I would like to proceed with a very short statement, if I may.

It is always a distinct privilege for me to appear before this committee. I am well-acquainted with many of the members and staff from two previous tours in Army research and development and more recently from service as Deputy Chief during the past 15 months.

I wholeheartedly agee with Secretary Augustine as to the need for close cooperation with this committee and our staffs, and recognize that a candid, forthright, and positive relationship is essential to the success of our programs and to the security of our nation.

Before we address your questions, I would like to highlight briefly some of the progress and problems we have encountered during the past year.

It has been an excellent year for Army R. & D., especially for the Big 5. They are progressing well, though I must emphasize that we are entering a critical period for each of these programs and have several obstacles and some tough decisions ahead of us as we proceed toward fielding these systems.

During this past year, we have performed hardware testing and each of our Big 5 has displayed encouraging progress. Five UTTAS prototypes are now in the air and their performances to date have

been so successful that selection of the winning candidate could be an extremely difficult decision.

The SAM–D guided test vehicle series was an almost unqualified success with eight succesful flights, one partical success, and one no test out of 10 firings. The no test was not the fault of the missile. The range instruments failed and the missile had to be destroyed.

The missile's propulsion and control systems were stressed to design limits and functioned exceptionally well.

The initial series of proof of principle guided test flights began on February 27, 1975, when a SAM–D missile intercepted a subsonic drone at medium altitude and range while employing terminal phase track-via-missile guidance.

The second firing was conducted on March 31, 1975, and it was also successful.

Both flights achieved all their primary and secondary objectives.

Our XM–1 tank program also has progressed well, meeting its prototype design, fabrication, and hardware procurement schedules. Its special armor, which represents a clear breakthrough in tank design, looks better and better in performance.

In this respect, I encourage you to take the time from your busy schedules and allow us to show you some actual testing of this armor, which will greatly increase the chances of survival for our tanks and their crews. The added protection it offers is a principal reason for our strong emphasis on the XM–1 development program. Both contractors have produced automotive test rigs on schedule and now have accumulated over 3,500 miles of successful testing.

Chairman McClellan. Do you think the Soviets have anything like this?

General Cooksey. They have their standard tank, the one called the T–62. The T–62 is roughly comparable to our present standard tank which is the M60A1.

The Soviets are now in production with a new tank; we refer to it as the M–1970. We don't know too much about it, but we know because of the [deleted].

Chairman McClellan. You mentioned the [deleted] in these tanks, which I understood to be something of a breakthrough?

General Cooksey. Yes.

Chairman McClellan. Do the Russians have anything like that?

General Cooksey. [Deleted.]

Chairman McClellan. I assume it has more [deleted].

General Cooksey. [Deleted.]

Chairman McClellan. Greater [deleted] than some of the others we have now?

General Cooksey. That is right.

The XM–1 will be far superior to the M–60 in protection.

If you can spare the time, we would like to show you what we can do with this armor. It is fascinating.

Chairman McClellan. You may proceed.

General Cooksey. The mechanized infantry combat vehicle, of all our Big 5, is the least complex and costly; yet, it is the most important item being developed specifically for the infantry soldier. Recent experience in the Mideast clearly demonstrates this need for protection if our soldiers are to survive on the modern battlefield.

As an infantryman myself, I am especially anxious to see our mechanized infantry units equipped with a combat vehicle. MICV is now being tested to determine if we have corrected problems in the power train and suspension system. Engineering prototypes are being delivered and extensive and operational testing will be conducted in fiscal year 1976.

The next year also will be an important one for our advanced attack helicopter. Both contractors are fabricating flyable prototypes and ground test vehicles. We are looking forward to first flight in September.

The attack helicopter will play a major role should we ever have to face the vast Soviet and Warsaw Pact armored forces. The AAH, along with the TOW/COBRA, will insure that we are capable of countering these numerically superior forces.

Chairman McClellan. I am interested in knowing how a helicopter can be made into an attack weapon. It seems like it would be easy to shoot them down since they fly so low.

General Cooksey. As you know, Mr. Chairman, we used an earlier version of the Attack Helicopter, the COBRA, very effectively in Vietnam. We found, first, they can survive by the way they fly, a procedure we call nap-of-the-earth; right down at treetop level. We are developing a missile system for the advanced attack helicopter that provides greater standoff range and thence will increase the survivability of our attack helicopter fleet. This system is Hellfire, which I described earlier, and it has demonstrated the capability to hit tank-sized targets consistently at [deleted] km if stationary, and [deleted] if they are moving. Since the Soviet air defense gun, the ZSU–23–4 has a range of [deleted], this missile will allow the attack helicopter to not only attack from nap-of-the-earth altitude, but to do so outside the range of the ZSU–23–4.

Chairman McClellan. They come in under radar?

General Cooksey. Yes, sir, and right at treetop level.

Chairman McClellan. Can't they be shot down by infantry fire at treetop level?

General Cooksey. They can be, but by moving fast there isn't much time for a foot soldier to react. They take advantage of the terrain and operate right off the deck and, in that way, they can get in, hit, and get out, and remain in one piece.

Chairman McClellan. It seems to me that a couple of good riflemen can bring them down.

General Cooksey. They tried awfully hard in Vietnam, for instance, and were not very successful.

You might be interested in some tests we ran about 18 months ago in Europe using helicopters against tanks. We used laser designators to tell, when we hit the tank, whether it would have been destroyed by the attack helicopter. They hit about a ratio of 13 to 1, the number of tanks destroyed versus the number of helicopters destroyed. The tanks in these tests were operated by the Federal Republic of Germany.

I think it was interesting that the young major who led this tank force volunteered for helicopter training after he finished this exercise.

Chairman McClellan. It surprises me. I thought they could be shot down by a rifle at 300 or 400 yards.

General COOKSEY. They are traveling fast and the operators and pilots must be very skillful in the way they move their helicopters. They can employ suppressive fire themselves. They are not just standing out there letting the infantry shoot at them.

Chairman MCCLELLAN. They are firing guns at the same time they are dropping bombs?

General COOKSEY. They are firing principally rockets and missiles, but, to protect themselves, they have suppressive fire; they use machine guns.

Chairman MCCLELLAN. They use them to fight tanks?

General COOKSEY. Yes, sir. We think that is one way of overcoming their tank advantage.

Chairman MCCLELLAN. Thank you.

Senator Young?

Senator YOUNG. I think, like the chairman, these helicopters would be easy to knock down. I would think they would be vulnerable to the Russians' new, hand-carried missile which I think is heat-seeking?

General COOKSEY. Yes; it is heat-seeking.

In the Mideast War, these small heat-seeking missiles [deleted].

In Vietnam our losses to the Strella missile, the helicopter losses, were [deleted]. We did encounter that missile there.

The way we combated it in Vietnam was by flying close to treetop level. By the time they knew you were there, you were there and gone.

We had some of our cargo helicopters that were operating in a different flight envelope that were shot down, but few of the attack helicopters.

Chairman MCCLELLAN. All right.

General COOKSEY. We are, therefore, pleased with the progress of these important systems. This is not to say that we have not had problems, both technical and financial, nor that the problems are all solved. But we are optimistic about our Big 5 and with your support we fully expect success in fiscal year 1976.

Other of our programs have achieved good progress that I would like to mention.

For example; the enormously challenging Safeguard program met the equipment readiness date to the very day we projected almost 4 years ago, and will achieve a full operational capability this year. Forty-seven of 54 Sprint and Spartan missiles fired during the test program were complete successes—in some cases engaging targets at closing velocities of up [deleted].

The cannon-launched guided projectile has convincingly demonstrated its ability to achieve first-round hits even on moving tanks at extended range. This program represents a legitimate breakthrough and will provide a tremendous increase in the effectiveness of an entire combat branch without requiring the addition of either new artillery pieces or more people.

A seeker for the Chaparral missile which can provide it with an all-aspect attack capability and increased immunity from countermeasures has been flight-tested, scoring direct hits on a high percentage of targets in 56 launches.

The European-developed Roland II was selected to fill the Army's short-range, all-weather air defense missile role, and scored six successes in the seven firings conducted by the U.S. Army.

The Hellfire missile has scored 38 direct hits in 52 launches, including 1 near-simultaneous double firing from a single helicopter, employing both a ground and an air-based laser designator.

The heavy lift helicopter fly-by-wire concept was successfully demonstrated this year, the first application of this advanced control technique ever achieved in rotary-wing flight.

Senator YOUNG. Going back to this paragraph before, you mentioned laser designator.

How does that work?

General COOKSEY. First, the missile homes on the laser energy which is reflected on the target. For example, if you are firing against a tank, you have a laser designator which may be on the ground or in the air. It fires a laser beam that reflects energy on the target. The missile-seeker then homes on that spot and hits the target. It is a very effective system.

In the case of the double firing I mentioned, they fired two missiles from a single aircraft, one right after the other, at about a 1-second interval, and the missiles were coded so that one missile was guided by the laser designator on the ground and the other missile was guided by the laser designator in the air. Both hit the target.

Senator YOUNG. You have laser designators both in the air and on the ground?

General COOKSEY. Yes; we use them with the cannon-launched guided projectiles that the Secretary mentioned. We have hit moving as well as stationary targets.

Senator YOUNG. How is a laser able to designate a target better than other means?

General COOKSEY. It reflects energy; it is a very narrow, focused beam.

Senator YOUNG. But you have to find the target?

General COOKSEY. Yes; you have to find the target and be able to see the target. When you can do that, you focus the laser energy on that point; it might be a tank, pillbox, or other fortification, or truck, but you designate or focus on that, and you can do it out to [deleted] for instance, you focus your beam on that target, and your artillery shell or missile will guide in on that focused energy.

Senator YOUNG. I am curious about that. I believe Dick Tracy was talking about something like this years ago.

General COOKSEY. Dick Tracy, I think, used [deleted].

Chairman MCCLELLAN. [Deleted.]

General COOKSEY. [Deleted.]

[Deleted.]

Mr. AUGUSTINE. I believe that was [deleted].

General COOKSEY. Excuse me [deleted].

Senator YOUNG. [Deleted.]

General COOKSEY. [Deleted.]

The XM-204 Howitzer, in over 40,000 firings, has demonstrated the feasibility of the fire-out-of-battery, soft recoil principle—a free world first which will permit us more reliable and versatile artillery pieces.

Our Alarm (Sotas) airborne radar has proven its ability to detect, locate, and monitor vehicles and men at extended ranges even under adverse light and weather conditions.

In addition to these successes, we have completed R. & D. on four important programs which have, quite frankly, had long and arduous development trials.

The missile-firing M60A2 tank has exceeded its mean miles between failure goal of 110 miles and achieved 121. We expect to improve this further.

The M60A2 battalion at Fort Hood achieved the best record of qualification of any battalion in the 2d Armored Division. Deployment to Europe has commenced.

The ability of Improved Hawk's guidance to destroy maneuvering and formation targets has been demonstrated in eight launches against worst case targets. TACFIRE, our artillery tactical fire control system, is now in limited procurement after doubling the reliability goal which had been set for it.

I would like to comment there. The total reliability goal was 150 hours between failures. It achieved, at the end of DT/OT II, 123 hours, which was the double goal set up at that point.

Test results and analyses have shown that for equal costs, TACFIRE could counter 36 battalions in 168 hours of defensive battle, whereas the present FADAC/manual system could counter only 14 battalions and would require 190 hours.

Finally, I am happy to report that we appear to have solved one of our most pressing needs—the ability to locate enemy artillery.

The artillery locating radar, in recent R. & D. acceptance tests at Fort Sill, tracked and located, simultaneously, five artillery rounds, of mixed caliber, and at extended ranges.

Accuracy and precision of this order, never achieved before, will enable us to destroy or neutralize enemy artillery units soon after they open fire.

My experience as Commander of U.S. Forces in the Quang Tri area in May, June, and July of 1972, convinced me as to the validity of this need, and I have been an enthusiastic supporter of this program.

So you can see that, despite our problems, we consider this to have been a good year for Army R. & D.

In conclusion, I would like to mention one management innovation.

We have frequently been criticized by industry representatives because of difficulties they encounter in having new ideas evaluated promptly, fairly, and objectively.

We have recently established a group named the Advanced Concepts Team to evaluate such proposals. This small group of highly qualified people is accessible, objective, candid, and motivated to insure that representatives of industry, institutions, and individuals have the opportunity to have their proposals evaluated by competent people—and at a level high enough to obtain results when ideas show promise.

Two excellent proposals have been funded for further investigation, and several other good ideas are now being evaluated for funding.

This completes my statement, Mr. Chairman, and I am ready for your questions.

Chairman McClellan. Thank you, sir. Any questions, Senator?

Senator Young. Have the Armed Services Committee of either House in their authorization bills reduced Army R. & D. for the Big 5?

General Cooksey. Yes, sir, there have been some reductions that we gotten word on.

The Senate Armed Services Committee reduced our request for the Attack Helicopter from $65 milion to $55 million.

Senator Young. They didn't stop any of your programs?

General Cooksey. They did not stop any of our Big 5, but they have levied some reductions against them.

Senator Young. We will get those limitations.

They also reduced Site Defense?

General Cooksey. Yes, sir, they made a substantial reduction in Site Defense. We are very concerned about it.

Senator Young. This is for the defense of Minuteman?

General Cooksey. Yes, sir.

Senator Young. This is a program beyond the one you are working on now?

Mr. Augustine. Beyond Safeguard.

Perhaps this would be a good time to take a few minutes to talk about that program, since General Marshall is here with us, and he manages that program.

The Site Defense program, unlike many of the other things we are working on, is the only new BMD system effort in the free world. If the Site Defense program is essentially stopped, it means it is a policy decision that the free world is getting out of the BMD systems business.

I would hope the Congress could view that as a policy issue and not as an R. & D. issue.

Perhaps General Marshall could describe our status on that program.

Senator Young. I would be very interested.

There have been proposals that, rather than modify existing missiles, you build entirely new ones.

STATEMENT OF MAJ. GEN. ROBERT C. MARSHALL

General Marshall. The Site defense program was designed to be the follow-on program to Safeguard. Safeguard is being deployed, as you know, in North Dakota and is limited to one site. It is not our intention to deploy any Site defense sites, but rather, to develop a system which could be deployed should the treaty be abrogated, or for like reason. That is the so-called Site defense program.

It is a tailormade design for the protection of Minuteman or any other high-value target.

Senator Young. You would use Spartan and Sprint missiles?

General Marshall. We only use the short-range Sprint missile. It is shown on the right there and labeled Sprint II. It is an improved Sprint.

As opposed to the single battle management radar that we have in Safeguard, we use three radars which are netted so that the loss of any one radar does not affect the system. All of the colocated or

remote missile farms can be managed by any one of the three radars.

The system was, as I say, specifically conceived to defend Minuteman.

The idea in 1970, when the program was first approved, was to provide to the United States a capability to deploy this system, in response to a Soviet deployment of a like system, in a short period of time. At that time, in 1970–71, we were talking in terms of deployment capability in 7 years for the first site. Subsequent funding budget actions have caused us to stretch that program out.

Last year, specifically in the Senate Armed Services Committee report, and confirmed by the joint conference report, was guidance to the Department of Defense that said that rather than seeking to demonstrate a prototype of this system, the program should be converted to a component technology program. There was a cut in funds last year.

So the issue this year before the Senate Armed Services Committee has been a question of whether we complied with that guidance, whether in view of the treaty restrictions we really need to have a system in hand which could deploy or whether we should continue on our component R. & D. program.

We requested $140 million this year. We explained how we had modified the program, we felt, in response to the Senate's guidance.

If the subcommittee had reduced our budget request to zero, it would cancel the Site defense program.

Subsequently, it is our understanding that the full committee has restored $70 million.

Senator YOUNG. For research and development?

General MARSHALL. For the Site defense program in research and development funds.

Senator YOUNG. You borrow a lot of the research and development from the Safeguard program for this program?

General MARSHALL. Yes, sir.

One of the advantages of the Site defense as a follow-on program was the ability to reach into the Safeguard knowledge.

As a specific example, the Sprint II is basically the Safeguard Sprint with some improved performance.

As you know, there are no R. & D. funds in this year's budget request for Safeguard. Safeguard's R. & D. is all in the past.

Senator YOUNG. What is the plan for Safeguard? Is it fully operational now or scheduled to be fully operational in August?

General MARSHALL. Yes, sir, on the 1st of April of this year, we reached what we call initial operational capability and at that time the Safeguard site in North Dakota had 8 of the long-range missiles, 28 of the short-range missiles. The radars were all up 24 hours a day and the site was operational.

It became part of the Continental Air Defense Command on the 1st of April.

Between the 1st of April this year and the 1st of October, we will continue to increase the number of active missiles there, so on the 1st of October the site will gain its full operational capability, at which time it will have 30 Spartans and 70 Sprint missiles.

Then it is our current plan and our budget requests provide for us to continue to operate the site all up, 7 days a week, 24 hours a day,

with all the missiles, from the 1st of October to the end of the fiscal year.

In the subsequent fiscal year, it is our present intention, as we have explained in earlier testimony, that the site would go to something less than a fully ready condition but capable of being restored to full operational status should it be required.

We have not yet determined what the precise status of the site will be after fiscal year 1976.

Senator YOUNG. You will reduce how much after the year's experience?

General MARSHALL. It depends, Senator Young.

One concept, which is very attractive [deleted] the long-range radar, the PAR, but keep [deleted].

That would make a substantial reduction in cost and some reduction in the manning of the site. I can't be precise, however, because the perimeter acquisition radar, the long-range radar, is a very competent radar. It looks to the north; it covers 120 degrees in azimuth. At [deleted] it can see objects the size of a beer can. It can track many objects at one time so it is a very attractive early warning or space track radar.

Senator YOUNG. I understand you could see objects clear over Ontario and beyond.

Is it the most powerful radar we have?

General MARSHALL. It is one of our most powerful, certainly.

I think its advantage is in the range, in the area that it can cover and the precision with which it can cover many objects.

So, while we are thinking in terms of perhaps shutting the PAR off the air and keeping it in a caretaker status, there is some consideration that it should be kept on. The Department of Defense has not yet determined what the status will be after the end of fiscal year 1976.

Senator YOUNG. Thank you.

That is very helpful.

Chairman MCCLELLAN. You can see a beer can [deleted] away?

General MARSHALL. Yes, sir, an object that size. It can see it and track it.

Chairman MCCLELLAN. Do the Russians have anything to compare to that?

General MARSHALL. They have some very powerful radars but they are not comparable in the sense that the PAR is a phased array radar in a hardened concrete structure. Theirs are generally not phased array and they use a different radar principle.

I think the great advantage in our ballistic missile defense superiority over the Soviet Union is in our data processing. It is very difficult to compare our status and their status.

I think I might make an amplifying remark about something Secretary Augustine mentioned earlier—the fact that we will no longer fire any ballistic missile interceptors. We have had a program, a very active program, at the Kwajalein Missile Range. For 15 years, we have been firing interceptors; however, with the Safeguard program, we have been restrained by the treaty to one site. We made a judgment earlier last year that, because of funding limitations we could not continue to conduct Safeguard missile firings.

It had been our intention to fire, over the life of the Safeguard deployment, some five missiles a year from Kwajalein to continue to

make sure the missiles were safe and would function properly, et cetera.

However, as I said, because of funding limitations we were forced to cancel that program. That does not mean there is a safety problem with the deployed missiles. I don't mean to indicate that. It is true that while the Soviet Union is firing more and more ballistic missile defense interceptors, we are down to zero.

Senator YOUNG. Are we maintaining the facilities out in the Pacific to test if we decided to?

General MARSHALL. That poses a very serious problem because in order to launch the Safeguard missiles we needed the missile site radar which we have at Kwajalein. We had a prototype radar and to keep an electronic facility of that nature on the air is quite expensive.

We are looking right now at the question of putting that radar in some caretaker status so that we could reinitiate missile firings out of Kwajalein. We have not solved that problem.

Senator YOUNG. It seems to me we are putting ourselves in a rather dangerous position in discontinuing our testing and our research and development to some degree while the Russians are moving ahead.

General MARSHALL. Yes, sir, it was a very difficult decision to make.

You know, after 15 years of a very vigorous and highly visible activity, to go to zero was a serious question. Since I felt I was forced into that position, I certainly did not make the decision alone but explained it fully at the Department of Defense. Yes; there was concern about the potential impact upon negotiations with the Soviets, et cetera.

On the other hand, looking at where our research and development effort is needed, we feel more confident about the interceptors than we do about some of the other areas. So, we decided to eliminate what we considered to be the lowest risk development program, compared to the very important integration of data processors and the netting of radars. We felt that this was the high-risk area and it should be continued rather than the interceptor firings.

Mr. AUGUSTINE. To summarize our comments on Site Defense, we view it as a policy decision.

As you point out, it really transcends an R. & D. issue.

The question is: What is to be this country's program in ballistic missile defense, and Site defense is really the crux of that. I think we have perhaps said all we can on the topic.

Senator YOUNG. Or how much we can trust the Russians?

Mr. AUGUSTINE. Yes, sir. We, of course, are very concerned about that.

Senator YOUNG. Thank you, Mr. Chairman.

Chairman MCCLELLAN. Anything further?

Did you cover all the points that he raised earlier?

General MARSHALL. Yes, sir.

Mr. AUGUSTINE. Mr. Chairman, depending on your time, we have several other programs that have critical issues before you that we are prepared to go through with you, if you would like.

Chairman MCCLELLAN. How many?

Mr. AUGUSTINE. We can take as many as you wish and schedule it however you see fit.

Chairman McClellan. Why don't you spend a little time on those you consider most important, and we'll see how far we can progress.

Mr. Augustine. Yes, Mr. Chairman.

Chairman McClellan. You may proceed.

Mr. Augustine. What we have done is pick out programs that have particular controversies associated with them or particular issues that you will face in this year's budget, and so we thought we would go through those.

Chairman McClellan. Please explain the controversy and give a brief statement of your position on each.

Mr. Augustine. Fine.

Perhaps I could begin with one of the two new starts in the Army's program this year. General Cooksey can deal with the second one.

The two significant new starts are an advanced Scout helicopter and an advanced air defense gun. Let me talk about the Scout helicopter a moment.

The Scout helicopter's purpose is to find targets to be attacked by the attack helicopter and other ordnance delivery systems. Now, ideally, one would like to have all attack helicopters so when you find a target you could attack it. However, it costs too much money to give every helicopter the ability to shoot and fire missiles and so on. So, we use our helicopters as a team.

One of the two, the Scout, serves as the target-locating system and the other serves as a target-destruction system. One might think of it as a hunter-killer team.

The Scout program will begin this year and will likely be attained by militarizing existing helicopters produced for commercial purposes. We are convinced we can satisfy the advanced Scout requirements without developing an entirely new aircraft.

It is particularly important since the roughest job we have on the battlefield today is to find targets. We have quite good improvements in firepower if we can bring that firepower to bear against those targets.

The advanced Scout helicopter will be equipped with laser designators, and night-vision systems so the helicopter can fight at night. It will be much more agile.

The plan will be to go into advanced development this coming year on that program.

With that brief summary, unless you have questions, we will go on to the air defense gun.

Senator Young. I have no questions. You may proceed.

General Cooksey. One of the things we are concerned about in the forward area is the air defense gun to be used against low-flying aircraft.

We saw the Russian system, the ZSU–23–4, in Vietnam and the Middle East, and it is very effective.

Our Vulcan system has only a 1,600-meter range, whereas we need something out in excess of [deleted] meters. Vulcan is [deleted] it is a small 20-millimeter Gatling-type gun. In this new advanced development program we would like to procure two test beds that are significantly different, and then decide what new gun system concept we would like to carry on into research and development.

One may be a fairly simple system that uses multiple weapons to gain coverage of the target area.

The other might be a very precise gun with more technology involved in it, using a miss distance indicator that would enable you to use a closed looped system by cranking the correction back into the gun itself, so as to be able to precisely hit and destroy targets.

They are vastly different concepts of performing that mission, and we would like to look at both of those test beds as well as other concepts to see which is the best approach.

We have requested funds to do this in fiscal year 1976, and we consider it a very important program; however, it is somewhat controversial.

Mr. AUGUSTINE. I might take the next program I think we should specifically mention, which is the effort on binary chemical munitions. This has been an extremely controversial program in our hearings——

Senator YOUNG. Why don't you wait until the chairman gets back?

[Discussion off the record.]

Chairman MCCLELLAN. All right. You may proceed.

General COOKSEY. I talked about the cannon-launched guided projectile that uses a laser designator.

We have been working with two projectiles in this program. They use two slightly different mechanisms to do the job. It gives our artillery the capability of hitting a moving target; we have hit tanks moving at up to 20 miles an hour. We can also destroy hard-point stationary targets such as pillboxes.

It will enable us to get a first round hit rather than having to waste shells adjusting the artillery fire.

We have completed our testing very successfully and hope to go to a DSARC in June. If all goes well, we would like to put out an RFP for an engineering development program on July 1. This, along with laser technology, is one of the most exciting programs that we have underway. It will give us a tremendous improvement.

BINARY CHEMICALS

Senator YOUNG. They skipped over the chemical item because they thought you would be interested.

Chairman MCCLELLAN. Thank you. I would be interested in what you have to say on that.

Mr. AUGUSTINE. I was going to make some remarks on our R. & D. program in support of the binary chemical munitions.

I raise that because it has been a program that has had considerable controversy surrounding it in our prior testimony this year, and we are very concerned, having seen the amount of effort going on in the Soviet Union in chemical warfare.

For example, we found that in Russia about [deleted] percent of their troops are chemical troops, trained to support chemical warfare.

In our country, it is closer to a tenth of a percent.

Their program is commanded by a lieutenant general; ours by a colonel. That is just indicative of the amount of emphasis they place on chemical warfare.

In the Mideast, during the October war, we found that the equipment the Soviets had provided to the Egyptians and Syrians in the chemical area, exceeded in number and quality the equipment we have. This alarmed us a good deal, and as a result of this, we are taking a number of steps, one of which is to request the money to continue with the R. & D. program on binary chemicals.

Binary chemicals are essentially the same type of chemicals as we already have in our inventory, with one important difference. In the current inventory munitions, the chemicals are mixed in the factory and become lethal at that point. So, if there were to be an accident, there would be lethal chemicals one would have to contend with.

The concept with binary mixes is to use two different chemicals, each of which is inventory safe in its own right, and to keep the two chemicals completely separate from each other until they are ready for employment.

At that time, you put the two chemicals in the projectile, but they are not mixed until the projectile is fired out of the tube. The firing causes the mixture. You have the chemicals completely safe until they leave the tube of the gun, at which time they become lethal.

The effectiveness is no better than what we have, but from a safety standpoint, we figure there is an enormous advantage. That is why we are so anxious to continue with this program.

Chairman McCLELLAN. You were turned down last year?

Mr. AUGUSTINE. We were turned down on funds for a production facility; yes, sir.

Chairman McCLELLAN. But you have continued your research?

Mr. AUGUSTINE. Yes, sir, and we understand this year all the procurement money may be approved. We understand the R. & D. money is in danger of being eliminated.

Chairman McCLELLAN. What is your R. & D. request for this?

General COOKSEY. It is $4.48 million.

Chairman McCLELLAN. Less than $5 million to continue research?

General COOKSEY. Yes, sir.

Chairman McCLELLAN. What are you asking for procurement?

General COOKSEY. The procurement money we have in is $8.8 million for establishing a production capability. We are not requesting funds for procurement of the munitions.

Chairman McCLELLAN. Now, there is strong objection to this, isn't there?

Mr. AUGUSTINE. Yes, sir. We have encountered a good deal of objection and lack of support.

Chairman McCLELLAN. Is there controversy within the services?

Mr. AUGUSTINE. None whatsoever.

The services strongly feel the need of having this equipment.

We have found, Mr. Chairman, as we look through history, four cases where lethal chemicals have been used—let me not say lethal, let me say incapacitating or lethal chemicals have been used—against a nation. All four cases were against countries lacking the ability to retaliate in kind.

Countries seem very reluctant to use this when they may get it back. It is a very distasteful area to all of us. The difference seems to be on the best way to avoid this kind of battle, that is, whether to maintain a strong deterrent capability of chemicals or a strong deterrent nuclear capability that doesn't involve chemicals.

I guess the question that I would ask is, assuming we don't have a chemical capability, what is going to stop another country from using chemicals against our forces? Our conventional capability certainly wouldn't. Without a chemical deterrent of our own we are left with two options [deleted]. I should hope we would not be forced to choose between the two.

Chairman McCLELLAN. Having them available is really a deterrent to the other side not to use them; is it not? Isn't that the principal reason for having them?

Mr. AUGUSTINE. Absolutely. There is good evidence to cite both sides of that argument.

I mentioned the ones that chemicals have been used against were countries without the capability to retaliate. Conversely, when we were landing in Normandy in World War II, the Germans had the capability of using chemicals and considered using them to opopse our landing. However, because of their concern over our ability to retaliate, they elected not to do that. So, I think there is very good evidence that having a capability of our own is a good deterrent.

Chairman McCLELLAN. How devastating would it be if we do not have them and they decided to use them?

Mr. AUGUSTINE. It could be very bad for us.

We do have some measures to help neutralize the effects of a chemical attack, but they tend to be very cumbersome and difficult in the field, involve wearing a gas mask and chemical clothing.

Chairman McCLELLAN. What is the effect of this chemical? What does it do to the individual soldier?

Mr. AUGUSTINE. The binary will kill him, given time and enough of a dose.

Chairman McCLELLAN. It will kill the soldier?

Mr. AUGUSTINE. Yes.

Chairman McCLELLAN. Don't we have chemicals that are only temporarily disabling?

Mr. AUGUSTINE. There are also incapacitating chemicals, and things like tear gas agents that you might be referring to.

Chairman McCLELLAN. Are we prepared to use those, other than tear gas?

General COOKSEY. We have an incapacitating agent. When it is inhaled or absorbed through the skin, the man becomes completely ineffective; however, after a period of time, depending on the dose he receives, he will completely recover.

Chairman McCLELLAN. What do you mean by "period of time"?

General COOKSEY. It could be anything from 30 minutes to 24 hours. It depends on how strong a dose he is subjected to.

You asked the Secretary about what happens if you don't have a deterrent for using this gas against you.

We estimated our soldiers are two-thirds less effective when wearing gas masks and outer garments. So, if he uses a gas against us and we have only a defensive mechanism to protect us, then we are two-thirds less effective. That could be critical.

Chairman McCLELLAN. Do we provide our troops with gas masks, as standard equipment?

General COOKSEY. Yes. We also have protective overgarments; however, the soldier is encumbered by these things and is less effective. So, unless you can deter them from using chemicals, you stand to be at a disadvantage.

Chairman McCLELLAN. Do you have anything further on this matter?

General COOKSEY. I might comment on the Bushmaster.

I mentioned in my statement the Mechanized Infantry Combat vehicle. The armament for that has just been selected; it is a 25-milli-

meter automatic cannon. It is for use against lightly armored vehicles and infantry.

We are looking at two concepts, one a self-powered gun, and the other an externally powered weapon which is operated by a small electric motor powered by the electrical system of the vehicle. It has the potential to be lighter and cheaper and may have better reliability characteristics, so we are going ahead on competition to see which of the systems will show up best.

Chairman McClellan. All right.

Senator Young. May I ask one question about tanks?

About how many miles will the track on a tank hold up, say in desert conditions? The reason I ask it, those tracks do wear out in a very short time, don't they?

General Cooksey. Yes; they do.

We have introduced a new track into our inventory that gives pretty good service. That would run 5,000 to 6,000 miles, however the replaceable rubber pads must be changed every 2,000 miles. That is the worst kind of terrain you could have to operate in, where sand gets between the wheels and the track and between the track and track shoes.

Senator Young. How was Rommel able to keep his tanks going in the African desert?

General Cooksey. First, they didn't travel as fast. In those days, tanks traveled more slowly than now, plus they used an all-steel track. That means your ride is pretty rough, and you tear up pavement and whatever you run over.

I would say Rommel probably didn't get more than 1,500 miles on a track before it had to be replaced.

Senator Young. And the new ones now do what?

General Cooksey. I would say a few thousand miles more under those kinds of circumstances.

Senator Young. Thank you.

Mr. Augustine. I would like to mention the SAM-D program which is one of the Army's Big 5 programs.

SAM–D is a surface-to-air——

Chairman McClellan. It is also very controversial, isn't it?

Mr. Augustine. Yes; indeed.

The reason, I suspect, is that it is the second largest R. & D. program in the Army; so it would be expected to get particular attention.

The SAM–D is a surface-to-air systems missile intended to replace the Hercules and Hawk.

When we appeared before you last year, we were just beginning a critical period of testing that I indicated to you would be a very decisive factor in the future of the program. The results of that test have been better than any of us even hoped, I believe.

General Cooksey mentioned that in the initial series of 10 flight tests of the control test vehicles, eight were complete successes; one was an almost complete success, and one was a no test.

Since that time, we have flown two fully guided missiles. The first gave a miss distance of about [deleted] the second about [deleted] both well within the radius of the warhead. Both were spectacularly good shots for this stage of the program.

So, in terms of technical health, I think our report is a favorable one.

In terms of the study we have been conducting to examine the need for SAM–D, one of the things that program sets out to do was to minimize the use of troops in the provision of a given level of air defense.

For example, if you take just our tactical units for SAM–D, they will do what today we have 18,000 men doing. They will provide a much better air defense. We figure we can save 8,000 men and reassign them to other jobs.

Similarly, the stockage items will be reduced from 86,000 to 18,000. It will also permit us to replace nine different kinds of radar with one radar.

So, we feel logistically it is a great advantage.

Costwise, it is getting to where it is in the same ball park as the improved Hawk which it replaces; it is about $9 million, and the improved Hawk $5.7 million.

In terms of capability, it provides ability to engage [deleted] targets simultaneously where Hawk can engage one or two.

It provides a much longer range and is much more capable against countermeasures. The need is not changed from what we described to you last year and the program's health at the moment is very good, and we will be firing again in about a week.

That is a brief summary of where SAM–D development stands.

Chairman McClellan. Do you consider the SAM–D one of your high-priority items?

Mr. Augustine. Yes. It is one of our Big 5 and we do desire the SAM–D.

We have one other subject.

General Cooksey. The MICV is the carrier that I mentioned earlier in my statement. This is a vehicle that carries the infantry into combat.

As you know, our current carrier is sort of a battlefield taxi.

Chairman McClellan. Something like a truck?

General Cooksey. No. It is a tracked vehicle that provides armored protection to the infantry inside, not only from ground weapons——

Chairman McClellan. It is something like a tank?

General Cooksey. The MICV is an armored vehicle, but much lighter than a tank.

The major advantage of the vehicle is that an infantryman can remain in it and fight while protected by its armor. It has an automatic cannon on top. It also has firing ports along the side, two on each side, and two in the rear. The infantrymen can fire through these ports on the way to the objective. He will have difficulty aiming, but can fire suppressive fire.

Chairman McClellan. They can't aim?

General Cooksey. He can aim, but the vehicle is bouncing over the terrain so it is pretty hard to hit a point target. But he can put out a high volume of fire.

Chairman McClellan. It protects a man, but is not a very effective weapon offensively?

General Cooksey. The automatic cannon on top is the most effective firepower. That gives you the firepower the vehicle has to have to defeat lightly armored vehicles and enemy infantry. It's an extremely accurate weapon.

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Chairman McClellan. Do the soldiers stay in there for all their fighting?

General Cooksey. They stay inside until they reach the objective. At some point in the battle, he will have to dismount from the vehicle, but this gives him a chance to survive artillery fire.

Chairman McClellan. That is pretty expensive to take care of a dozen soldiers?

General Cooksey. It runs about $239,000 a copy. But, for the first time, the American infantryman will have a fighting vehicle. Before the M–113, the vehicle the MICV replaces——

Chairman McClellan. Are they easily disabled?

General Cooksey. No; they are not.

Chairman McClellan. Do they have to be hit with artillery fire and rockets?

General Cooksey. It would take a direct hit by an artillery round to be damaged. Fragments would ordinarily not disable it or injure the troops inside.

Chairman McClellan. This is an innovation?

General Cooksey. Not really, Mr. Chairman.

The Russians have had one, the BMP, for several years.

Chairman McClellan. I mean for us.

General Cooksey. For us, it is new; 13 other countries already have a similar type.

Chairman McClellan. Russia fights with these?

General Cooksey. Yes; they were used by the Arabs in the Mideast war.

It is a very sophisticated vehicle.

Here is a picture here. It has firing ports, like the one we are developing, plus a Saggar missile and a 73 mm smooth-bore cannon.

Chairman McClellan. What is the defense against them?

General Cooksey. Antitank weapons of all types, and tanks. Alone, they would be vulnerable to enemy tanks so you employ them as part of the combined arms team. You use them mixed with tanks to help defend them, plus air defense missiles; all together.

Chairman McClellan. With men in there, would a direct hit be fatal to all of them?

General Cooksey. No; not necessarily.

The effect would depend on what kind of round and where it struck the vehicle. If a tank round hit the crew compartment it would be pretty devastating.

Chairman McClellan. When they bail out, it also serves as a kind of shield or barricade for them?

General Cooksey. Yes, sir. It is a lot better than fighting out there by yourself as an infantryman, and even after leaving the vehicle the infantry can still be supported by its cannon.

Chairman McClellan. I know; but we are at the point where we are going to have to think in terms of priorities. For $250,000—can we get as much for our money out of that as we could from another program?

General Cooksey. It is one of our Big 5 and we feel that we must have this capability.

Chairman McClellan. How many would you need?

General COOKSEY. Our present plan is to procure 1,186. This is to equip our forces [deleted].

Chairman MCCLELLAN. Primarily, all we are doing is for [deleted] isn't it?

General COOKSEY. We are [deleted] but trying to improve our capability to fight anywhere.

Chairman MCCLELLAN. Are NATO countries participating in this development?

General COOKSEY. This is not a joint development; no.

We are looking at a German system called the Marder, which is similar to the MICV, but it is more expensive and weighs much more. We are not very interested in it.

We feel, if we adopt it, other countries will be interested in it.

Chairman MCCLELLAN. Are any of these programs joint ventures with NATO countries?

General COOKSEY. No; we have no joint ventures, and I sort of hope we never do.

Chairman MCCLELLAN. In research and development?

General COOKSEY. No, sir.

Our concept on this, after the experience we had with the Main Battle Tank of several years back, is to have cooperative developments. In other words, we develop a system and if other countries are interested in it, then they buy it and pay us a proportionate share of the R. & D. costs and we might buy some of theirs and pay them a proportionate share, but not get into a situation where two countries try to develop the same piece of equipment. It doesn't work.

Chairman MCCLELLAN. Anything further?

Mr. AUGUSTINE. We enjoy talking about Army R. & D. We could stay and talk all day.

We have covered most of our big programs. We would be happy to continue on though.

Chairman MCCLELLAN. I guess we have to recess.

I do have further questions for you, but I think I'm going to ask you to submit your replies for the record.

MODEST ARMY REQUEST

Chairman MCCLELLAN. Anything further, Senator Young?

Senator YOUNG. No; except an observation.

I, personally, think the Army request is very modest when you consider any potential war we might get into that would involve the Army probably more than anybody else—Korea, Cuba, Europe; almost any place you can think of where we might get into a war, the Army would be right in the middle of it.

Chairman MCCLELLAN. Off the record.

[Discussion off the record.]

SAFEGUARD WEAPON

Chairman MCCLELLAN. Back on the record.

I do have one more question I would like for you to answer now—regarding the Safeguard weapon.

Why must we build up operations of the system and then cut back? Can you not achieve enough training at lower active levels?

General MARSHALL. The question has been asked before as to why we feel it is necessary to operate the site after completion for approximately a year, and our answer has been, and I think it is a very sound answer, that this is the only opportunity that we will have for testing such a complex operation of radars, missiles, and data processing in our history. It is very important that we take advantage of this opportunity to learn how to keep this site fully operational over a lengthy period of time.

It is inherent, as a defensive system, that it must be able to perform at any time. It is highly complex and we simply would argue that this opportunity is very necessary in order for us to be sure that such a system can be manufactured, can be put together, fielded, and operated.

I think, too, it is a fact that the Soviet Union has had and continues to maintain a defense in the Moscow area for some 6 years and this should also influence us that we should demonstrate to them a BMD capability. They have about a 6-year lead on us in this regard; we should demonstrate to them the ability to put that site on the air and keep it on the air. Having done so, we agree it would be prudent to review the situation and reduces the site to something less than all-operational capability.

QUESTIONS SUBMITTED BY CHAIRMAN M'CLELLAN

Chairman MCCLELLAN. Thank you very much, gentlemen, I have a few more questions that I would like to have answered for the record.

Mr. AUGUSTINE. Certainly, sir.

[The questions and answers follow:]

FORWARD LOOKING INFRARED

Chairman MCCLELLAN. The three services and the Defense Advanced Research Projects Agency have at least 10 projects involving infrared sensors. In the later stages of the Vietnam war there were literally dozens of such projects. Why can't the Department develop one forward looking infrared device or, failing that, common modules?

Mr. AUGUSTINE. Each service has its own requirements for infrared sensors. The roles, functions, and performance requirements vary considerably, from the handheld role to tank or aircraft mounted application. To satisfy the widely varying requirements, specific developmental programs are undertaken. Every effort is made to adopt the existing technology and hardware to satisfy the requirements. As we previously stated, our major effort in this area is to standardize on the most expensive of the internal modules which are common to most DOD systems. The Joint Logistical Commanders have established a Joint Technical Coordination Group on Thermal Imaging Systems and have directed mandatory coordination by all services to ensure maximum commonality and coordinated procurement of the common modules. Selection of the technical approach for most common modules is planned to take place during Fiscal Year 1976.

ELECTRONIC WARFARE

Chairman MCCLELLAN. In your statement, you describe a battlefield filled with electronic devices. For example, you mention at least three air defense radars, several mortar and artillery location radars, remote vehicle radars, air control and air strike radars plus jammers and other electronic countermeasures. All these are controlled by computers. Isn't there a danger that, in the confusion of battle, with interference between electronic equipment and jamming, control of the battlefield will become chaotic?

General COOKSEY. Fundamental to the Army concept for design and use of electronic warfare jammers is that they jam by exception. That is, a jammer will not be turned on unless the target transmitter has been previously identified by an analysis of technical parameters or operational characteristics and location. This feature has been incorporated into computer controlled jammers and is a part of operational procedures and tactics for the older manually controlled jammers. However, the decision to jam or not to jam is made by the commander on a case by case basis either by preprogramming or as the situation arises. It is significant to note that tactical intercept/analysis systems and jammer systems are under the operational control of the same unit. Intercept and sufficient analysis for tactical purposes are a feature being incorporated into the design of computer controlled intercept systems.

TOW AND DRAGON INFRARED DEVICES

Chairman MCCLELLAN. Will the infrared devices in TOW and DRAGON be common to those used in remotely piloted vehicles?

General COOKSEY. The infrared devices in the TOW systems are common to those in the DRAGON system. The requirements for a FLIR in an RPV are not the same as for the TOW and DRAGON. At this time the Army is not committed to any particular forward looking infrared (FLIR) for the RPV. We will consider all available systems, to include the TOW/DRAGON common module approach, to determine the most effective system for the RPV application.

UTTAS

Chairman MCCLELLAN. Your statement mentions that a contractor plans to advance money to continue development of a prototype UTTAS helicopter, anticipating later payment. What is the government's obligation under such a procedure?

Mr. AUGUSTINE. The government has no obligation to reimburse a contractor for funds expended beyond those currently obligated on its contract. The Army has not authorized the UTTAS contractors to incur costs in excess of amounts appropriated and properly allocated to the contract. Army actions have been in accordance with the "limitations of funds" clause in the contract which is authorized for use by the Armed Services Procurement Regulation. Correspondence between the contractor and the Army makes it abundantly clear that any costs incurred in excess of the amounts presently obligated on the contract are totally at the contractor's own risk.

KWAJALEIN MISSILE RANGE

Chairman MCCLELLAN. The Kwajalein Missile Range operation is very expensive. Much of the work there appears of low priority, such as the readiness to test effort. Is there any possibility that the range could be mothballed or drastically reduced? Aren't there other ranges available to pick up the essential work?

General MARSHALL. The very core of our national policy is the deterrent value of our strategic offensive forces. Therefore, it is mandatory that we have complete confidence in the operational capabilities of our offensive weapons. Assurance of this capability requires an extensive full-scale testing program for weapon development and evaluation. KMR represents a unique range for conducting the necessary measurements because it offers:

A radar complex with outstanding capabilities for obtaining measurements on booster payloads.

A distance from CONUS ICBM launch facilities (Vandenberg AFB) which allows testing at ICBM deployment ranges and reentry conditions.

A large, shallow lagoon to recover reentry vehicles for analysis and security.

Multiple, fixed sites for tracking radars and optics to achieve required measurement accuracy.

KMR has been the primary source of downrange measurements for all US strategic weapon systems developed in the past decade and will continue in this role into the future. For example, KMR will support the forthcoming Navy TRIDENT developmental tests.

KMR also serves as the principal BMD test site. With the conclusion of SAFEGUARD KMR tests, the offensive system testing will be the dominant activity and targets flown for offense development and test programs will be utilized in the evaluation of BMD components, subsystems, and algorithms. Another role of KMR is the use of high power radars to collect intelligence data on foreign satellites.

The US "readiness to test effort" (resumption of nuclear atmospheric tests) is centered at Johnston Island, which is not associated with KMR.

It is true that KMR is expensive. Much of the expense is due to the same geographical factors which make the range essential for national strategic programs. For example, about 20% of the budget is spent on logistics, i.e., transporting people and supplies to KMR and throughout the 14 island range complex; approximately 25% of the budget is required to operate and maintain the support facilities and equipment in Kwajalein's hot, humid, salty, highly corrosive environment; and about 5% goes for taxes and land leases to the local Micronesian government. The KMR budget is rigorously reviewed each year to keep the operation as austere as possible and still meet the vital national objectives of assuring our offensive deterrent capability and supporting our strategic defensive capability.

SAM–D RADAR

Chairman McCLELLAN. Won't a big powerful radar such as that used in SAM–D be highly vulnerable to anti-radiation missiles (ARM)?

General COOKSEY. With regard to the power of the SAM–D radar, if the Improved HAWK PAR and the HERC HIPAR were normalized to the SAM–D peak power [deleted]. Improved HAWK would be [deleted] and the HERC HIPAR would be [deleted] the SAM–D power level.

The power of radars with regard to ARM's must be examined from a different point of view. Current ARM's are designed to operate against the victim's radar antenna sidelobes. This is done primarily to maintain an almost continuous flow of data to the ARM to minimize guidance errors. In this regard, SAM–D is much better off than the presently fielded radars because the average antenna sidelobes are considerably lower. Furthermore, SAM–D's frequency agility forces the ARM to a wide band mode, thereby degrading ARM receiver sensitivity. This means that a nonfrequency agile radar with the same power level and sidelobe level.

PHASED ARRAY RADARS

Chairman McCLELLAN. Several billion dollar programs involving phased array radars are now under development by the Services. SAM–D, AEGIS and BMD (Ballistic Missile Defense) are three of the largest. Wouldn't it be possible to combine all that effort and work on one basic phased array radar?

Mr. AUGUSTINE. All three systems have missions which require the multifunction capability provided by the phased array radar; however, the individual missions dictate different applications of the "phased array" technology. To use the same radar for all three missions would require that the radar be designed to do the most difficult mission, that of the BMD. The reentry vehicles that the BMD radar must detect and track are much smaller and are traveling at faster velocities than the aircraft targets for SAM–D or AEGIS. The BMD system must also be able to discriminate the true target from false targets. This requires more radar average power, more computer capacity and more prime power than the anti-aircraft missions. BMD does not have a mobility requirement and, therefore, physical sizing is not as critical. Size and power requirements are very important factors for shipboard installation or land mobility. The BMD radar would be too large, too expensive and over designed for the AEGIS or SAM–D missions and it would be impractical and uneconomical.

In July 1965, a Joint Army/Navy Team was formed to examine possible combinations of subsystems and components for a common SAM–D/AEGIS system. The Team concluded that the objections differed sufficiently to warrant separate development programs. To insure that the conclusions were correct, a joint project office was established to work out a joint system for Army use, but so designed that additions and modifications would be incorporated to evolve a Navy system. The contract definition process was initiated in August 1966 with the award of contracts to three firms.

In April 1967, the two Services again reported that because of differing requirements and no significant cost benefits, a common system showed little, if any, benefit over separate developments. It is differences in both operational requirements and environmental constraints which cause fundamental differences between the optimum Army and Navy systems. To accommodate these differences without unacceptable degradation, the system would be overdesigned in some respect for each Service.

Automated Artillery Control

Chairman McClellan. You are developing an automated artillery control system called TACFIRE. The Secretary of Defense planned to review this program thoroughly and possibly change its direction. What is the status of the Secretary's review?

General Cooksey. The OSD detailed review of TACFIRE is still in progress. Based on recommendations of the Defense Systems Acquisition Review Council, which reviewed the program on 23 January 1975, the Deputy Secretary of Defense granted approval for the Army to exercise a limited procurement contract option with Litton for 14 additional systems. These systems will provide for further test and evaluation prior to a major decision to equip the entire active Army force. In his 28 January 1975 memorandum authorizing the limited procurement, the Deputy Secretary also required the Army to submit plans which address upgrading TACFIRE subsystems, competition in follow-on production, and conduct of a detailed review of artillery command and control requirements and an analysis of potential changes in artillery doctrine. The Army's response to these requirements was submitted to OSD on 8 May 1975. OSD program direction, based on study of the plans, will complete the current intensive program review although the Army will provide additional status reports and test results to facilitate continuous program monitoring.

SAM–D

Chairman McClellan. Are the NATO countries developing an advanced air defense system such as the SAM–D? Are there any prospects of foreign sales for the SAM–D? What are the prospects of research and development cost sharing arrangements with other nations?

Mr. Augustine. No, the NATO countries are not developing an advanced air defense system like SAM–D, but they are looking at concepts. The US and FRG are working on an agreement for a bilateral study effort to investigate SAM–D as a HERCULES replacement and SAM–D or a variant as a replacement for Improved HAWK. SAM–D and other concepts are also being examined within the NATO working group on air defense.

Yes, there are prospects for foreign sales. There are many countries which presently have HERCULES and/or HAWK and they are faced with the same problem of eventual replacement of these systems as they become obsolete. NATO and FRG in particular will be taking a hard look at SAM–D for this role.

We have not asked any other nations to share the SAM–D R&D costs. There could be a possibility once others have studied the alternatives and arrived at the SAM–D conclusion. However, to invite investment in R&D also invites management participation and past experience has been that this type arrangement does not lead to hardware in the hands of troops. A portion of the R&D costs could be recovered at the time of actual foreign sales.

Howitzers

Chairman McClellan. The Selected Acquisition Report on the 105mm howitzer does not include the cost of developing new ammunition. The development cost of the weapon is $187 million. How much will it cost to develop and obtain a production base for new ammunition?

General Cooksey. It is assumed that your question pertains to the new 105mm howitzer, XM204. The total cost of the weapon includes only $19.9 million development cost. The remainder is for the procurement of [deleted] howitzers to obtain the authorized acquisition objective. The only new ammunition peculiar to the XM204 howitzer is the XM760 cartridge which includes the XM200 propelling charge. The development cost for this item is $1.9 million. There is no production base cost as these two items will be accommodated with existing facilities.

In addition, there are two new 105mm howitzer ammunition rounds, the XM710, Improved Conventional Munition (ICM) and the XM622E1, HEAT–T projectile being developed that will be common to the old and new howitzers. The development cost for these two items is $10.8 million. The estimated cost to obtain a production base to meet mobilization requirements for these two items is $300 million.

QUESTIONS SUBMITTED BY SENATOR YOUNG

Senator YOUNG. I have additional questions for you as well.

Chairman MCCLELLAN. Without objection, those questions and answers will appear at this point in the record.

[The questions and answers follow:]

BIG FIVE

Senator YOUNG. What is the status of the "Big Five" in the Army development program? When will each complete development?

Mr. AUGUSTINE. Bell Helicopter Company and Hughes Helicopter Company were awarded engineering levelopment contracts for the AAH on 22 June 1973. Each will fabricate 2 flyable prototypes and a ground test vehicle (GTV) to be used for a competitive government flyoff to be completed in March 1976. Both contractors have essentially completed Phase I engineering designs and fabrication of the prototypes is well underway. Bell began GTV testing on 19 April 75 and Hughes GTV testing is scheduled to begin in the near future. First flight is scheduled for September 1975. The winning design will proceed into a subsystem integration phase in the 1st Qtr FY 77, with a production contract being awarded three years later.

Competitive airframe engineering development contracts for the UTTAS were awarded in August 1972. Both airframe contractors, Boeing Vertol and Sikorsky Aircraft, have completed the Preliminary Flight Acceptance Test and commenced test flying. Bench testing of dynamic components, whirl testing of main and tail rotors are also continuing. The GE T700 engine, which has been under development since March 1972 and will power both the UTTAS and AAH developments, started test cell operation ahead of schedule, and has accumulated more than 4200 hours of testing. Test results to date indicate excellent mechanical operation characteristics with performance exceeding the specification requirements. Government Competitive Testing will start in February 1976. The design will be selected and a production contract awarded in November 1976.

The SAM–D entered engineering development in March 1972. In January 1974, the Deputy Secretary of Defense directed a reorientation of the program to emphasize a minimum expenditure of funds until completion of 16 planned flights to demonstrate the proof of the track-via-missile (TVM) guidance concept. On 6 June 1974, the Defense Systems Acquisition Review Council (DSARC) met to consider the objectives and success criteria for the TVM proof of principle and the concurrent minimum development efforts. Nine of ten controlled test vehicle (CTV) flights have been completed and this series has been highly successful. About January 1976 the DSARC will meet again after the TVM flights to assess the results and to make appropriate recommendations to the Secretary of Defense concerning the completion of system development.

The XM–1 contracts were initiated in June 1973 with Chrysler and General Motors for the 34 month competitive validation phase of the program. Both contractors are progressing well and appear to be on the way to meeting the performance, schedule, and cost goals established for the XM1 program. Design of prototypes is essentially complete, and fabrication and procurement of hardware is proceeding on schedule. Both contractors have their automotive test rigs operational. Over [deleted] test miles have been accumulated. In addition to the automotive test rigs, each contractor will deliver one full prototype vehicle and ballistic test rig for competitive evaluation in February 1976. In July 1976 one contractor will be selected for further development. A LEOPARD II prototype, which is being modified for FRG to approach the XM1 requirement, will be evaluated against the XM1 requirement in September 1976. Limited production of the selected concept is scheduled to begin in 1979.

The MICV contract was awarded to FMC in November 1972, for engineering development (ED). During FY 74 FMC delivered two test rigs (one an automotive power train, suspension rig, and the other with the same components plus the initially designed armament fire control system) and one initial prototype design test vehicle. These vehicles have undergone extensive testing. Technical difficulties were uncovered in the suspension system and power train. The ED phase of the program was extended by five months for corrective effort. The first three ED vehicles were delivered by February 1975 for added testing. The remaining seven ED vehicles will be delivered by August 1975 for developmental testing/operational testing II (DTII/ITII) scheduled to start in August 1975. Production is scheduled to begin in May 1978.

EFFECT OF INFLATION

Senator YOUNG. What effect has inflation and increased costs had on the Army R&D Budget for fiscal year 1976?

Mr. AUGUSTINE. Inflation and increased costs deals peculiarly crippling blows to RDTE efforts. Programs are curtailed; projects are deleted or not initiated; and program effort is slipped. Some FY 1976 RDTE,A programs reduced because of fund limitations are:

		In millions
6.33.04.A	BMD technology	4.8
6.33.08.A	Site defense	64.8
6.33.11.A	Pershing II	18.9
6.43.07.A	SAM–D	35.3
6.36.23.A	Improved law	2.9
6.46.08.A	Small arms	2.1
6.47.28.A	FAMECE	3.2
6.58.04.A	Major R. & D., T. & E. facilities	4.5

OVERHEAD COSTS

Senator YOUNG. Has the Army been able to reduce overhead cost for R&D in the last year? If so, how much and where will the reductions be made?

Mr. AUGUSTINE. The Army is unable to accurately determine the reduction in overhead costs for the RDTE appropriation last year. This results from major restructuring of the program to establish the Test and Evaluation facilities base and increases due to inflation and cost growth. However, positive actions were taken during the past fiscal year to reduce RDTE overhead costs. The Land Warfare Laboratory and the Coating and Chemical Laboratory located at Aberdeen Proving Ground, Maryland and the Army Materiel Concepts Agency, Alexandria, Virginia were deactivated effective 1 July 1974.

For the budget year many of the recomemndations of the Army Materiel Acquisition Review Committee (AMARC) Study Group and the Lab Utilization Study are being implemented. It is anticipated that these actions will result in reductions in overhead costs for FY 1976 and future years when considered as a percentage of the total RDTE program.

TOTAL PERSONNEL NUMBERS

Senator YOUNG. How many civilian and military personnel are assigned to the Army R&D functions?

General COOKSEY. The FY 1976 RDTE, Army Budget is based upon an assigned end strength of 23,558 civilian personnel. This total consists of 15,368 direct and approximately 8,190 Army Industrial Fund employees. The Military Personnel Army Budget includes 7,518 military personnel that are assigned to the RDTE functions. Of this total 6,800 are direct and approximately 718 are located at Army Industrial Fund activities.

TOTAL NUMBER R&D FACILITIES

Senator YOUNG. How many R&D facilities does the Army maintain?

Mr. AUGUSTINE. The Army maintains 73 RDTE facilities and/or activities.

UTTAS

Senator YOUNG. When will the selection of the prototype competition of the UTTAS helicopter be made? What is the estimated cost of development of the helicopter?

General COOKSEY. The winning design of the UTTAS competition will be selected in November 1976. The estimated development costs for the UTTAS helicopter is $459.4 million (Escalated FY 75 $).

SAM–D

Senator YOUNG. What technical risks remain in the development of SAM–D? How does SAM–D compare in capability with the SHORAD system?

Mr. AUGUSTINE. There are no high technical risks associated with SAM–D. The highest risk relatively speaking is the track-via-missile guidance which is a medium risk on a high, medium, low scale. The program was restructured in January 1974 to slow down the program while the track-via-missile guidance was being tested in live missile flights. This series of missile flights, termed Proof-of-Principle, is on-going and the first two firings have been very successful.

SAM–D and ROLAND II, the SHORAD system, are complementary systems in the family of ground based air defense systems. SAM–D is being developed to replace the NIKE HERCULES and Improved HAWK which are high and medium altitude and ROLAND II would replace CHAPARRAL which is the short range low altitude system in the current family. As a general comparison, SAM–D's maximum altitude is [deleted] times greater and its maximum range [deleted] times greater than ROLAND II.

XM–1 TANK

Senator YOUNG. What is the estimated cost of the XM1 tank? How will the XM1 and M60 tanks compare in capabilities?

General COOKSEY. The 31 March 1975 SAR on the XM1 tank reports an escalated average unit hardware cost of $1.046 million calculated through the out-years to FY 1989. This figure is determined by dividing the total program hardware cost by the planned quantity of tanks to be acquired (3323). It should be noted that the XM1 program is progressing within budget, within schedule, and there have been no substantial changes in the program since the original development estimate. All cost increases to date are directly attributable to inflation except for $2.9 million for the Modified Leopard 2 evaluation program.

The XM1 will provide approximately a 100% increase in combat effectiveness over the M60A3. The following chart highlights the significant mobility, firepower, and vulnerabality comparisons between the XM1 and the M60A3.

XM1—M60A3 COMPARISON

	XM1	M60A
Mobility:		
Acceleration 0 to 20 miles per hour (sec)	6–9	14.1
Cross-country speed (miles per hour)	25–30	18–22
Top speed (miles per hour)	35–40	30
Sustained speed—10 percent/60 percent scope (miles per hour)	20–25/3–5	11.8/2.2
Weight—combat loaded (tons)	49–58	55.6
Firepower:		
Main armanent	105–120 mm	105 mm
Shoot-on-move capability (probability of 1st round hit on stationary 2.3 m x 2.3 m panel) at 1,500m, 11 miles per hour, service test contitions	[Deleted]	
Vulnerability (probability of kill)		
Heat:		
RPG–7	[Deleted]	
ATGM (127 mm)		
115 mm tank gun round		
KE 115 mm tank gun round		

ADVANCED ATTACK HELICOPTER

Senator YOUNG. When does the Army plan to announce the results of the prototype competition for the advanced attack helicopter?

Mr. AUGUSTINE. Announcement of the winning AAH design is currently scheduled for November 1976.

HEAVY-LIFT HELICOPTER

Senator YOUNG. Will the Army replace the present CH–54 heavy lift helicopters with the CH–53E?

General COOKSEY. No, sir. At the present time, the US Army has no plan to procure the CH–53E.

DRONES

Senator YOUNG. How many and what type drones is the Army developing?

General COOKSEY. The Army is developing two types of drones. The QF–86E is a full scale target drone to be used in the development testing of air defense weapons systems. A Remotely Piloted Vehicle (RPV) is also being developed for reconnaissance, surveillance and target acquisition.

QUESTIONS SUBMITTED BY SENATOR THURMOND

Chairman MCCLELLAN. Senator Thurmond, an ex officio member of this subcommittee, has submitted a few questions on the Army R. & D. budget. Will you please include your answers along with these other sets?

Mr. AUGUSTINE. Yes, sir.

[The questions and answers follow:]

BINARY CHEMICALS

Senator THURMOND. Mr. Secretary, what would be the effect of U.S. terminating research in binary chemical munitions during the current fiscal year?

Mr. AUGUSTINE. Senator, to terminate research in binary chemical munitions during the current fiscal year would have serious consequences on our only programs to upgrade or modernize a portion of our deteriorating chemical deterrent/retaliatory stockpile. First, all work on two binary munitions that are in the last stages of development will be terminated. The XM 687 155mm binary GB projectile is scheduled for type classification in [deleted], while the XM 736 8-inch binary VX projectile is scheduled for type classification in [deleted]. Termination of these programs would represent the discarding of a completely new approach to improving the safety, manufacturing, storage, surveillance, transportation, and disposal of chemical munitions. It would also represent a loss of about $16 million spent on this program to date.

If we are to maintain a credible deterrent and retaliatory stockpile to implement National policy a modernization program must be undertaken. As I have indicated earlier, the current chemical stockpile is aging and contains a number of obsolescent muntions. Termination of the R&D programs would also remove any potential for inducing new munitions that are compatible with new delivery systems being developed. I hasten to add, however, that the binary program is not developing new nerve agents, but a modern way of packaging and delivering already standardized nerve agents.

Lastly Senator, I would also like to point out that terminating R&D would convey an intent to unilaterally eliminate our retaliatory capability and thereby weaken the influence of this retaliatory capability as a deterrent. This is inconsistent with our national policy. Furthermore, the realization by our potential adversaries, who I might add have an awesome chemical warfare capability both defensively and offensively, that our retaliatory capability is being improved may in fact provide the incentive to reach meaningful agreements on key issues such as verification of compliance and toxicity levels of chemicals to be prohibited. One can always negotiate from a position of strength, but it is extremely difficult to reach satisfactory agreements from a weak position.

I fully support the continuance of the binary munitions RDTE developmental program. The FY 76 and FY 7T funds are urgently needed in order to continue on schedule our modest R&D efforts to upgrade a portion of our inadequate stockpile. Approval of the funds would be consistent with our National policy and, in my opinion, in the best interests of the country.

BINARY PROJECTILES AS A DETERRENT

Senator THURMOND. Mr. Secretary, is it not of a high priority that we at least have the capability to produce binary projectiles as a deterrent?

Mr. AUGUSTINE. Yes sir, it is. Let me explain. Of course I have already touched on some of the points earlier. Our current stockpile, although sizeable as perceived by some, is actually inadequate in terms of composition and quantity. Some of

the munitions are obsolete and others are deteriorating. We must plan now for a production capability that will be readily available to satisfy emergency requirements should they arise. It is estimated that loading our bulk nerve agent into munitions under emergency conditions could require up to [deleted] since we presently have [deleted] to do this.

Our stockpile must be upgraded and to do so will require a production facility. The options are to either plan for the renovation of existing facilities or to build a facility capable of producing the binary munitions. The estimated cost to develop and procure all the binary munitions presently planned is $330 million. The cost to modernize the stockpile by loading bulk nerve agent into new munitions is $400 million. This latter approach would still leave munitions subject to deterioration and strict controls on storage and transportation. If we are to maintain a credible deterrent stockpile we must develop a capability to modernize a portion of that stockpile.

CURRENT STOCKPILE

Senator THURMOND. What is the status of our current stockpile?

General COOKSEY. The total USS chemical agent stockpile consists of [deleted] in bulk form and in munitions. [Deleted] are [deleted] and [deleted] are [deleted].

Approximately [deleted] is in bulk form. Of the remainder over half is in obsolete munitions. Our readily usable munitions stockpile consists of [deleted].

Loading of bulk nerve agent into munitions under emergency conditions could require up to [deleted] since we currently have [deleted] to do this.

The last production of GB was in 1957 and the VX was produced during the period 1961–1967. The VX munition segment of the stockpile has shown recent evidence of [deleted]. It is doubtful these munitions will have a [deleted].

The stockpile is aging and deteriorating. Additionally the delivery systems of all services are being modernized and new nuclear, conventional and special ammunition is being developed to match the new systems. The chemical stockpile must be modernized if we are to maintain a limited but credible capability in this area.

SITE DEFENSE PROGRAM

Senator THURMOND. Mr. Secretary, why is the Site Defense program needed in addition to the SAFEGUARD and Advanced Technology program?

Mr. AUGUSTINE. Secretary Schlesinger, in his Report to the Congress, stated that "our overall BMD program provides operational experience with a deployed system, SAFEGUARD, the advancement of system technology in the Site Defense program and research on the more futuristic technologies and concepts in the Advanced Technology program". Secretary Schlesinger's statement makes the point that each program has different functions and supports different objectives. The Site Defense program is the only program that protects the option to deploy a system within 4–6 years, if it becomes necessary to do so, and provides a means for resolution of critical BMD technical issues. It also is the only program which provides for test and evaluation of advanced technology components in a system configuration. The Site Defense program is also a primary support program for evaluation of the penetrativity of US offensive weapons and for improving our understanding of intelligence indicators. We view the need for the Site Defense program as critical to our national strategic posture in terms of its hedge role against the unconstrained improvements in Soviet ICBM/SLBM/ABM capability.

Senator THURMOND. What would it cost to bring Site Defense to system capability?

Mr. AUGUSTINE. The original concept for the Site Defense program provided for testing a prototype system from which full-scale development and production could be completed within a few years. As a result of FY 75 Congressional guidance, we restructured the program to emphasize system technology rather than a prototype demonstration. We could achieve the prototype demonstration as intended in the original program at a cost of about $585 million over the next three years. If a decision were required and we were authorized to obtain the capability to produce and deploy the Site Defense system in quantity, we would require a full-scale development program which would cost an additional $1.5 billion.

Senator THURMOND. What are the minimum funds needed in Site Defense to validate the technological solutions?

Mr. AUGUSTINE. Phase 1, Technology Validation is designed to validate the technological solutions to the five critical issues. Validation of these issues requires tests at KMR with a modern phased array radar, data processor and associated software. The estimated remaining cost of this phase is $479 million.

Senator THURMOND. What sort of flexibility is provided in the Site Defense research program?

Mr. AUGUSTINE. The second phase, Technology Integration, of the Site Defense program is to begin, subject to the availability of funds, in FY 76. The objective of this phase is to explore new technologies, evaluate their potential contributions and advantages to a system and then develop and test improved components or subsystems in a system context. The program is structured such that the cost effectiveness of a large range of promising new technologies can be evaluated for improving BMD capabilities.

CURRENT DEVELOPMENT PROGRAMS

Senator THURMOND. How much have we spent in the last few years on the current development programs such as the 155 mm and 8-inch rounds?

General COOKSEY. Since our binary munitions developmental program started we have spent approximately $16 million; about $7 million for the 155 round and $9 million for the 8-inch projectile. This includes FY 75 and prior years. An additional $7 million will be required for completion of the R&D effort, with approximately $500,000 for the 155 round and $5.5 million for the 8-inch. This represents a modest R&D effort to upgrade a portion of our aging and inadequate deterrent/retaliatory stockpile.

SOVIET CHEMICAL CAPABILITY

Senator THURMOND. What evidence do we have that the Soviets have given greater emphasis to a chemical capability in their armed forces?

General COOKSEY. By comparison we believe the USSR is better prepared to operate offensively and defensively in a chemical warfare environment than any other nation in the world. There is considerable firm intelligence to support the assessment that the USSR would initiate and sustain large scale chemical warfare either alone or with conventional or nuclear weapons. They have a stockpile of chemical agents which include the [deleted]. Their stockpile also includes the [deleted]. The Soviets have weapons capable of delivering chemical munitions for almost any tactical situation. Chemical filled [deleted] combinations that have practically all-weather capabilities. This offensive capability is further supported by an active and extensive research and development program. Research has been performed on [deleted] which have an unknown [deleted]. Lethal substances of [deleted] have also received considerable attention in the USSR.

With regard to the defensive aspects the Soviets now have a capability that is the best in the world. Their rugged and dependable detection equipment ranges from such a simple item as specially treated powders and crayons to the more sophisticated [deleted].

[Deleted] CBR protective equipment is built into some Soviet Combat Vehicles. During the 1973 Middle East war, Arab soldiers carried [deleted].

Chemical defense troops are organic to all Soviet combat units. The number of chemical troops is estimated to be [deleted]. By comparison we have less than 2,000.

Soviets place great emphasis on training their troops to be proficient in a chemical warfare environment. Training and exercise scenarios routinely include operation in simulated CW environment. Intelligence sources indicate that the Soviets [deleted].

SUBCOMMITTEE RECESS

Chairman MCCLELLAN. All right.

Thank you very much.

The subcommittee will stand adjourned until 2 o'clock tomorrow afternoon in room S–126 in the Capitol.

[Whereupon, at 11:53 a.m., Monday, May 12, the subcommittee was recessed, to reconvene at 2 p.m., Tuesday, May 13.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1976

TUESDAY, MAY 13, 1975

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2:15 p.m. in room S–126, the Capitol, Hon. John L. McClellen (chairman) presiding.

Present: Senators McClellan and Young.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

OPERATION AND MAINTENANCE

STATEMENT OF LT. GEN. JOHN A. KJELLSTROM, COMPTROLLER OF THE ARMY

ACCOMPANIED BY:

MAJ. GEN. RICHARD L. WEST, DIRECTOR OF ARMY BUDGET, OFFICE OF COMPTROLLER OF THE ARMY

COL. DAVID B. WILLIS, PROGRAM BUDGET DIVISION, OFFICE OF THE COMPTROLLER OF THE ARMY

JUSTIFICATION

Chairman MCCLELLAN. The subcommittee will come to order.

This afternoon we will receive testimony from the Department of the Army witnesses in support of the fiscal year 1976 budget request for operation and maintenance and military personnel.

Before our witnesses begin, we will insert the justification data on Army operation and maintenance and personnel in the hearing record. Without objection the information will be inserted at this point.

[The justification follows:]

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as auhtorized by law; and not to exceed ($2,689,000) $2,629,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on the certificate of necessity for confidential military purposes: ($6,137,532,000) $7,352,000,000, of which not less than ($355,000,000) $400,000,000 shall be available only for the maintenance of real property facilities and,

in addition, $42,214,000 for liquidation of contract authority in "Operation and maintenance, Army" for fiscal year 1972.

For "Operation and maintenance, Army" for the period July 1, 1976, through September 30, 1976, $1,883,700,000, of which not to exceed $658,000 can be used for emergencies and extraordinary expenses. (5 U.S.C. 503, 3101, 3109, 5342, 5702–04, 572–27, 5730, 5742, 5912, 5941, 5943, 5944, 7903; 10 U.S.C. 1037, 1071–85, 1481–88, 2602, 2674, 2675, 3012 3013, 3062, 4302; 4331–55, 4505, 4536, 4741; 31 U.S.C. 22a, 638a; 3 7U.S.C. 404; U.S.C. 4169; Department of Defense Appropriation Act, 1975.)

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-18-2020-0-1-051	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:			
DIRECT PROGRAM:			
1. STRATEGIC FORCES	93,897	89,386	85,252
2. GENERAL PURPOSE FORCES	1,724,602	1,973,543	2,309,430
3. INTELLIGENCE AND COMMUNICATIONS	325,780	412,400	439,895
7. CENTRAL SUPPLY AND MAINTENANCE	1,947,845	1,891,988	2,183,966
8. TRAINING, MEDICAL, AND OTHER GENERAL PERSONNEL ACTIVITIES	1,756,605	1,632,819	1,774,145
9. ADMINISTRATION AND ASSOCIATED ACTIVITIES	348,138	474,251	497,572
10. SUPPORT OF OTHER NATIONS	373,585	50,084	62,540
TOTAL DIRECT PROGRAM	6,569,652	6,524,471	7,352,000
REIMBURSABLE (TOTAL)	1,276,813	1,207,541	1,129,226
SUBTOTAL	7,846,465	7,732,012	8,481,226
INTRAFUND OBLIGATIONS	-119,414	-83,952	-81,653
10 TOTAL OBLIGATIONS	7,727,051	7,648,060	8,399,573
FINANCING:			
RECEIPTS AND REIMBURSEMENTS FROM:			
11 FEDERAL FUNDS	-896,583	-913,361	-809,431
13 TRUST FUNDS	-94,040	-87,221	-121,122
14 NON-FEDERAL SOURCES	-148,278	-120,316	-116,320
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR	-42,489	-23,991	-21,300
22 UNOBLIGATED BALANCE TRANSFERRED FROM OTHER ACCOUNTS	.....	-8,600	.....
24 UNOBLIGATED BALANCE AVAILABLE, END OF YEAR	23,991	21,300	20,600
25 UNOBLIGATED BALANCE LAPSING	18,281	.....	.....
BUDGET AUTHORITY	6,587,934	6,515,871	7,352,000
BUDGET AUTHORITY:			
40 APPROPRIATION	6,591,244	6,137,532	7,394,214
40 RECISION OF ENACTED APPROPRIATION NOW PENDING	.....	-41,000	.....
PORTION APPLIED TO LIQUIDATE CONTRACT AUTHORITY	.....	.....	-42,214
41 TRANSFERRED TO OTHER ACCOUNTS	-3,310	.....	.....
42 TRANSFERRED FROM OTHER ACCOUNTS	.....	143,800	.....
43 APPROPRIATION (ADJUSTED)	6,587,934	6,240,332	7,352,000
44.10 PROPOSED SUPPLEMENTAL FOR WAGE-BOARD PAY RAISES	.....	177,498	.....
44.20 PROPOSED SUPPLEMENTAL FOR CIVILIAN PAY RAISES	.....	98,041	.....
RELATION OF OBLIGATIONS TO OUTLAYS:			
71 OBLIGATIONS INCURRED, NET	6,588,150	6,527,162	7,352,700
OBLIGATED BALANCE, START OF YEAR			
72.40 APPROPRIATION	822,880	1,156,002	1,176,164
72.49 CONTRACT AUTHORITY	46,249	40,236	42,214
OBLIGATED BALANCE, END OF YEAR			
74.40 APPROPRIATION	-1,156,002	-1,176,164	-1,498,078
74.49 CONTRACT AUTHORITY	-40,236	-42,214	.....
77 ADJUSTMENTS IN EXPIRED ACCOUNTS	29,413	1,978	.....
90 OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	6,290,454	6,245,238	7,059,223
91.10 OUTLAYS FROM WAGE-BOARD PAY RAISE SUPPLEMENTAL	.....	168,623	8,875
91.20 OUTLAYS FROM CIVILIAN PAY RAISE SUPPLEMENTAL	.....	93,139	4,902

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OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-10-2020-0-1-051		1974 ACT	1975 EST	1976 EST
	PERSONNEL COMPENSATION:			
11.1	PERMANENT POSITIONS	2,017,008	2,196,050	2,233,088
11.3	POSITIONS OTHER THAN PERMANENT	84,085	70,623	70,561
11.5	OTHER PERSONNEL COMPENSATION	67,949	73,282	70,039
11.8	SPECIAL PERSONAL SERVICES PAYMENT	7,197	8,821	15,525
	TOTAL PERSONNEL COMPENSATION	2,176,239	2,348,776	2,389,213
	DIRECT OBLIGATIONS:			
	PERSONNEL COMPENSATION	2,034,633	2,195,871	2,206,023
12.1	PERSONNEL BENEFITS: CIVILIAN	204,836	218,396	237,147
13.0	BENEFITS FOR FORMER PERSONNEL	6,362	7,404	7,494
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	180,408	128,654 a/	201,796
22.0	TRANSPORTATION OF THINGS	333,110	429,733	457,524
23.0	RENT, COMMUNICATIONS, AND UTILITIES	315,084	447,100	451,805
24.0	PRINTING AND REPRODUCTION	46,614	41,961	43,372
25.0	OTHER SERVICES	2,387,331	2,102,909	2,557,688
26.0	SUPPLIES AND MATERIALS	959,833	868,484	1,069,822
31.0	EQUIPMENT	95,328	79,460	114,784
32.0	LANDS AND STRUCTURES	5,811	4,211	4,322
41.0	GRANTS, SUBSIDIES, AND CONTRIBUTIONS	252	243	263
42.0	INSURANCE CLAIMS AND INDEMNITIES	50	45	40
	TOTAL DIRECT OBLIGATIONS	6,569,652	6,524,471	7,352,000
	REIMBURSABLE OBLIGATIONS:			
	PERSONNEL COMPENSATION	141,606	152,905	183,190
12.1	PERSONNEL BENEFITS: CIVILIAN	14,240	15,208	23,706
13.0	BENEFITS FOR FORMER PERSONNEL	442	462	468
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	23,022	22,514	25,373
22.0	TRANSPORTATION OF THINGS	31,094	40,935	40,882
23.0	RENT, COMMUNICATIONS, AND UTILITIES	79,850	97,771	108,526
24.0	PRINTING AND REPRODUCTION	1,886	1,603	1,621
25.0	OTHER SERVICES	768,637	542,356	506,457
26.0	SUPPLIES AND MATERIALS	199,719	320,719	219,883
31.0	EQUIPMENT	16,017	12,788	18,837
32.0	LANDS AND STRUCTURES	242	221	223
41.0	GRANTS, SUBSIDIES, AND CONTRIBUTIONS	58	59	60
	TOTAL REIMBURSABLE OBLIGATIONS	1,276,813	1,207,541	1,129,226
	SUBTOTAL	7,846,465	7,732,012	8,481,226
96.0	INTRAFUND OBLIGATIONS	-119,414	-83,952	-81,653
99.0	TOTAL OBLIGATIONS	7,727,051	7,648,060	8,399,573

a/ Proposed Army limitation is $160,126 for object class 21, object class 25 is reduced to $2,071,437.

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	IDENTIFICATION CODE 07-10-2020-0-1-051	TRANSITION
	PROGRAM BY ACTIVITIES:	
	DIRECT PROGRAM:	
	1. STRATEGIC FORCES	19,513
	2. GENERAL PURPOSE FORCES	590,240
	3. INTELLIGENCE AND COMMUNICATIONS	109,657
	7. CENTRAL SUPPLY AND MAINTENANCE	563,821
	8. TRAINING, MEDICAL, AND OTHER GENERAL PERSONNEL ACTIVITIES	463,135
	9. ADMINISTRATION AND ASSOCIATED ACTIVITIES	122,770
	10. SUPPORT OF OTHER NATIONS	14,564
	TOTAL DIRECT PROGRAM	1,883,700
	REIMBURSABLE (TOTAL)	279,694
	SUBTOTAL	2,163,394
	INTRAFUND OBLIGATIONS	-20,333
10	TOTAL OBLIGATIONS	2,143,061
	FINANCING:	
	RECEIPTS AND REIMBURSEMENTS FROM:	
11	FEDERAL FUNDS	-193,324
13	TRUST FUNDS	-33,917
14	NON-FEDERAL SOURCES	-32,120
21	UNOBLIGATED BALANCE AVAILABLE, START OF YEAR	-20,600
24	UNOBLIGATED BALANCE AVAILABLE, END OF YEAR	20,600
	BUDGET AUTHORITY	1,883,700
	BUDGET AUTHORITY:	
40	APPROPRIATION	1,883,700
43	APPROPRIATION (ADJUSTED)	1,883,700
	RELATION OF OBLIGATIONS TO OUTLAYS:	
71	OBLIGATIONS INCURRED, NET	1,883,700
	OBLIGATED BALANCE, START OF YEAR	
72.40	APPROPRIATION	1,498,078
	OBLIGATED BALANCE, END OF YEAR	
74.40	APPROPRIATION	-1,612,778
90	OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	1,769,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-10-2020-0-1-051		TRANSITION
	PERSONNEL COMPENSATION:	
11.1	PERMANENT POSITIONS	533,207
11.3	POSITIONS OTHER THAN PERMANENT	27,291
11.5	OTHER PERSONNEL COMPENSATION	17,265
11.8	SPECIAL PERSONAL SERVICES PAYMENT	3,833
	TOTAL PERSONNEL COMPENSATION	581,596
	DIRECT OBLIGATIONS:	
	PERSONNEL COMPENSATION	543,783
12.1	PERSONNEL BENEFITS: CIVILIAN	58,629
13.0	BENEFITS FOR FORMER PERSONNEL	1,874
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	46,293
22.0	TRANSPORTATION OF THINGS	110,751
23.0	RENT, COMMUNICATIONS, AND UTILITIES	117,507
24.0	PRINTING AND REPRODUCTION	9,753
25.0	OTHER SERVICES	682,495
26.0	SUPPLIES AND MATERIALS	281,412
31.0	EQUIPMENT	30,047
32.0	LANDS AND STRUCTURES	1,080
41.0	GRANTS, SUBSIDIES, AND CONTRIBUTIONS	66
42.0	INSURANCE CLAIMS AND INDEMNITIES	10
	TOTAL DIRECT OBLIGATIONS	1,883,700
	REIMBURSABLE OBLIGATIONS:	
	PERSONNEL COMPENSATION	37,813
12.1	PERSONNEL BENEFITS: CIVILIAN	4,673
13.0	BENEFITS FOR FORMER PERSONNEL	117
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	6,512
22.0	TRANSPORTATION OF THINGS	10,221
23.0	RENT, COMMUNICATIONS, AND UTILITIES	27,475
24.0	PRINTING AND REPRODUCTION	475
25.0	OTHER SERVICES	133,780
26.0	SUPPLIES AND MATERIALS	53,851
31.0	EQUIPMENT	4,709
32.0	LANDS AND STRUCTURES	53
41.0	GRANTS, SUBSIDIES, AND CONTRIBUTIONS	15
	TOTAL REIMBURSABLE OBLIGATIONS	279,694
	SUBTOTAL	2,163,394
96.0	INTRAFUND OBLIGATIONS	-20,333
99.0	TOTAL OBLIGATIONS	2,143,061

PERSONNEL SUMMARY

	FY 1974 ACTUAL	FY 1975 ESTIMATE	FY 1976 ESTIMATE	FY 197T ESTIMATE
Total number of permanent positions	180,237	183,342	181,315	188,564
Full time equivalent of other positions	15,727	11,921	10,693	10,600
Average paid employment	191,468	194,083	192,476	47,522
Average GS grade	7.25	7.25	7.25	7.25
Average GS salary	12,474	12,990	13,062	13,095
Average Salary of ungraded positions	8,563	9,797	10,311	10,396

JUSTIFICATION OF ESTIMATES FOR FY 1976

OPERATION AND MAINTENANCE, ARMY

SECTION 2 - INTRODUCTORY STATEMENT

Operation and Maintenance, Army finances all costs, except military pay, of operating and maintaining the U.S. Army. The FY 1976 request of $7.4 billion is $828 million higher than the revised FY 1975 program. This increase is primarily caused by non program increases for civilian pay raises, foreign national separation allowances, the announced Stock Fund price increases effective 1 July 1975, currency revaluation and the effects of increased cost due to inflation up to July 1974. Increases for program changes provide primarily for an expansion to 16 divisions, increased combat power in Europe, depot maintenance and real property maintenance. The activation of 16 divisions is designed to improve the "tooth to tail" ratio within the constant military end strength of 785,000. The additional costs for these activations has primarily been provided through internal Army reorganization and realignment actions. The request also includes funds to support a civilian direct hire average strength of 192,476 in FY 1976, 19,669 below the average strength requested in FY 1975.

This request is formulated in terms of functions such as Strategic Forces and General Purpose Forces and mission and base operations activities within each function. Included in the request is a careful consideration of requirements developed by commanders in the field. This request reflects the efforts of the Army to improve the combat to support ratio while maintaining combat readiness and the standard of living of the individual soldier.

In its report B-179343 of 21 October 1974 on "Substantial Understatement of Obligations for Separation Allowances for Foreign National Employees", the GAO recommended that the Secretary of Defense direct Military Departments to (1) record all unrecorded obligations for separation allowances, (2) record all future obligations when they are incurred, and (3) require that the amount of obligations recorded against currant appropriations be equal to the total increase in the liability for separation allowance payments.

The Department of Defense has directed a uniform policy for obligating foreign national separation allowances beginning in FY 1976. DOD components will begin establishing obligations in the current year (FY 1976) to cover the prior year liability which result from current year (FY 1976) increases. On a time-phased basis this will result in a gradual elimination of the unobligated liability over the years. The amount included for FY 1976 is $31.1 million.

NEW PROGRAMS
(Dollars in Millions)

Identification and Description:	FY 1976 ESTIMATE
Minimum Required - Logistics Augmentation Europe (MR-LOGAEUR) This program initiates the development of an assured wartime line of communications (LOC) capability in Europe. The MR-LOGAEUR plan maximizes force effectiveness under conditions of restrained resources through reliance on host nation assets. The House Appropriations Committee on 16 December 1974 approved implementation on this project.	$9.5

SUMMARY OF CIVILIAN MANPOWER INCREASES
Fiscal Year 1975 - Fiscal Year 1976
(Full-Time Permanent Employees)
Operation and Maintenance, Army

OPERATION OR ACTIVITY		YEAR END INCREASES
Medical	Military positions (AMEDD) converted to civilian positions	1149
	Fiscal Year 1976 - Fiscal Year 197T	
School Teachers	This increase occurs because school teachers are included in the workforce at end of September, but were not included when the fiscal year ended on 30 June.	+5952

DEPARTMENT OF THE ARMY
DIRECT HIRE CIVILIAN EMPLOYMENT
OPERATION AND MAINTENANCE, ARMY
(Dollars in Thousands; Strengths in Whole Numbers)

	FY 1974 ACTUAL			FY 1975 ESTIMATE			FY 1976 ESTIMATE			FY 1977 ESTIMATE		
	AVG STR	END STR 30 JUNE 1/	EST OBL 2/	AVG STR	END STR 30 JUNE 1/	EST OBL 2/	AVG STR	END STR 30 JUNE 1/	EST OBL 2/	AVG STR	END STR 30 SEPT 3/	EST OBL
Direct Hire Civilians												
Full Time Permanent	176,334	177,774	2,311,344	179,836	180,593	2,512,267	179,429	178,605	2,580,117	45,422	185,741	632,399
Other	15,134	15,256	90,775	14,247	11,747	77,979	13,047	10,538	77,911	2,100	7,995	14,490
TOTAL DIRECT HIRE CIVILIANS	191,468	193,030	2,402,119	194,083	192,340	2,590,246	192,476	189,143	2,658,028	47,522	193,736	646,889
Detail by Budget Activity												
Strategic Forces	2,355	1,966	38,442	1,462	746	29,382	625	524	14,109	121	204	2,712
General Purpose Forces	49,554	51,908	524,267	49,146	49,972	565,634	49,673	50,373	621,665	12,456	50,034	151,519
Intelligence and Communications	9,152	9,514	136,832	13,283	13,800	192,683	12,725	12,938	190,649	3,183	12,946	46,309
Central Supply and Maintenance	37,355	36,381	571,025	33,370	32,141	563,262	31,191	32,239	544,133	7,939	31,729	134,811
Training, Medical, and Other General Personnel Activities	77,315	77,584	910,231	81,695	80,547	1,003,096	83,719	78,763	1,057,504	20,334	84,594	256,521
Administration and Associated Activities	14,816	14,773	213,716	14,399	14,392	225,986	13,788	13,537	219,401	3,326	13,552	52,722
Support of Other Nations	921	904	7,606	728	742	10,203	755	769	10,567	163	677	2,295
TOTAL DIRECT HIRE CIVILIANS	191,468	193,030	2,402,119	194,083	192,340	2,590,246	192,476	189,143	2,658,028	47,522	193,736	646,889
Reimbursable Obligations Included Above			(156,288)			(168,575)			(207,364)			(42,603)

1/ End Strength excludes school teachers for overseas education of dependents.
2/ Estimated Obligations include object class 13 - Benefits for former personnel.
3/ Includes End Strength for school teachers for overseas education of dependents (5,952)

DEPARTMENT OF THE ARMY
DIRECT HIRE CIVILIAN EMPLOYMENT
OPERATION AND MAINTENANCE, ARMY
(Strengths in Whole Numbers)

	FY 1977 ESTIMATE END STRENGTH 30 SEPTEMBER 1/
Direct Hire Civilians	
Full Time Permanent	185,741
Other	7,985
TOTAL DIRECT HIRE CIVILIANS	193,726
Detail by Budget Activity	
Strategic Forces	204
General Purpose Forces	50,117
Intelligence and Communications	12,946
Central Supply and Maintenance	31,623
Training, Medical, and Other General Personnel Activities	84,607
Administration and Associated Activities	13,552
Support of Other Nations	677
TOTAL DIRECT HIRE CIVILIANS	193,726

1/ Includes End Strength for school teachers for overseas education of dependents (5,952)

OPERATION AND MAINTENANCE, ARMY
OTHER PERSONNEL COMPENSATIONS
(Dollars in Thousands)

	FY 1974 ACTUAL	FY 1975 ESTIMATE	FY 1976 ESTIMATE	FY 197T ESTIMATE
Overtime and Holiday Pay	32,853	22,334	21,391	5,345
Sunday and Night Differential	10,697	11,467	12,292	323
Post Differential and Cost of Living	4,966	5,314	5,499	1,374
Premium Pay (Including Fire Fighters)	1,234	3,030	5,000	1,249
Other Compensation	7,197	8,821	15,525	3,879
TOTAL	56,947	50,966	59,707	12,170

DEPARTMENT OF THE ARMY
JUSTIFICATION OF ESTIMATES FOR FY 1976

APPROPRIATION: MILITARY PERSONNEL, ARMY

SECTION 2 - INTRODUCTORY STATEMENT

This appropriation finances the costs of the active military personnel forces of the Army. The program and financing schedule for this appropriation reflects budget activity classifications which are identical to the ten major program classifications used for management purposes throughout the Department of Defense.

The tables in Sections 3 through 5 contain the same type data that has been used for a number of years to present the requirements for the Military Personnel Appropriation. In addition, Section 5 includes justification material for those areas in which there has been congressional interest.

Army military personnel are engaged in programs for Operation of the Army, Operation of Defense Agencies, Research and Development, Army and Research and Development, Defense Agencies. The pay and allowances of these military personnel are financed by the Military Personnel, Army Appropriation. In addition, a small number of Army military personnel are assigned to other Government agencies outside Department of Defense and the costs of these personnel are financed as a part of the reimbursable program for this appropriation with reimbursements received from the Government agencies to which such personnel are assigned.

Obligations for military personnel are distributed to each of the major defense programs on the basis of average officer and enlisted rates. These rates are multiplied by the average number of officer and enlisted personnel assigned in each defense program. Obligations for permanent change of station travel and support of allies are excluded from these average rates and entered directly in the applicable defense program.

SUMMARY OF REQUIREMENTS BY SUBACTIVITY
($ in Thousands)

	FY 1974	FY 1975	FY 1976	FY 197T
1. PAY AND ALLOWANCES OF OFFICERS				
Basic Pay	$1,488,100	$1,503,695	$1,479,445	$ 363,345
Incentive Pay	40,322	38,357	38,433	9,608
Special Pay	27,633	44,725	44,793	21,552
Basic Allowance for Quarters	150,351	152,498	147,456	36,298
Basic Allowance for Subsistence	62,506	61,564	60,041	14,737
Station Allowances Overseas	19,210	24,422	25,603	6,585
Uniform Allowances	2,418	2,371	2,265	1,212
Family Separation Allowances	1,793	1,702	1,828	468
Separation Payments	92,821	38,516	71,726	10,749
Social Security Tax -- Employer's Contribution	67,746	74,509	73,646	17,484
Missing-in-Action and Prisoner of War	1,767	1,850	1,872	468
Reimbursables	8,584	10,318	11,238	7,179
Total Obligations	1,963,251	1,954,527	1,958,346	489,685
Less Reimbursements	8,584	10,318	11,238	7,179
Total Direct Obligations	$1,954,667	$1,944,209	$1,947,108	$ 482,506
2. PAY AND ALLOWANCES OF ENLISTED PERSONNEL				
Basic Pay	$3,715,044	$3,909,621	$4,031,590	$1,015,519
Incentive Pay	22,298	21,432	21,581	5,395
Special Pay	11,161	10,638	10,638	2,661
Proficiency Pay	48,649	40,532	13,971	3,591
Reenlistment Bonus	130,860	113,583	80,416	21,930
Enlistment Bonus	38,818	58,951	64,720	16,179
Basic Allowance for Quarters	416,620	451,934	459,486	107,006
Station Allowances Overseas	52,174	61,914	65,727	16,095
Clothing Allowances	103,492	115,946	127,071	34,808
Family Separation Allowances	9,447	9,371	10,665	2,667
Separation Payments	90,414	88,352	85,819	21,322
Social Security Tax -- Employer's Contribution	217,675	228,730	235,983	59,440
Missing-in-Action and Prisoners of War	2,409	2,537	2,564	641
Reimbursables	5,729	8,342	9,133	3,500
Total Obligations	4,864,790	5,121,883	5,219,364	1,310,754
Less Reimbursements	5,729	8,342	9,133	3,500
Total Direct Obligations	$4,859,061	$5,113,541	$5,210,231	$1,307,254

SUMMARY OF REQUIREMENTS BY SUBACTIVITY
($ in Thousands)

	FY 1974	FY 1975	FY 1976	FY 197T
3. PAY AND ALLOWANCES OF CADETS				
Academy Cadets	$ 17,307	$ 19,386	$ 20,563	$ 5,323
4. SUBSISTENCE OF ENLISTED PERSONNEL				
Basic Allowance for Subsistence	$257,612	$305,757	$315,154	$ 79,940
Subsistence in Kind	225,377	224,934	232,498	58,807
Reimbursables	49,198	68,502	70,348	16,212
Total Obligations	532,187	599,193	618,000	154,959
Less Reimbursements	49,198	68,502	70,348	16,212
Total Direct Obligations	$482,989	$530,691	$547,652	$138,747
5. PERMANENT CHANGE OF STATION TRAVEL				
Accession Travel	$ 45,327	$ 62,688	$ 62,600	$ 21,244
Training Travel	21,957	25,080	25,479	8,049
Operational Travel	38,397	39,605	40,718	13,437
Rotational Travel	216,962	255,528	316,662	97,270
Separation Travel	70,845	83,272	82,748	24,527
Travel of Organized Units	1,979	2,815	4,284	55
Total Obligations	395,467	468,988	532,491	164,582
Less Reimbursements	10	110	10	10
Total Direct Obligations	$395,457	$468,878	$532,481	$164,572
6. OTHER MILITARY PERSONNEL COSTS				
Apprehension of Military Deserters, Absentees and Escaped Military Prisoners	$ 1,652	$ 1,639	$ 1,678	$ 425
Interest on Uniformed Services Savings Deposits	9,700	1,149	1,264	316
Death Gratuities	3,225	3,368	3,423	857
Servicemen's Group Life Insurance	4,452	2,117	0	0
Reimbursables	1,100	1,100	1,100	275
Total Obligations	20,129	9,373	7,465	1,873
Less Reimbursements	1,100	1,100	1,100	275
Total Direct Obligations	$ 19,029	$ 8,273	$ 6,365	$ 1,598

SECTION 1

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere); [$7,780,263,000]. $8,264,400,000

For the period July 1, 1976, through September 30, 1976, $2,100,000,000.

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-05-2010-0-1-051	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:			
DIRECT PROGRAM:			
1. STRATEGIC FORCES	52,580	25,087	11,465
2. GENERAL PURPOSE FORCES	4,137,837	4,418,062	4,704,179
3. INTELLIGENCE AND COMMUNICATIONS	369,688	363,536	342,340
4. AIRLIFT AND SEALIFT	8,052	7,970	7,974
5. GUARD AND RESERVE	57,792	69,670	71,317
6. RESEARCH AND DEVELOPMENT	88,149	89,297	90,940
7. CENTRAL SUPPLY AND MAINTENANCE	110,740	99,209	93,971
8. TRAINING, MEDICAL, AND OTHER GENERAL PERSONNEL ACTIVITIES	2,665,891	2,809,138	2,767,452
9. ADMINISTRATION AND ASSOCIATED ACTIVITIES	142,270	117,488	117,696
10. SUPPORT OF OTHER NATIONS	95,511	57,256	57,016
TOTAL DIRECT PROGRAM	7,728,510	8,056,713	8,264,400
REIMBURSABLE (TOTAL)	64,621	88,372	91,829
10 TOTAL OBLIGATIONS	7,793,131	8,145,085	8,356,229
FINANCING:			
RECEIPTS AND REIMBURSEMENTS FROM:			
11 FEDERAL FUNDS	-25,031	-53,778	-55,812
14 NON-FEDERAL SOURCES	-39,590	-34,594	-36,017
25 UNOBLIGATED BALANCE LAPSING	7,490	.....	.....
BUDGET AUTHORITY	7,736,000	8,056,713	8,264,400
BUDGET AUTHORITY:			
40 APPROPRIATION	7,736,000	7,780,263	8,264,400
44.30 PROPOSED SUPPLEMENTAL FOR MILITARY PAY RAISES	.....	276,450	.....
RELATION OF OBLIGATIONS TO OUTLAYS:			
71 OBLIGATIONS INCURRED, NET	7,728,510	8,056,713	8,264,400
72 OBLIGATED BALANCE, START OF YEAR	213,636	201,918	66,537
74 OBLIGATED BALANCE, END OF YEAR	-201,918	-66,537	-62,296
77 ADJUSTMENTS IN EXPIRED ACCOUNTS	-17,114	.....	.....
90 OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	7,720,115	7,929,467	8,264,818
91.30 OUTLAYS FROM MILITARY PAY RAISE SUPPLEMENTAL	.....	262,627	13,823

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-05-2010-0-1-051		1974 ACT	1975 EST	1976 EST
	PERSONNEL COMPENSATION:			
11.7	MILITARY PERSONNEL	5,554,166	5,794,447	5,872,714
11.8	SPECIAL PERSONAL SERVICES PAYMENT	440	439	444
	TOTAL PERSONNEL COMPENSATION	5,554,606	5,794,886	5,873,158
	DIRECT OBLIGATIONS:			
	PERSONNEL COMPENSATION	5,544,308	5,781,878	5,859,617
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	1,506,286	1,558,455	1,581,718
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	139,097	177,800	210,354
22.0	TRANSPORTATION OF THINGS	238,328	267,165	294,875
25.0	OTHER SERVICES	5,358	6,095	6,545
26.0	SUPPLIES AND MATERIALS	282,208	260,803	306,604
42.0	INSURANCE CLAIMS AND INDEMNITIES	3,225	3,368	3,423
43.0	INTEREST AND DIVIDENDS	9,700	1,149	1,264
	TOTAL DIRECT OBLIGATIONS	7,728,510	8,056,713	8,264,400
	REIMBURSABLE OBLIGATIONS:			
	PERSONNEL COMPENSATION	10,298	13,008	13,541
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL	1,015	1,286	1,339
21.0	TRAVEL AND TRANSPORTATION OF PERSONS	1,110	1,110	1,110
26.0	SUPPLIES AND MATERIALS	52,198	72,968	75,839
	TOTAL REIMBURSABLE OBLIGATIONS	64,621	88,372	91,829
99.0	TOTAL OBLIGATIONS	7,793,131	8,145,085	8,356,229

(SUPPLEMENTAL NOW REQUESTED)

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-05-2010-1-1-051	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:			
DIRECT PROGRAM:			
1. STRATEGIC FORCES	.....	66	.....
2. GENERAL PURPOSE FORCES	.....	19,694	.....
3. INTELLIGENCE AND COMMUNICATIONS	.....	1,458	.....
4. AIRLIFT AND SEALIFT	.....	17	.....
5. GUARD AND RESERVE	.....	112	.....
6. RESEARCH AND DEVELOPMENT	.....	258	.....
7. CENTRAL SUPPLY AND MAINTENANCE	.....	266	.....
8. TRAINING, MEDICAL, AND OTHER GENERAL PERSONNEL ACTIVITIES	.....	6,112	.....
9. ADMINISTRATION AND ASSOCIATED ACTIVITIES	.....	132	.....
10. SUPPORT OF OTHER NATIONS	.....	150	.....
10 TOTAL OBLIGATIONS	.....	28,265	.....
FINANCING:			
40 BUDGET AUTHORITY (PROPOSED SUPPLEMENTAL APPROPRIATION)	.....	28,265	.....
RELATION OF OBLIGATIONS TO OUTLAYS:			
71 OBLIGATIONS INCURRED, NET	.....	28,265	.....
72 OBLIGATED BALANCE, START OF YEAR	.....	.....	359
74 OBLIGATED BALANCE, END OF YEAR	.....	-359	.....
90 OUTLAYS	.....	27,906	359

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

	IDENTIFICATION CODE 07-05-2010-0-1-051	TRANSITION
	PROGRAM BY ACTIVITIES:	
	DIRECT PROGRAM:	
	1. STRATEGIC FORCES	2,807
	2. GENERAL PURPOSE FORCES	1,203,639
	3. INTELLIGENCE AND COMMUNICATIONS	75,751
	4. AIRLIFT AND SEALIFT	2,006
	5. GUARD AND RESERVE	17,951
	6. RESEARCH AND DEVELOPMENT	22,827
	7. CENTRAL SUPPLY AND MAINTENANCE	25,677
	8. TRAINING, MEDICAL, AND OTHER GENERAL PERSONNEL ACTIVITIES	709,689
	9. ADMINISTRATION AND ASSOCIATED ACTIVITIES	27,695
	10. SUPPORT OF OTHER NATIONS	11,958
	TOTAL DIRECT PROGRAM	2,100,000
	REIMBURSABLE (TOTAL)	27,176
10	TOTAL OBLIGATIONS	2,127,176
	FINANCING:	
	RECEIPTS AND REIMBURSEMENTS FROM:	
11	FEDERAL FUNDS	-25,639
14	NON-FEDERAL SOURCES	-1,537
	BUDGET AUTHORITY	2,100,000
	BUDGET AUTHORITY:	
40	APPROPRIATION	2,100,000
	RELATION OF OBLIGATIONS TO OUTLAYS:	
71	OBLIGATIONS INCURRED, NET	2,100,000
72	OBLIGATED BALANCE, START OF YEAR	62,296
74	OBLIGATED BALANCE, END OF YEAR	-73,296
90	OUTLAYS, EXCLUDING PAY RAISE SUPPLEMENTAL	2,089,000

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-05-2010-0-1-051			TRANSITION
	PERSONNEL COMPENSATION:		
11.7	MILITARY PERSONNEL		1,473,586
11.8	SPECIAL PERSONAL SERVICES PAYMENT		112
	TOTAL PERSONNEL COMPENSATION		1,473,698
	DIRECT OBLIGATIONS:		
	PERSONNEL COMPENSATION		1,470,817
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL		388,415
21.0	TRAVEL AND TRANSPORTATION OF PERSONS		59,415
22.0	TRANSPORTATION OF THINGS		97,052
25.0	OTHER SERVICES		2,100
26.0	SUPPLIES AND MATERIALS		81,028
42.0	INSURANCE CLAIMS AND INDEMNITIES		857
43.0	INTEREST AND DIVIDENDS		316
	TOTAL DIRECT OBLIGATIONS		2,100,000
	REIMBURSABLE OBLIGATIONS:		
	PERSONNEL COMPENSATION		2,881
12.2	PERSONNEL BENEFITS: MILITARY PERSONNEL		4,742
21.0	TRAVEL AND TRANSPORTATION OF PERSONS		285
25.0	OTHER SERVICES		350
26.0	SUPPLIES AND MATERIALS		18,918
	TOTAL REIMBURSABLE OBLIGATIONS		27,176
99.0	TOTAL OBLIGATIONS		2,127,176

SECTION 3 - SUMMARY TABLES

SUMMARY OF MILITARY PERSONNEL STRENGTH

	FY 1974 Actual		FY 1975 Planned		FY 1976 Planned		FY 197T Planned		FY 1977 Planned
	M/Y	E/S 30 Jun 74	M/Y	E/S 30 Jun 75	M/Y	E/S 30 Jun 76	Avg. Str.	E/S 30 Sep 76	E/S 30 Sep 77
DIRECT PROGRAM									
Officers	108,789	105,355	102,895	102,170	99,038	97,790	97,236	97,059	97,059
Enlisted	674,308	674,418	671,612	679,392	680,665	683,534	686,329	689,914	689,914
Academy Cadets	3,785	2,866	3,887	2,885	4,016	3,050	4,152	4,300	4,300
Total Direct Program	786,882	782,639	778,394	784,447	783,719	784,394	787,717	791,273	791,273
REIMBURSABLE PROGRAM 1/									
Officers	238	217	285	352	344	335	1,066	1,066	1,066
Enlisted	46	41	121	201	236	271	661	661	661
Total Reimbursable Program	284	258	406	553	580	606	1,727	1,727	1,727
TOTAL PROGRAM									
Officers	109,027	105,572	103,180	102,522	99,382	98,125	98,302	98,125	98,125
Enlisted	674,354	674,459	671,733	679,593	680,901	683,825	686,990	690,575	690,575
Academy Cadets	3,785	2,866	3,887	2,885	4,016	3,050	4,152	4,300	4,300
TOTAL	787,166	782,897	778,800	785,000	784,299	785,000	789,444	793,000	793,000

1/ Military Personnel assigned to agencies outside Department of Defense on a reimbursable basis under the provisions of 10 U.S.C. 4621.

Military Personnel, Army
End Strengths by Grade 1/
(Total Program)

	30 June FY 1974	Reimb. Included	30 June FY 1975	Reimb. Included	30 June FY 1976	Reimb. Included	30 Sep. FY 1976	Reimb. Included
Commissioned Officers								
O-11 General of the Army	1	0	1	0	1	0	1	0
O-10 General	12	0	11	0	11	0	12	0
O-9 Lt. General	44	2	35	2	35	2	36	2
O-8 Major General	178	4	173	3	173	3	171	10
O-7 Brig. General	231	0	219	1	219	1	219	7
O-6 Colonel	5,052	44	4,900	54	4,771	49	4,771	139
O-5 Lt. Colonel	11,379	52	11,178	92	11,107	80	11,078	382
O-4 Major	17,656	62	16,937	99	16,776	98	16,805	330
O-3 Captain	31,852	27	33,770	56	30,819	49	30,819	88
O-2 1st Lieutenant	11,985	10	11,369	11	11,167	11	11,167	14
O-1 2nd Lieutenant	13,057	8	10,506	0	10,046	0	10,046	0
Total	91,447	209	89,099	318	85,125	293	85,125	972
Warrant Officers								
W-4 Chief Warrant Officer	1,410	4	1,342	9	1,300	11	1,300	40
W-3 Chief Warrant Officer	3,506	3	3,356	7	3,250	9	3,250	28
W-2 Chief Warrant Officer	7,127	1	6,582	17	6,270	20	6,270	24
W-1 Warrant Officer	2,082	0	2,143	1	2,180	2	2,180	2
Total	14,125	8	13,423	34	13,000	42	13,000	94
Total Officer Personnel	105,572	217	102,522	352	98,125	335	98,125	1,066
Enlisted Personnel								
E-9 Sergeant Major	3,698	0	3,738	1	3,740	2	3,740	18
E-8 First Sergeant/Master Sergeant	12,104	3	12,708	14	12,716	17	12,716	98
E-7 Platoon Sergeant/Sergeant 1st Class	45,798	7	45,458	60	45,490	79	45,490	207
E-6 Staff Sergeant/Specialist 6	71,378	10	71,629	68	71,672	88	71,672	163
E-5 Sergeant/Specialist 5	96,272	6	110,000	27	116,200	50	116,200	118
E-4 Corporal/Specialist 4	176,715	14	166,218	31	176,324	35	176,324	57
E-3 Private, First Class	94,101	1	96,899	0	82,746	0	84,940	0
E-2 Private	103,397	0	109,720	0	109,213	0	108,420	0
E-1 Private	70,996	0	63,223	0	65,724	0	71,073	0
Total Enlisted Personnel	674,459	41	679,593	201	683,825	271	690,575	661
Total Officer and Enlisted Personnel	780,031	258	782,115	553	781,950	606	788,700	1,727
U.S. Military Academy Cadets	2,866	0	2,885	0	3,050	0	4,300	0
Total End Strengths	782,897	258	785,000	553	785,000	606	793,000	1,727

1/ Excludes active duty military personnel paid from Civil Functions, Reserve, and National Guard Appropriations.

Military Personnel, Army
Man-Year Strengths by Grade 1/
(Total Program)

	FY 1974	Reimb. Included	FY 1975	Reimb. Included	FY 1976	Reimb. Included	FY 197T 2/	Reimb. Included 2/
Commissioned Officers								
O-11 General of the Army	1	0	1	0	1	0	1	0
O-10 General	12	0	11	0	11	0	12	0
O-9 Lt. General	45	2	34	2	35	2	36	2
O-8 Major General	179	4	176	3	173	3	172	10
O-7 Brig. General	233	0	220	1	219	1	219	7
O-6 Colonel	5,123	58	4,863	49	4,834	52	4,771	139
O-5 Lt. Colonel	11,789	61	11,107	72	11,140	86	11,087	382
O-4 Major	18,202	58	17,294	80	16,855	99	16,794	330
O-3 Captain	32,254	28	32,944	42	32,294	52	30,819	88
O-2 1st Lieutenant	13,551	11	11,957	11	10,364	11	11,167	14
O-1 2nd Lieutenant	13,069	7	11,040	4	10,214	0	10,224	0
Total	94,458	229	89,647	264	86,140	306	85,302	972
Warrant Officers								
W-4 Chief Warrant Officer	1,409	4	1,356	6	1,318	10	1,300	40
W-3 Chief Warrant Officer	3,498	3	3,382	5	3,302	8	3,250	28
W-2 Chief Warrant Officer	7,615	2	6,746	9	6,460	19	6,270	24
W-1 Warrant Officer	2,047	0	2,049	1	2,162	1	2,180	2
Total	14,569	9	13,533	21	13,242	38	13,000	94
Total Officer Personnel	109,027	238	103,180	285	99,382	344	98,302	1,066
Enlisted Personnel								
E-9 Sergeant Major	3,860	0	3,683	1	3,739	2	3,740	18
E-8 First Sergeant/Master Sergeant	12,571	3	12,446	9	12,712	15	12,716	98
E-7 Platoon Sergeant/Sergeant 1st Class	46,283	5	45,793	33	45,472	69	45,490	207
E-6 Staff Sergeant/Specialist 6	74,117	9	71,312	39	71,651	78	71,672	163
E-5 Sergeant/Specialist 5	96,738	6	98,677	16	113,099	39	116,200	118
E-4 Corporal/Specialist 4	145,759	13	168,227	23	171,271	33	176,324	57
E-3 Private, First Class	115,556	7	92,606	0	88,948	0	83,834	0
E-2 Private	116,010	3	107,822	0	109,472	0	108,879	0
E-1 Private	63,460	0	71,167	0	64,537	0	68,135	0
Total Enlisted Personnel	674,354	46	671,733	121	680,901	236	686,990	661
Total Officer and Enlisted Personnel	783,381	284	774,913	406	780,283	580	785,292	1,727
U.S. Military Academy Cadets	3,785	0	3,887	0	4,016	0	4,152	0
Total Man-Years	787,166	284	778,800	406	784,299	580	789,444	1,727

1/ Excludes active duty military personnel paid from Civil Functions, Reserve, and National Guard Appropriations.
2/ Average strength.

Military Personnel, Army
Active Duty Strengths by Months 1/
(In Thousands)

	FY 1975 2/				FY 1976				FY 197T			
	Officer	Enlisted	Cadet	Total	Officer	Enlisted	Cadet	Total	Officer	Enlisted	Cadet	Total
June	105.6	674.5	2.9	782.9	102.5	679.6	2.9	785.0	98.1	683.8	3.1	785.0
July	106.0	672.7	4.3	783.0	102.4	675.4	4.3	782.1	98.4	685.8	4.4	788.6
August	104.3	671.6	4.2	780.0	101.8	676.2	4.3	782.2	98.4	688.0	4.4	790.8
September	104.2	675.4	4.1	783.7	99.5	680.1	4.2	783.9	98.1	690.6	4.3	793.0
October	103.9	672.7	4.0	780.6	99.5	680.8	4.1	784.4				
November	103.3	672.5	4.0	779.8	99.2	680.7	4.1	783.9				
December	103.1	665.1	4.0	772.2	99.0	676.9	4.1	780.0				
January	103.0	668.7	4.0	775.7	98.8	680.4	4.1	783.2				
February	102.7	668.5	3.9	775.1	98.4	683.6	4.0	786.0				
March	102.6	670.4	3.8	776.8	98.4	685.5	4.0	787.9				
April	102.4	671.4	3.8	777.6	98.0	686.1	4.0	788.2				
May	102.3	671.1	3.8	777.2	98.0	682.8	4.0	784.8				
June	102.5	679.6	2.9	785.0	98.1	683.8	3.1	785.0				
Average (Manyears)	103.2	671.7	3.9	778.8	99.4	680.9	4.0	784.3				

1/ Includes MPA-Reimbursable Active duty military pay strengths, but excludes Active duty military personnel paid from Civil Functions, Reserve, and National Guard Appropriations.
2/ Actual data thru November 1974 (preliminary).

TOTALS MAY NOT ADD DUE TO ROUNDING

SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
(In Thousands of Dollars)

Title	FY 1974 Actual	FY 1975 Estimate	FY 1976 Estimate	FY 197T Estimate
(1)	(2)	(3)	(4)	(5)
DIRECT PROGRAM				
Pay and Allowances of Officers	$1,954,667	$1,944,209	$1,947,108	$ 482,506
Pay and Allowances of Enlisted	4,859,061	5,113,541	5,210,231	1,307,254
Pay and Allowances of Cadets	17,307	19,386	20,563	5,323
Subsistence of Enlisted Personnel	482,939	530,691	547,652	138,747
Permanent Change of Station Travel	395,457	468,878	532,481	164,572
Other Military Personnel Costs	19,029	8,273	6,365	1,598
Total Direct Program	$7,728,510	$8,084,978	$8,264,400	$2,100,000
REIMBURSABLE PROGRAM				
Pay and Allowances of Officers	8,584	10,318	11,238	7,179
Pay and Allowances of Enlisted	5,729	8,342	9,133	3,500
Subsistence of Enlisted Personnel	49,198	68,502	70,348	16,212
Permanent Change of Station Travel	10	110	10	10
Other Military Personnel Costs	1,100	1,100	1,100	275
Total Reimbursable Program	$ 64,621	$ 88,372	$ 91,829	$ 27,176
TOTAL PROGRAM				
Pay and Allowances of Officers	1,963,251	1,954,527	1,958,346	489,685
Pay and Allowances of Enlisted	4,864,790	5,121,883	5,219,364	1,310,754
Pay and Allowances of Cadets	17,307	19,386	20,563	5,323
Subsistence of Enlisted Personnel	532,187	599,193	618,000	154,959
Permanent Change of Station Travel	395,467	468,988	532,491	164,582
Other Military Personnel Costs	20,129	9,373	7,465	1,873
Total Obligations	$7,793,131	$8,173,350	$8,356,229	$2,127,176

SCHEDULE OF INCREASES AND DECREASES
(In Thousands of Dollars)

		Amount
FY 1975 DIRECT PROGRAM		$8,084,978
Increases:		
a. Annualization of 1 October 1974 Military Pay Raise	$94,736	
b. Longevity (time-in-grade)	6,090	
c. Federal Insurance Contribution Act increase in base earnings from $13,200 to $14,100 effective 1 January 1975	3,596	
d. Clothing price/rate increases	10,103	
e. Manyear increase of 5,499 manyears	31,668	
f. Decreased clothing credits	8,358	
g. Increased enlistment bonus payments	5,769	
h. Increased Family Separation Allowance payments	1,384	
i. Increased Station Allowances	2,792	
j. Increased separation payments (readjustment pay, lump sum terminal leave	24,130	
k. Increased interest payments on MIA Savings Deposit accounts	115	
l. Increased Death Gratuity payments as a result of decreased officer manyears and increased enlisted manyears	17	
m. Subsistence rate increase	5,007	
n. One additional day of feeding in messes caused by Leap Year	563	
o. Increased PCS moves	13,469	
p. PCS rate increases	46,533	
q. 24-month tour, 1st term enlisted in Europe	6,284	
Total Increases		260,614
Decreases:		
a. Decrease in reenlistment bonus payments	33,008	
b. 27,983 less accessions (clothing bag)	8,929	
c. Elimination of superior performance and shortage specialty pay	26,561	
d. Decreased percentage receiving Basic Allowance for Quarters	6,169	
e. Elimination of Separation Travel pay without performance	2,889	
f. Decrease in operational ration consumption	1,519	
g. Elimination of Extra Hazard contribution to Group Life Insurance	2,117	
Total Decreases		81,192
FY 1976 DIRECT PROGRAM		$8,264,400

SCHEDULE OF INCREASES AND DECREASES
(In Thousands of Dollars)

PAY AND ALLOWANCES OF OFFICERS		Amount
FY 1975 Direct Program		$1,944,209
Increases:		
a. Annualization of 1 October 1974 military pay raise	$22,739	
b. Longevity (time-in-grade)	4,772	
c. Increased separation payments (Readjustment pay, Severance pay, and Lump Sum Terminal Leave Payments)	31,370	
d. Federal Insurance Contribution Act increase in base earnings from $13,200 to $14,100 effective 1 January 1975	3,399	
e. Increased station allowances	753	
f. Increased family separation allowance payments	120	
Total Increases		63,153
Decreases:		
a. Manyear reduction of 3,798 manyears	$58,854	
b. Decrease percentage receiving Basic Allowance for Quarters	1,400	
Total Decreases		60,254
FY 1976 Direct Program		$1,947,108

PREPARED STATEMENT

Chairman McClellan. The witnesses are Lt. Gen. John A. Kjellstrom, Comptroller of the Army, and Lt. Gen. Harold G. Moore, Deputy Chief of Staff for Personnel of the Department of the Army.

Your prepared statement will appear in the record in full and you may present a summary of it.

[The statement follows:]

INTRODUCTION

Mr. Chairman and Members of the Committee, I am pleased to return this year to present the FY 1976 Operation and Maintenance, Army (OMA) budget request.

The goals of the Army - to obtain the maximum benefit from all resources, to shape the Army for the future, to upgrade the quality of our soldiers while maintaining recruiting momentum - are reflected in this request. Resources have been reallocated to support the improved combat structure of the Army in FY 1976 and succeeding years, and to insure optimal distribution of the OMA dollars required in execution of Army missions. Funding for the recruiting program is tailored to acquisition of quality personnel at a reasonable cost.

Character of the Appropriation

The budget request for FY 1976 will provide funds for:

-- the training and operation of over 650 combat and combat support units.

-- the operation and maintenance of:

-- 1,118 posts, stations and camps in CONUS and overseas.

-- 99,454 buildings and structures.

-- 14,813 miles of streets.

-- the training of 620,825 military and 119,434 civilians in 40 training centers and schools and in civilian institutions.

-- the treatment to 3,437,400 beneficiaries, active and retired military and their dependents in 57 hospitals and numerous clinics.

-- the movement of approximately 5,500,000 tons of supplies and equipment.

-- the rebuild of 2500 aircraft, combat vehicles, and other major items of equipment.

-- the repair and replacement parts for armored vehicles, combat vehicles and aircraft, ranging from a replacement gun tube for the M-60 Tank at $7,000 to a cotter pin at one cent.

-- 254,283 US and foreign national civilians, 63% of the total Army civilian workforce. An additional 44,000 employees are indirectly financed through purchase of logistics and maintenance services from the Army Industrial Fund. Additionally, Contracts for mess attendants, custodial services, maintenance, and other purchased services involve the employment of almost 50,000 civilians.

Budget Development

The Operation and Maintenance, Army budget development is a participative process. Every installation in the Army identifies requirements; these requirements are successively defended, compared against similar installations, and aggregated at each command level, finally becoming a part of the overall OMA budget request to the Congress. Before this request is submitted, it has been defended, revised and validated at least four times - at the installation, at major command level, within Department of the Army, and the joint review of the Office, Secretary of Defense and the Office of Management and Budget.

Operation and Maintenance Funding of an Army Installation - Fort Hood, Texas

The use of Operation and Maintenance funds at an installation provides an insight into how the dollars in this request are applied. To illustrate, Fort Hood, Texas:

- Is the home of the 1st Cavalry Division, the 2nd Armored Division, the 13th Support Brigade, and several hundred smaller units.

- Has an assigned military strength of 42,000, accompanied by 58,000 dependents. Support provided to retired personnel and reserve components increases the total population served to 122,000. (Comparable to the ninth largest city in Texas.)

- Has a civilian workforce of 3900 personnel, principally financed by the Operation and Maintenance appropriation.

- Has an annual military and civilian payroll of over $380 million.

- Consumes $105 million annually in Operation and Maintenance funds.

The Operation and Maintenance funds at Fort Hood are separated into two basic groupings -

- Support of the installation. These funds finance utilities, civilian pay, service contracts, and maintenance and repair of facilities. The basic determinant of the operating cost of installation services is the total population served, not the kinds of units stationed at Fort Hood.

- Operating costs of the major units. These are the costs required to equip and train these units for combat and support functions and would be incurred wherever the unit was stationed. These funds finance operating supplies, gasoline, organizational clothing, and repair parts.

BUDGET SUMMARY

Moving from the installation perspective, a summary of our budget request follows:

Program Distribution

Distribution of the appropriation into mission groups is shown below:

OPERATIONS AND MAINTENANCE, ARMY
BUDGET
($ in Millions)

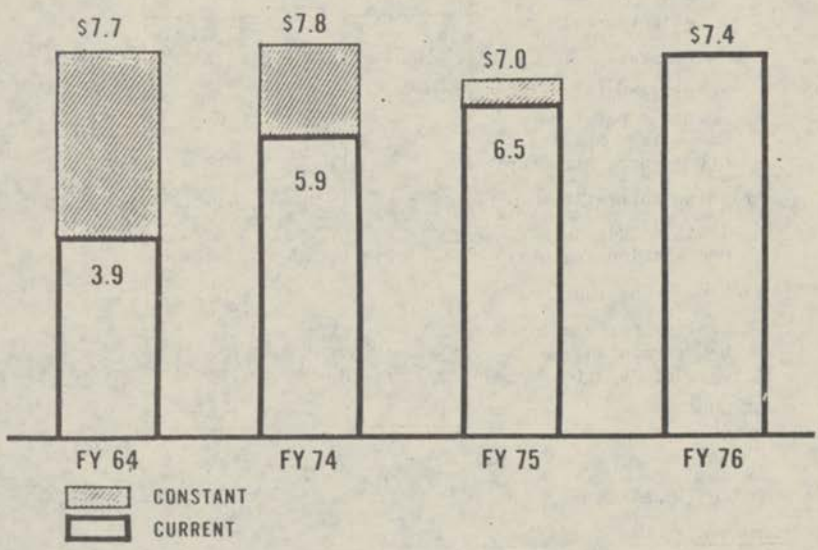
PROGRAM	FY 1975 $	FY 1976 $
1. Strategic Forces	71	79
2. General Purpose Forces	683	838
3. Intelligence & Communications	325	353
3. Other	49	45
7. Supply Operations	800	855
7. Transportation	445	470
7. Depot Maintenance	528	696
8. Training	418	441
8. Other	172	191
8. Medical	482	557
9. Administration & Associated Activities	474	497
10. Support of Other Nations	50	63
11. Base Operations	2,027	2,266
TOTAL	$6,524	$7,352

Constant Dollar Comparison

The major increase in FY 1976 is not an accurate indicator of real program increase. Conversion of all fiscal years to dollars of the same value - constant dollars - reflects a true program increase of slightly over $300 million, mainly for tooth to tail conversions and reduction in real property and depot maintenance backlogs. The balance of the increase is inflation in the costs of personnel and goods and services.

The Army is financing a 16 Division force in FY 1976 for significantly less than a similar size combat force cost to operate in FY 1964. The following chart reflects this comparison:

OPERATION AND MAINTENANCE, ARMY
COMPARISON OF FISCAL YEARS
(EXPRESSED IN CURRENT YEAR AND CONSTANT DOLLARS)
($ IN BILLIONS)



ANALYSIS OF CHANGE.

The major funding changes since enactment of the FY 1975 appropriation are as follows:

			($ in millions)
FY 1975 Appropriation			6,137.6
Civilian Pay Supplemental			+ 275.5
Reprogramming - Inflation			+ 152.4
Rescission Real Property Maintenance			- 41.0
FY 1975 Column, FY 1976 Budget			6,524.5
Increases			
Inflation		+ 353.7	
Civilian Personnel		+ 164.8	
Combat Forces		+ 91.7	
16 Divisions	(36.8)		
Combat Power-Europe	(33.6)		
Camouflage Screens	(16.5)		
Other Force Structure	(4.8)		
Training Initiatives		+ 25.9	
Training Extension Courses	(13.0)		
One Station Training	(12.9)		
Backlog Reduction		+ 186.6	
Real Property Maintenance	(75.7)		
Depot Maintenance	(96.9)		
Care of Supplies	(14.0)		
MR-LOGAEUR		+ 9.5	
Other		+ 96.2	
TOTAL INCREASES			+ 928.4
Decreases			
Reorganization/Realignment		- 81.1	
Support for Commissaries		- 37.2	
TOTAL DECREASES			- 118.3
Transfers			+ 17.4
FY 1976 BUDGET REQUEST			$ 7,352.0

The balance of this statement will discuss significant aspects of the changes in this appropriation in two distinct groupings - increases due to the external factors of inflation and personnel costs not controllable by the Army, and increases for Army initiatives in force structure, training, and backlog reductions.

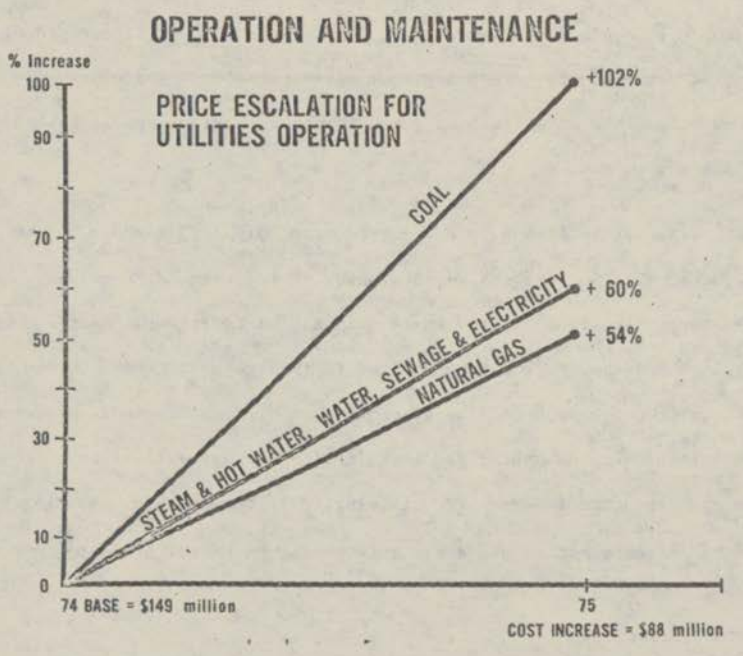
Inflation

The principal funding problem in the current Fiscal Year and FY 1976 is inflation. Under current budgeting rules, we can only include in budget requests inflation that has already occurred at the time the budget was prepared, in late summer. Under this rule, any inflation that occurs in the subsequent 18 months is not included. In periods of 3-4 percent annual inflation, we were able to take management action to absorb the cost. However, no reasonable action can be taken to absorb current annual inflation rates of 12% and more.

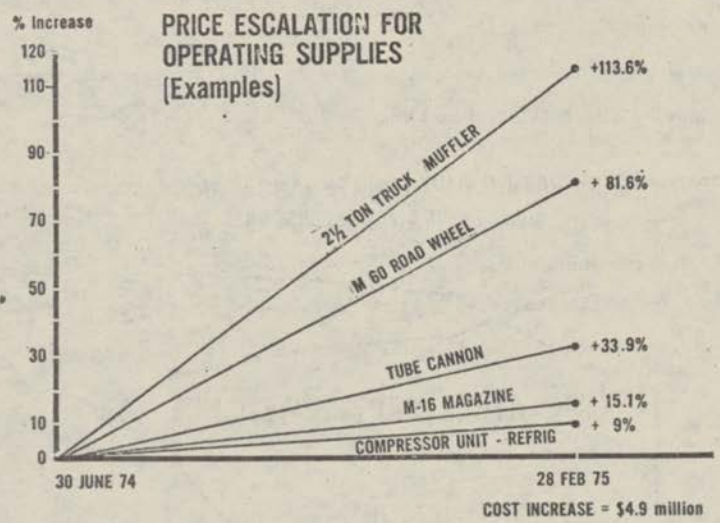
For FY 1975, all inflation that occurred from July 1973 was not in the budget request. Two actions subsequent to the FY 1975 request partially alleviated the inflation deficit - the OMA inflation reprogramming of $152.4 million and the POL amendment to the FY 1975 request. We absorbed the remainder of about $360 million by reducing civilian personnel, exercises and unit training, flying hours, and installation support activities. Stocks of repair and replacement parts are not being fully replenished. Backlog of equipment in installation and depot maintenance shops is increasing.

The tempo of training has slowed through reduced days in the field, reduced major unit exercises, reduced qualification testing, and reduced vehicle densities in training.

The same inflation spiral affects the FY 1976 request. For FY 1976, we have included $514 million for inflation that had occurred up to budget preparation time, early fall of 1974. The inflation reprogramming for FY 1975 and the POL amendment included in FY 1975 offset part of this addition, resulting in a net increase in the FY 1976 request of $212.3. However, since preparation of the budget, prices of goods and services have continued to increase, as shown by the following examples:



OPERATION AND MAINTENANCE



Some relief to these increased prices is provided through the announced stock fund price increase of 15% to be effective 1 July 1975. This added funding of $141.4 million should offset the major portion of supply cost increases occurring up to 1 July 1975. However, we currently estimate that the unbudgeted inflation in FY 1976 will exceed $500 million.

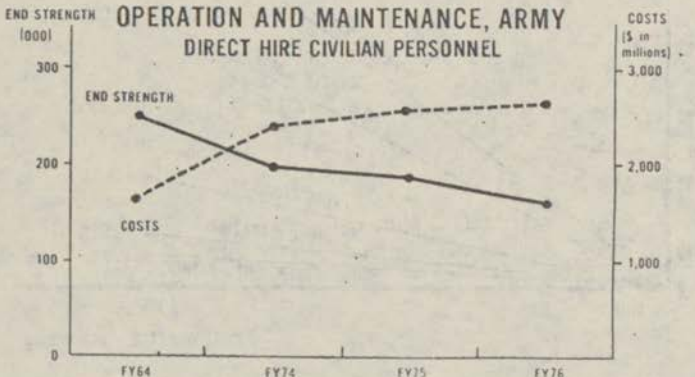
We face the challenge in FY 1976 of coping with substantial unbudgeted inflation and the task of recovering from the impact of the FY 1975 unbudgeted inflation.

Personnel Costs

Civilian personnel costs for FY 1976 are $3.1 billion or 42% of the appropriation. The principal increase for personnel is the annualized effect of FY 1975 pay raises for US and foreign national employees. These pay raises add $120.9 million to the request. No funds are included in the request for projected FY 1976 pay raises.

A directed change for FY 1976 in obligation procedures for Korean and Japanese employees, requiring current year obligations for accrued separation allowances, adds $31.1 million.

Personnel costs increase even with dramatic civilian strength reductions, as the following chart illustrates:



END STRENGTH	253.1	197.1	192.3	189.1
[1] COSTS	$1643.7	$2437.2	$2,582.4	$2,650.1

[1] ACTUAL COSTS

This request would have been close to a billion dollars larger if these civilian personnel reductions resulting from reorganization, realignment, and productivity improvements had not been taken.

Force Structure

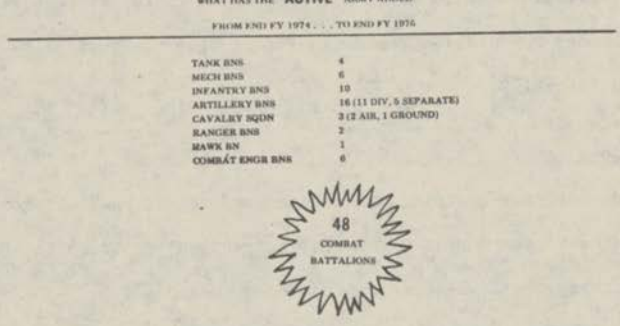
The Secretary of Army and Chief of Staff have described our combat force initiatives in depth. Included in this request is funding for the activation and operating costs of the additional divisions - 7th Infantry Division at Fort Ord, the 5th Mechanized Infantry Division at Fort Polk and the 24th Infantry Division at Hunter-Stewart; two additional combat brigades in Europe; and other force structure changes. Costs of these force structure changes are displayed below:

FUNDING OF ARMY

FORCE STRUCTURE CHANGES
(Dollars in Million)

	FY 1975	FY 1976
16 Division Force	$ 13.7	$ 50.5
Increased Combat Power, Europe	7.8	41.6
Other Force Structure Actions	8.8	13.5
TOTAL	$ 30.3	$ 105.6

This increase in Army combat strength, with no end-strength increase, adds 48 combat battalions to the Active Army, as shown:



Camouflage Screens

This request includes $28.1 million for continued procurement of camouflage screens for our combat forces. This procurement initiated in FY 1974, will provide 200,000 such screens by FY 1979 at a cost of $171.1 million.

Training Extension Course

The Training Extension Course Program is a visually based, individually paced, programmed instruction system. The system exports centrally prepared film and audio-tape lesson packages suitable for individual use to Active Army and Reserve Component units. Instruction is uniform and self-paced. Units are relieved of the laborious task of preparing detailed lesson plans and obtaining training aid devices necessary for conventional training methods. The FY 1976 budget contains $13.0 million to fund lesson development and reproduction contracts and similar costs related to the

production and distribution of 675 lessons for combat support and combat service support skills of the Active Army and Reserve Components.

One-Station Training

The FY 1976 budget reflects continuation of the One-Station Training Program. One- Station Training concentrates initial and professional development training at the same installation. This transition of the training base capitalizes on the expertise in Army branch schools, reduces training time, and eliminates travel between training stations. Quantitative savings are expected when this plan is fully implemented, however, the "big plus" in this concept is the qualitative improvement. Increased funding of $12.9 million ($11.0 million for one-time costs) is required in FY 1976 to implement One-Station Training at Fort Benning, Fort Bliss, Fort Gordon and Fort Sill.

Backlog Reductions

Reduction of our long-standing maintenance and repair backlogs for facilities, equipment and supplies is a major Army goal in FY 1976. Major increases in this request are necessary to reach that goal.

Maintenance and Repair of Real Property

The worldwide inventory of Army-owned facilities exceeds $65 billion at replacement cost. These facilities consist of troop centers, training centers and schools, depots, arsenals and industrial facilities, proving grounds, and others. Over one-half of these facilities are 30 years or older, and approximately three-fourths are at least 20 years old. Lack of maintenance accellerates deterioration; and replacing these facilities at current day prices would be prohibitive.

The FY 1975 funding level did not permit a backlog reversal. The FY 1976 budget reflects our determination to reduce the real property maintenance backlog. This planned level of funding over the next five years will reduce the backlog to a management level of less than $150 million.

OPERATION AND MAINTENANCE
REAL PROPERTY MAINTENANCE ($ IN MILLIONS)

PROGRAM	FY 74	FY 75	FY 76
Current Maintenance & Repair	$ 239	$ 264	$ 382
Backlog-Maintenance & Repair	79	42	80
TOTAL	$ 318[1]	$ 306[2]	$ 462[3]
CHANGES IN BACKLOG			
Beginning Backlog	$ 299	$ 411	$ 529
Growth	+191	+160	+38
Accomplishment	-79	-42	-80
Ending Backlog	$ 411	$ 529	$ 487
Growth Rate	+37%	+29%	-8%

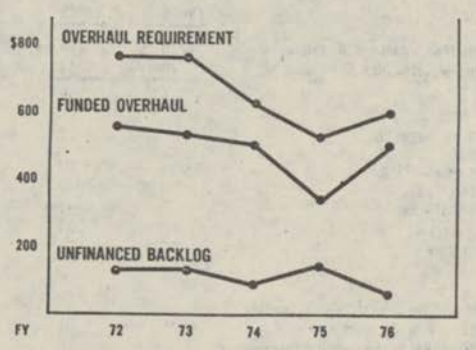
[1] Includes $24M Actual Reprogramming
[2] Reflects $41M Recision
[3] Includes $36M Estimated Reprogramming

Depot Maintenance

Withdrawal from Southeast Asia and normal operations of combat forces have created large quantities of unserviceable equipment. Progress has been made over the past several years to steadily reduce the unserviceable backlog, yet this backlog still exceeds the management level - that level of backlog required on-hand to insure uninterrupted production at depot maintenance facilities.

Depot maintenance backlog reduction adds $97 million to the FY 1976 budget request. All assets scheduled for depot maintenance are within the Army's authorized acquisition objectives. Depot rebuild of unserviceable assets can be accomplished on the average at approximately one-fourth the item replacement cost. The declining unfinanced backlog projections shown in the chart below reflect the Army's intentions to stretch its scarce resources by maintaining and rebuilding the equipment it needs.

OPERATION AND MAINTENANCE, ARMY
DEPOT MAINTENANCE PROGRAM
($ IN MILLIONS)



The Army's FY 1974 through FY 1976 depot maintenance program, portrayed by equipment category, is shown in the next chart:

OPERATION AND MAINTENANCE
DEPOT MAINTENANCE ACTIVITIES

($ IN MILLIONS)

	FY 1974	FY 1975	FY 1976
● REQUIREMENTS	$ 617	$ 523	$ 593
● FUNDING			
AIRCRAFT	143	104	143
AUTOMOTIVE	37	21	28
COMBAT VEHICLES	137	102	132
COMM./ELECT	38	31	63
MISSILES	39	36	51
COMMODITY GROUPS	17	12	14
OTHER	86	38	59
TOTAL	$ 497	$ 344	$ 490

Our depot maintenance dollars today buy fewer repair parts and less manhours of labor than last year because of inflation, however, equipment overhaul remains a cost effective alternative to procurement of new equipment. Many major equipment items scheduled for issue to the new combat units are included in the FY 1976 depot maintenance overhaul program.

Care of Supplies in Storage

The Army has 4.6 million short tons of materiel in storage consisting of 560,000 different items. These items must be maintained in a ready-for-issue condition or brought up to that standard incident to shipment. Performing this task in a production line configuration while still

in storage requires an average cost per short ton of $47.42. This same task performed on a unit basis incident to shipping increases the cost to $77 per short ton. In-storage care is more cost effective and represents less than 2% of the acquisition cost of the materiel. The $14 million increase in FY 1976 provides $50.3 million to accomplish 69% of the total in-storage care equipment.

MR. LOGAEUR

The $9.5 million for Minimum Requirements Logistical Augmentation, Europe (MR. LOGAEUR) is the only new start included in this request. This program, approved by the House Appropriation Committee on 16 December 1974, is a reasonable alternative to the previous LOCPORT plan. MR. LOGAEUR maximizes use of allied resources and is essential to operational plans.

Other Program Changes

Other changes in the appropriation increase the request more than $96 million. Most significant are:

- Currency exchange. This request provides an exchange rate of 2.47 Duetsche Marks (DM) to $1, a rate that adds $23 million to the request. Since this budget was prepared, exchange rates have declined to 2.29 DM to $1. If this rate continues, there will be an unbudgeted requirement in FY 1976 of over $60 million.

- Conversion of 2,000 military positions to civilian in military hospitals, releasing these military for the combat forces, adds $23 million. The annualized effect of the FY 1975 civilianization program adds $12.5 million in FY 1976.

- Increased payments to the General Services Administration for leased space adds $19.9 million.

REORGANIZATION/REALIGNMENT.

Major reorganization and realignment actions have been effected to provide resources - manpower and dollars - to improve combat strength of the Army.

These reorganization and realignment actions, including headquarters and support eliminations and reductions, base closures, revised stationing, Air Defense inactivation and reduced manpower and missions in Japan and Okinawa, provide $81 million to apply to combat structure.

The reduction in headquarters is particularly significant. The number of military and civilian personnel in headquarters is less than half of the 1969 peak year. Almost 26,000 headquarters positions have been eliminated The most recent major reduction effected during late FY 1974 and in FY 1975, is a continuation of previous Army reduction accomplishments.

ARMY MANAGEMENT HEADQUARTERS
Strength Changes

	FY 1969 ACTUAL	FY 1974 REQUEST	FY 1975 REQUEST	FY 1976 REQUEST
Strength	47,484	33,614	28,720	21,817
Cumulative Decrease		13,870	18,764	25,667
Percent Decrease		29.2%	39.5%	54.0%

The major reductions in depots announced in November to be completed during FY 1976 result in no reallocation of resources in FY 1976 because of one-time termination costs. Thereafter, however, the resources available for application to the combat forces approximate $75 million annually.

COMMISSARIES

In an effort to reduce Defense expenditures and to increase the share of the defense budget allocated to combat forces, a decision has been made to require reimbursement for all direct costs of commissary store operations except for the cost of transporting merchandise to overseas stores. These direct costs will be borne by commissary patrons beginning on October 1, 1975. On that date reimbursement of fifty percent of these costs will be required. On October 1, 1976, and thereafter, one hundred percent of the direct cost must be reimbursed. The $37.2 million decrease in fund support from the FY 1976 Operation and Maintenance Appropriation

represents the partial cost of wages paid to civilian commissary employees which will be borne by commissary patrons. The full cost of these wages, currently at $100 million, will be paid for by these patrons starting in October 1976.

TRANSFERS.

This request includes several transfers of functions and financing responsibilities from and to this appropriation. Most significant are:

- $26 million to the Navy for administrative and logistics support, Thailand.

- $22.4 million from the Air Force and Navy for funding of common-use storage facilities and POL storage and pipelines.

- $8 million to the General Services Administration for computer support provided by the Office, Chief of Engineers to the Office of Preparedness.

- $6 million from Other Procurement, Army for funding of radio equipment.

TRANSITION PERIOD

Funding for the three-month transition period following FY 1976 is slightly over 25% of the FY 1976 request. Funding requirements for this period reflect increased obligation rates peculiar to the July - September timeframe, such as increased training tempo, tuition payments for ROTC scholarships and civilian schooling, medical workload, seasonal employment, and the number of civilian work days. Increases in recurring operating costs for combat units activated during FY 1976 also increase fund requirements in the transition period.

The FY 1976 expected fund shortages due to inflation and the declining currency exchange rate affect the transition period as well.

MANAGEMENT IMPROVEMENTS

Several areas where we are making significant management improvements are highlighted in the following paragraphs.

Productivity Enhancement Through Capital Investments

We initiated a program in early FY 1975 to provide funding for capital investments that generate savings, paying back the capital investment within two years. A $2 million fund was established for this purpose in FY 1975 and $3 million is included in the FY 1976 Other Procurement, Army budget. As of 31 December 1974, 27 projects had been funded at an investment cost of $608,161 with estimated annual recurring savings of $829,792.

A typical project at Fort Bragg involved installation of automatic, high capacity laundry equipment costing $250,000 in the post laundry. Sixteen laundry personnel will be released early in FY 1976 when all equipment is installed producing a recurring annual savings of $200,000. The investment costs will be recovered in about 15 months.

Automatic Data Processing Operations

In the past year, significant advances were made in Automatic Data Processing (ADP).

The Joint Uniform Military Pay System (JUMPS-Army) remains one of our most successful ADP systems. We now pay the entire Active Army from Fort Benjamin Harrison and are moving to centralize the pay of our Reserve Components. To illustrate the responsiveness of JUMPS, our soldiers received their W-2 Forms (earnings statement) with their end-of-month pay of 31 December 1974, quite an improvement over the past. Automating the pay of our civilian workforce is our next goal.

With most of our previous problems associated with major standard systems resolved or reduced to manageable proportions, we have focused more on initiatives aimed at more efficiency and economy in ADP operations. These include:

. A structured planning approach to installation level automation requirements which consist of such functions as personnel, supply, finance, engineer and military police support. For the first time, we have quantified requirements, making it possible to evaluate the relative cost of different

machine configurations. The result is a BASOPS hardware plan which significantly upgrades installation processing capability, providing surge and growth capability, at a lesser cost to the government.

. A comprehensive management plan facilitating application of standard ADP software at minimum cost to the Army. We can eventually standardize all installation and command unique ADP applications that are multicommand in nature.

Other accomplishments include:

. New effort to improve central design capabilities to develop, maintain, and modify software for standard Army information systems.

. New consolidation and satellization of ADP facilities studies.

. Integrating software research and development efforts throughout the Army. This is a continuing effort.

ADP costs remained essentially level since FY 1974, measured in current dollars. However, in constant dollars, ADP related costs have been reduced by more than 20% since FY 1974. We are administering an ADP effort of increasing scope, yet our costs in real terms are decreasing.

Quantification of OMA.

The Army has made a concerted effort to quantify its Operation and Maintenance budget and determine its relationship to levels of readiness. We can measure the output of 65% of our OMA resources. Another 25% constitutes level-of-effort functions with no reliable output measurement. We are now attempting to quantify the other 10%.

A relationship between Division Training Weeks and readiness has been proposed to assist us in relating OMA to the level of readiness of our Divisions. The relationship is that each Army Division and each combat support and combat service support unit is funded to conduct 50 weeks of training per year. Any reduction to the funding level can be related to Division Training Weeks lost. Thus, a reduction in OMA dollars can be related to training readiness by indicating the lost number of

Division Training Weeks. Two major commands are now reviewing this concept. We plan to use this idea to further support our budget requests starting in FY 1977. We also hope to be more responsive to future Committee questions on readiness - funding relationships.

Audits and Inspections

Management audits and inspections conducted by The Inspector General and Auditor General provide many cost reduction opportunities for the Army. A few examples illustrate this:

- Audit of Okinawa port operations proposed more efficient cargo handling procedures. One-time cost reductions of $300,000 and recurring cost reductions of $700,000 should be possible.

- Inspection of U.S. Army, Japan identified many cost reduction opportunities by reducing and eliminating facilities, and returning residual supplies from Vietnam stored in Okinawa to the Army's supply system and using units.

- Inspection of U.S. Army Communications Command operations recommended consolidation and reduction of many communication related functions and facilities. Significant cost reductions should be possible.

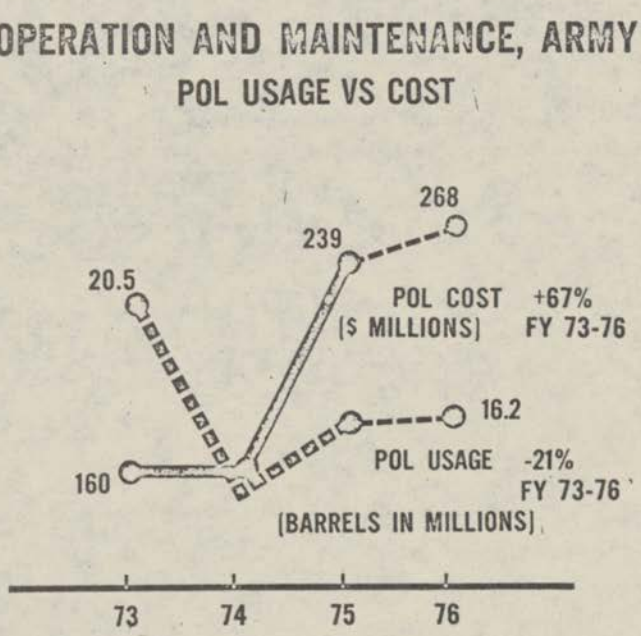
Our FY 1976 audits and inspections schedule continues to focus on the most promising cost reduction areas. Major audits include Facilities Engineer Activities, Management of Automatic Data Processing Resources, and Movement of Army Freight. Special inspections include Unit Training, Provost Marshall Functions and Active Army Support of Reserve Components.

We have improved the effectiveness of our audits and inspections by reducing overlap and eliminating duplication. We will continue to explore new ways of improving and employing this valuable resources management tool.

ENERGY CONSERVATION

The Department of Defense constitutes 3.4% of the U. S. petroleum demand. Although the Army's petroleum demands represent only 9.7 % of

the Department of Defense total, our efforts to conserve energy are constant and determined. Consumption of all energy forms, Armywide, for the 1st Quarter FY 1975, were 18% below the FY 1973 base year used for comparison. Petroleum consumption for the 1st half FY 1975 was 29% below the base year. Unfortunately, reduced consumption was not rewarded with reduced costs for this appropriation, as can be seen from this chart:



CONCLUSION.

I share the Chief of Staff's concern over the effects of unbudgeted inflation on the costs to adequately maintain and properly operate the Army. Inflation prevents us from doing what we must to train our soldiers and maintain the combat capability of our units. Inflationary pressures are more significant in this appropriation than in any other - we are funding the operation and training of combat units, the individual training of both military and civilian personnel, the operation of the Army's logistical system,

the overhaul of major items of equipment, medical care, and the entire command, administrative and support structure of the Army.

The funds in this budget request increase in actual dollars over previous years. However, considering inflationary impacts, the increase is minor and will be more than overcome by continued inflation.

With your support of this request, I feel that we can adjust to most of the FY 1976 inflation problem and meet the highest priority requirement - a well-trained, combat-ready Army.

BUDGET REQUEST

General KJELLSTROM. I am pleased to return for my sixth year to present this budget request.

Chairman MCCLELLAN. You must be doing an excellent job for the Department of the Army, or they wouldn't have kept you this long.

General KJELLSTROM. I am willing to stand up and be counted on this request, Mr. Chairman, and we are ready to undergo very close scrutiny.

The goals of the Army—to obtain the maximum benefit from all resources, to shape the Army for the future, to upgrade the quality of our soldiers while maintaining recruiting momentum—are reflected in this request. Resources have been reallocated to support the improved combat structure of the Army in fiscal year 1976 and succeeding years, and to insure optimal distribution of the operation and maintenance dollars required in execution of Army missions. Funding for the recruiting program is tailored to acquisition of quality personnel at a reasonable cost.

Before discussing our fiscal year 1976 budget request, I will briefly describe the application of operation and maintenance funds. An Army installation provides an insight into how the dollars in this request are used. To illustrate, Fort Hood, Tex., is the home of the 1st Cavalry Division, the 2d Armored Division, the 13th Support Brigade, and several hundred smaller units.

It has an assigned military strength of 42,000, accompanied by 58,000 dependents. Support provided to retired personnel and reserve components increases the total population served to 122,000, comparable to the ninth largest city in Texas.

It has a civilian work force of 3,900 personnel, principally financed by the Operation and Maintenance Appropriation. It has an annual military and civilian payroll of over $380 million. It consumes $105 million annually in operation and maintenance funds.

The operation and maintenance funds at Fort Hood are separated into two basic groupings:

First is support of the installation. These funds finance utilities, civilian pay, service contracts, and maintenance and repair of facilities. The basic determinant of the operating cost of installation services is the total population served, not the kinds of units stationed at Fort Hood.

Second is operating costs of the major units. These are the costs required to equip and train these units for combat and support functions and would be incurred wherever the unit was stationed. These funds finance operating supplies, gasoline, organizational clothing, and repair costs.

As you can see, operation and maintenance funds shape the quality of a soldier's working and living environment and his unit's operating environment.

Moving from the installation perspective, I will now summarize our budget request and highlight the major funding changes since enactment of the fiscal year 1975 appropriation.

ANALYSIS OF FUNDING CHANGES

The analysis of funding changes are shown on page 3.

Chairman McCLELLAN. We will look at them a moment and they can be inserted in the record.

[The information follows:]

ANALYSIS OF CHANGE

The major funding changes since enactment of the fiscal year 1975 appropriation are as follows:

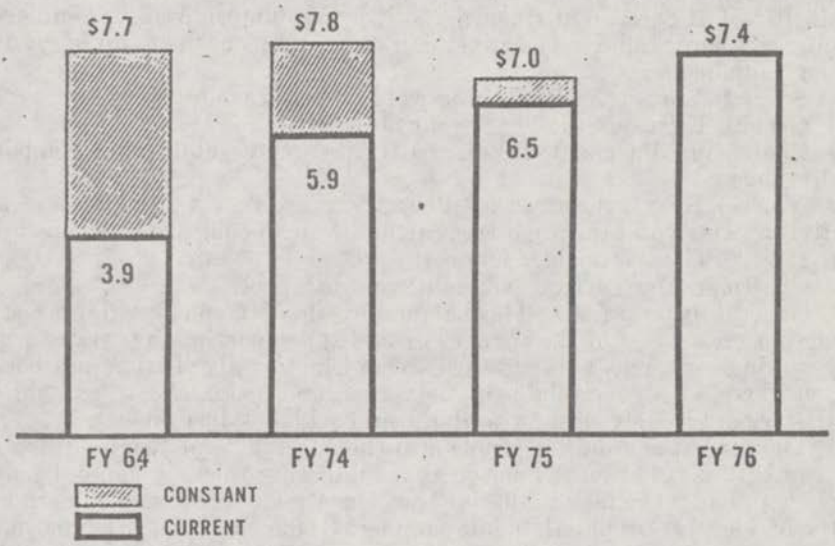
	Millions
Fiscal year 1975 appropriation	$6,137.6
Civilian pay supplemental	+275.5
Reprograming—inflation	+152.4
Rescission real property maintenance	−41.0
Fiscal year 1975 column, fiscal year 1976 budget	$6,524.5
Increases:	
Inflation	+353.7
Civilian personnel	+164.8
Combat forces	+91.7
16 divisions	(36.8)
Combat power—Europe	(33.6)
Camouflage screens	(16.5)
Other force structure	(4.8)
Training initiatives	+25.9
Training extension courses	(13.0)
One station training	(12.9)
Backlog reduction	+186.6
Real property maintenance	(75.7)
Depot maintenance	(96.9)
Care of supplies	(14.0)
MR-LOGAEUR	+9.5
Other	+96.2
Total increases	$928.4
Decreases:	
Reorganization/realignment	−$81.1
Support for commissaries	−37.2
Total decreases	−$118.3
	+17.4
Transfers: Fiscal year 1976 budget request	$7,352.0

Chairman McCLELLAN. We will proceed.

General KJELLSTROM. The major increase in fiscal year 1976 is not an accurate indicator of real program increase. Conversion of all fiscal years to dollars of the same value—constant dollars—reflects a true program increase of slightly over $300 million, mainly for tooth to tail improvement, and reduction in real property and depot maintenance backlogs. The balance of the increase is inflation in the costs of personnel and goods and services.

The Army is financing a 16-division force in fiscal year 1976 for significantly less than a similar size combat force cost to operate in fiscal year 1964. The following chart reflects this comparison:

OPERATION AND MAINTENANCE, ARMY
COMPARISON OF FISCAL YEARS
(EXPRESSED IN CURRENT YEAR AND CONSTANT DOLLARS)
($ IN BILLIONS)



16–DIVISION SUPPORT

Chairman McClellan. How are you supporting the 16 divisions for less than you did 3 or 4 years ago, with the inflation rate so extremely high?

General Kjellstrom. We analyzed our headquarters and our support requirements and reduced the size of the headquarters drastically over the period of the last few years, and we have streamlined our logistical procedures and we have taken a hard look at ourselves and converted support activities to combat activities. It was all done within the same strength.

Chairman McClellan. In other words, you have increased your combat strength by internal reorganization—so as to get more combat forces out of the number of people in the service?

General Kjellstrom. That is right, sir; with no increase in the number of active duty personnel.

Chairman McClellan. How much does that increase your combat personnel?

General Kjellstrom. From 1974 to 1976, we are increasing our combat units by 48 combat battalions. I go into that later in my statement.

Chairman McClellan. How many divisions would that be?

General Kjellstrom. 48 battalions—normally, in a division there are three to four battalions per brigade and three brigades per division.

Chairman McClellan. That is the equivalent of four additional divisions?

General Kjellstrom. Three, sir; plus additional nondivisional battalions.

Chairman McCLELLAN. I congratulate the Army on its reorganization efforts. It has achieved some very desirable results in my judgment.

Senator YOUNG. Would you have to draw on the Reserves more than in the past?

General KJELLSTROM. Yes, sir; the Department of Defense policy, and, the national policy, provides for utilization of the Reserve components in any major emergency. As you know, we do not have the draft to fall back on at this time so it is a volunteer Army, a soldier-citizen Army, and a very active reserve requirement made up of civilian components.

Senator YOUNG. Are the Reserves to be better equipped?

General KJELLSTROM. That is our objective.

Chairman McCLELLAN. You really have three additional combat divisions.

General KJELLSTROM. In artillery there are 3 or 4 battalions in a division and you can range from about 13 to 15 combat battalions up to 18 to 20. There is no fixed number.

Chairman McCLELLAN. All right, you may proceed.

General KJELLSTROM. The balance of this statement will discuss significant aspects of the changes in this appropriation in two distinct groupings—increases due to the external factors of inflation and personnel costs not controllable by the Army, and increases for Army initiatives in force structure, training, and backlog reductions.

The principal funding problem in the current fiscal year and fiscal year 1976 is inflation. Under current budgeting rules we can only include in budget requests inflation that has already occurred at the time the budget was prepared, in late summer. Under this rule, any inflation that occurs in the subsequent 18 months is not included. In periods of 3 to 4 percent annual inflation, we were able to take management action to absorb the cost. However, no reasonable action can be taken to absorb current annual inflation rates of 12 percent and more.

For fiscal year 1975, all inflation that occurred from July 1973 was not in the budget request. Two actions subsequent to the fiscal year 1975 request partially alleviated the inflation deficit—the OMA inflation reprograming of $152.4 million, which was approved at a $96 million level, and the POL amendment to the fiscal year 1975 request. We absorbed the remainder of about $360 million by reducing civilian personnel, exercises and unit training, flying hours, and installation support activities.

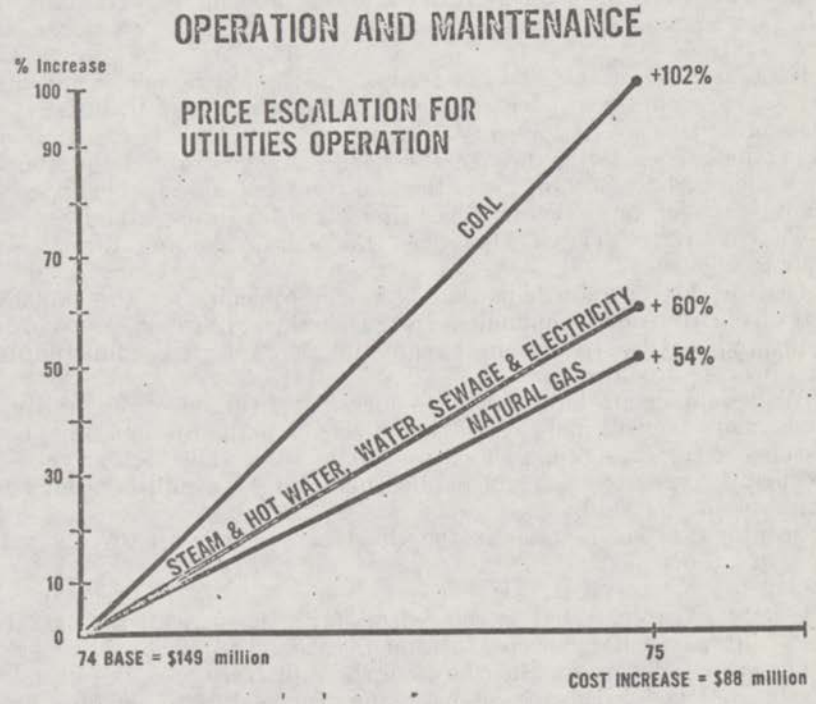
Stocks of repair and replacement parts are not being fully replenished. Backlog of equipment in installation and depot maintenance shops is increasing. The tempo of training has slowed through reduced days in the field, reduced major unit exercises, reduced qualification testing, and reduced vehicle densities in training.

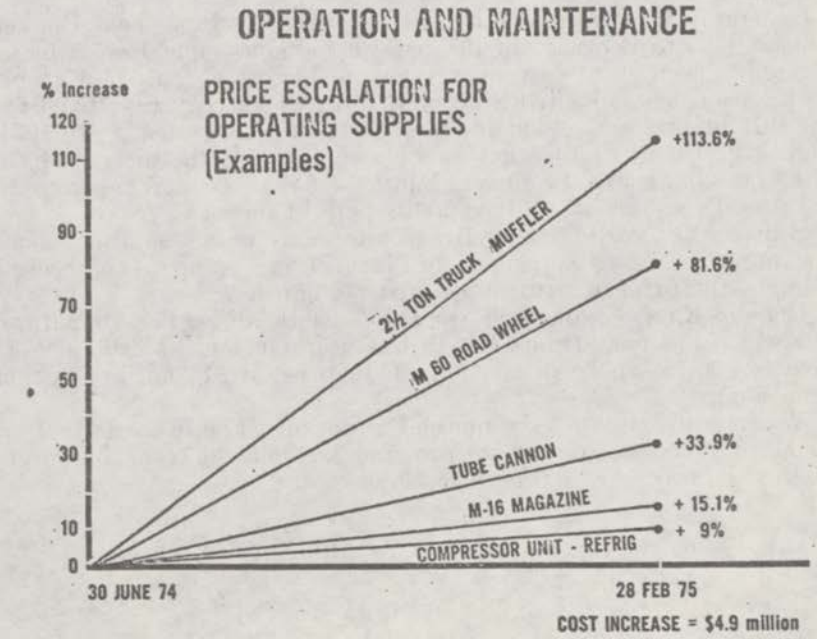
PRICE ESCALATION FOR UTILITIES OPERATION

The same inflation spiral affects the fiscal year 1976 request; except at a lesser rate than currently projected. For fiscal year 1976, we have included $514 million for inflation that had occurred up to budget preparation time, early fall of 1974. The inflation reprograming for fiscal year 1975 and the POL amendment included in fiscal year 1975 offset part of this addition, resulting in a net increase in the fiscal

year 1976 request of $212.3 million. However, since preparation of the budget, prices of goods and services have continued to increase, as shown by the following examples.

[The charts follow:]





REDUCED TROOP TRAINING

Chairman McCLELLAN. I notice that you have absorbed some of the inflationary costs by reducing training of the troops.

General KJELLSTROM. Yes, sir.

Chairman McCLELLAN. Why does it cost any more for training? The cost of food and clothing is the same for a soldier stationed at another base.

General KJELLSTROM. To the troops in armored divisions and air cavalry divisions we move vehicles and associated equipment; it is these costs that are involved. We train the individual soldier and we didn't have them lying idle in the barracks. We trained them and they marched to close-in areas but we were not able to perform as many battalion level exercises or brigade field training exercises.

Chairman McCLELLAN. How does this lack of training affect their combat efficiency?

General KJELLSTROM. Sir, that is a very difficult area to evaluate. All of our division commanders state that their divisions are combat ready and continue to be combat ready, but it is a degree of fine tuning that we are involved in.

We would like to have our units out in the field, our armored divisions, maneuvering more often than they do at the present time, but because of the constraints which we felt in 1975, we have been forced to curtail some exercises and reduce the number of battalion days of training in the field.

Senator YOUNG. I notice in the chart here coal is up 102 percent. Is that in price?

General KJELLSTROM. Yes, sir.

Senator YOUNG. What is the reason for that increase in coal? Is there any particular reason? I didn't realize it had gone up so much.

General KJELLSTROM. Sir, the coal, the unit price of coal and most of the coal is for Europe—it has gone from $41.87 to $80.05 a ton.

Senator YOUNG. That is U.S. coal?

General KJELLSTROM. Yes, and that was from the President's Budget time of 1975 to February of 1975, and it has since gone down a little. There has been an 81-percent increase in the cost of coal for Europe. In the continental United States our unit cost of coal was $10.50 for the 1975 budget submission and it was $33 a ton in September of 1974, and in February of 1975 it was $48 a ton, so that the increase from last year's budget to the current budget is 357 percent. When you put it in total perspective we have a 102-percent increase.

Senator YOUNG. The story I read must have been true, then, about the mine operators getting rich. Natural gas is up 54 percent. I thought the price of natural gas was regulated.

General KJELLSTROM. Well, sir, I do have the figure here on natural gas which has gone from $1.33 in last year's budget to $2.05 in February of 1975, up 54 percent, or an increase of $10 million in that item alone.

We have had some very unusual situations. For instance in Fort Leonard Wood we were using propane gas, and the costs there went from 87 cents to $2.73, a threefold increase.

I am confident, Mr. Chairman and Senator Young, that we haven't paid more than the regulatory bodies have authorized, where prices have been regulated.

Senator YOUNG. I didn't quite understand that.

Chairman MCCLELLAN. Interstate gas is generally regulated, but intrastate gas is not.

General WEST. Some States have control and others do not.

Chairman MCCLELLAN. All right, we will proceed.

General KJELLSTROM. On page 7 we have examples of increases in operating supplies which indicate the increased costs over a period of time.

Chairman MCCLELLAN. Since 1974, a 2½-ton truck has gone up over 100 percent?

General KJELLSTROM. That is a truck muffler—part of the exhaust system.

Chairman MCCLELLAN. It is just one item, one part of the truck?

General KJELLSTROM. That is right.

Chairman MCCLELLAN. That doesn't seem very significant—do you have to buy many of those?

General KJELLSTROM. Yes, sir, we do. We have to buy a lot of them and the muffler for the 2½-ton truck—the number we buy over a 1-year period, we bought 2,358, and it goes from a dollar value of $8.14 to a new dollar value of $17.39. These are examples of what has happened.

Chairman MCCLELLAN. These are just isolated instances that you have chosen for illustrations?

General KJELLSTROM. We did not select the extremes, Mr. Chairman.

Chairman MCCLELLAN. What is this next one?

General KJELLSTROM. This is for the M–60 tank, the road wheel which moves the track around, a device about a foot square.

Chairman MCCLELLAN. You have to buy those in spares?

General KJELLSTROM. Yes, sir, we do.

Chairman MCCLELLAN. Why didn't you show the inflation rate for the entire tank?

General KJELLSTROM. Well, sir, we don't buy the tank itself out of this appropriation. We buy only the repair parts for the tanks out of this appropriation.

Chairman MCCLELLAN. What is this tube cannon?

General KJELLSTROM. This is a gun tube for a tank. We buy the gun tubes for the tanks, and they wear out over a period of time. We buy 1,863; that is the demand in the year. They have gone from $4,670 to $7,124 so we have a dollar value involved going from $8,700,000 to $13,300,000.

Chairman MCCLELLAN. All right, you may proceed.

General KJELLSTROM. Some relief of these increased prices is provided through the announced stock fund price increase of 15 percent to be effective July 1, 1975. This added funding of $141.4 million should offset the major portion of supply cost increases occurring up to July 1, 1975. However, we currently estimate that the unbudgeted inflation in fiscal year 1976 will exceed $396 million. This figure is based upon a 7-percent inflation rate.

We face the challenge in fiscal year 1976 of coping with substantial unbudgeted inflation and the task of recovering from the impact of the fiscal year 1975 unbudgeted inflation.

Chairman McCLELLAN. Are you saying that you will have to come back for a supplemental?

General KJELLSTROM. No, sir, I am not saying we have to come back with supplementals because in the reports last year you suggested very strongly to the Defense Department that you did not expect supplementals but you expected us to manage from within our total funding. We did manage within our total funding and came back to you with a reprograming request to transfer money internally within the Army appropriations to cover this action.

This is not to suggest that any part of our request is soft and should be reduced now or we made this transfer willingly. We determined that to maintain the Army and to keep it operating, was a bit more important than buying some new equipment or spending a little more money in the R. & D. area and that is why we requested your authority to transfer funds.

Chairman McCLELLAN. I understand.

DIRECT HIRE CIVILIAN PERSONNEL

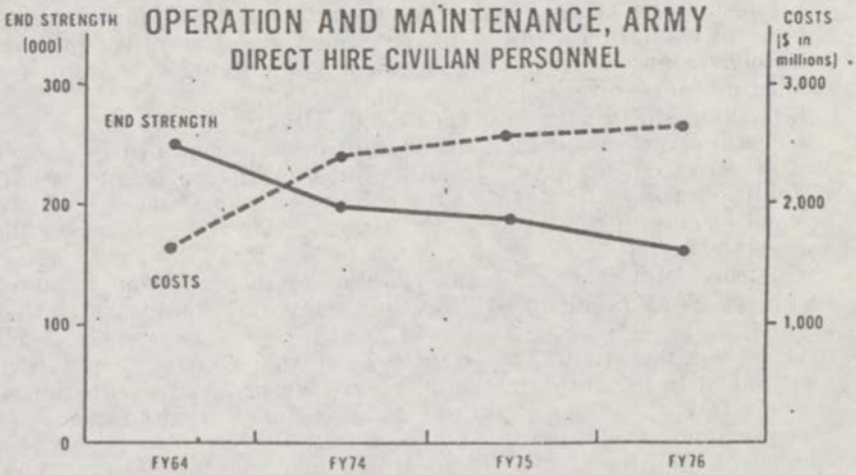
General KJELLSTROM. Civilian personnel costs for fiscal year 1976 are $3.1 billion or 42 percent of the appropriation. The principal increase for personnel is the annualized effect of fiscal year 1975 pay raises for U.S. and foreign national employees. These pay raises add $120.9 million to the request. No funds are included in the request for projected fiscal year 1976 pay raises.

A directed change for fiscal year 1976 in obligation procedures for Korean and Japanese employees, requiring current year obligations for accrued separation allowances, adds $31.1 million.

Personnel costs increase even with dramatic civilian strength reductions as the following chart illustrates. As you can see in this chart the costs are going up about $1 billion during this period of time.

This request would have been close to a billion dollars larger if these civilian personnel reductions resulting from reorganization, realignment, and productivity improvements had not been taken.

[The chart follows:]



END STRENGTH	253.1	197.1	192.3	189.1
[1] COSTS	$1643.7	$2437.2	$2,582.4	$2,650.1

[1] ACTUAL COSTS

COMBAT FORCE INITIATIVES

The Secretary of Army and Chief of Staff have described our combat force initiatives in depth. Included in this request is funding for the activation and operating costs of the additional divisions—7th Infantry Division at Fort Ord, the 5th Mechanized Infantry Division at Fort Polk, and the 24th Infantry Division at Hunter-Stewart; two additional combat brigades in Europe; and other force structure changes. Costs of these force structure changes are displayed below.

There is $30 million included for these structures in 1975 and $105.6 million in 1976. As I indicated before, this increase in Army combat strength, with no end-strength increase, adds 48 combat battalions to the Active Army from the end of 1974 fiscal year to the end of 1976.

FUNDING OF ARMY—FORCE STRUCTURE CHANGES

[Dollars in millions]

	1975	1976
16-division force	$13.7	$50.5
Increased combat power, Europe	7.8	41.6
Other force structure actions	8.8	13.5
Total	$30.3	$105.6

Chairman McClellan. Could you elaborate on this chart, please.

General Kjellstrom. The additional funding required to support the move from the thirteen division force to the sixteen division force will cost $50 million in 1976. There are additional costs, sir, related to the organization of the divisions and within the Operation and Maintenance Army appropriation.

Chairman McCLELLAN. What does the total $30.3 million represent?

General KJELLSTROM. As we increase our force structure or increase our combat power in 1975, we have spent $30 million on the improved combat power requirements.

Chairman McCLELLAN. And the $105.6 million?

General KJELLSTROM. That means in 1976 as we make a further move in this direction, we have a total of $105.6 million or an increase of $75 million, from 1975 to 1976. Of course, at the same time we reduced costs elsewhere in the Army in the transfer into the category of the force structure.

Chairman McCLELLAN. I notice you show an increased combat power cost from $7.8 million to $41.6 million. How did you arrive at that figure?

General KJELLSTROM. Sir, you will recall that Senator Nunn, in an amendment to the authorization bill last year, directed a reduction in support forces in Europe and the authorization bill authorized us to increase our combat power. As we reduced support and increased combat, it requires us to fund additional requirements. Furthermore there was one very important item there, Mr. Chairman, that I want to be very clear on. There is $19.5 million in the $41 million which is for increased civilian personnel in Europe in the base operations area.

Chairman McCLELLAN. Why did it increase the cost? Was it transferring them from desk jobs to combat positions?

General KJELLSTROM. Sir, we have increased units in Europe, combat units, and we have taken military specialists out of the support structure of many, many units, and the two brigades which we are going to have in Europe will be in Europe on a temporary duty basis without dependents. A portion of this $41.6 million was for transportation of the units rotating back and forth from the States. The net effect of this will be some reduction in permanent change of stations cost for military personnel, but an increase in the operation and maintenance for the temporary duty travel.

Chairman McCLELLAN. All right.

General KJELLSTROM. On page 10, the reduction of our longstanding maintenance and repair backlogs for facilities, equipment and supplies is a major Army goal in fiscal year 1976. Major increases in this request are necessary to reach that goal.

The worldwide inventory of Army-owned facilities exceeds $65 billion at replacement cost. These facilities consist of troop centers, training centers and schools, depots, arsenals and industrial facilities, proving grounds, and others. Over one-half of these facilities are 30 years old or older, and approximately three-fourths are at least 20 years old. Lack of maintenance accelerates deterioration; and replacing these facilities at current day prices would be prohibitive.

REAL PROPERTY MAINTENANCE

The fiscal year 1975 funding level did not permit a backlog reversal. The fiscal year 1976 budget reflects our determination to reduce the real property maintenance backlog. This planned level of funding over the next 5 years will reduce the backlog to a management level of less than $150 million.

The chart shows on the last line, Mr. Chairman, that the backlog has grown in 1974 by 37 percent, and in 1975 the backlog of real property maintenance will grow another 29 percent, and hopefully in fiscal year 1976, with funding support from the Congress we will be able to reverse that trend and reduce the backlog by 8 percent.

[The chart follows:]

OPERATION AND MAINTENANCE
REAL PROPERTY MAINTENANCE ($ IN MILLIONS)

PROGRAM	FY 74	FY 75	FY 76
Current Maintenance & Repair	$ 239	$ 264	$ 382
Backlog-Maintenance & Repair	79	42	80
TOTAL	$ 318 [1]	$ 306 [2]	$ 462 [3]
CHANGES IN BACKLOG			
Beginning Backlog	$ 299	$ 411	$ 529
Growth	191	160	38
Accomplishment	-79	-42	-80
Ending Backlog	$ 411	$ 529	$ 487
Growth Rate	+37%	+29%	-8%

1 Includes $24M Actual Reprogramming
2 Reflects $41M Recision
3 Includes $36M Estimated Reprogramming

DEPOT MAINTENANCE PROGRAM

General KJELLSTROM. Withdrawal from Southeast Asia and normal operations of combat forces have created large quantities of unserviceable equipment. Progress has been made over the past several years to steadily reduce the unserviceable backlog, yet this backlog still exceeds the management level—that level of backlog required on hand to insure uninterrupted production at depot maintenance facilities.

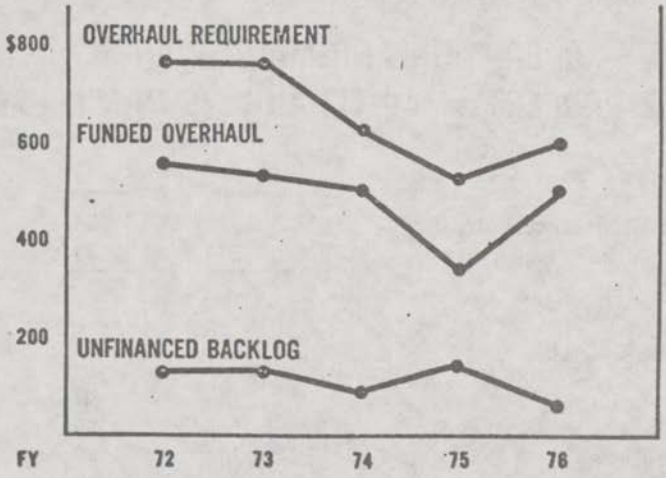
Depot maintenance backlog reduction adds $97 million to the fiscal year 1976 budget request. All assets scheduled for depot maintenance are within the Army's authorized acquisition objectives. Depot rebuild of unserviceable assets can be accomplished on the average at approximately one-fourth the item replacement cost through new procurement. The declining unfinanced backlog projections shown in the chart below reflect the Army's intentions to stretch its scarce resources by maintaining and rebuilding the equipment it needs.

[The chart follows:]

OPERATION AND MAINTENANCE, ARMY

DEPOT MAINTENANCE PROGRAM

($ IN MILLIONS)



General KJELLSTROM. The $9.5 million for Minimum Requirements Logistical Augmentation, Europe (MRLOGAEUR) is the only new start included in this request. This program, approved by the House Appropriation Committee on December 16, 1974, is a reasonable alternative to the previous LOCPORT plan. MRLOGAEUR maximizes use of allied resources and is essential to operational plans.

REORGANIZATION/REALIGNMENT

Major reorganization and realignment actions have been effected to provide resources—manpower and dollars—to improve combat strength of the Army.

These reorganization and realignment actions, including headquarters and support eliminations and reductions, base closures, revised stationing, air defense inactivation and reduced manpower and missions in Japan and Okinawa, provide $81 million to apply to combat structure.

The reduction in headquarters is particularly significant. The number of military and civilian personnel in headquarters is less than half of the 1969 peak year. Almost 26,000 headquarters positions have been eliminated. The most recent major reduction effected during late fiscal year 1974 and in fiscal year 1975, is a continuation of previous Army reduction accomplishments.

[The chart follows:]

ARMY MANAGEMENT HEADQUARTERS—STRENGTH CHANGES

	1969 actual	1974 request	1975 request	1976 request
Strength	47,484	33,614	28,720	21,817
Cumulative decrease		13,870	18,764	25,667
Percent decrease		29.2	39.5	54.0

The major reductions in depots announced in November to be completed during fiscal year 1976 result in no reallocation of resources in fiscal year 1976 because of one-time termination costs. Thereafter, however, the resources available for application to the combat forces approximate $75 million annually.

COMMISSARIES

In an effort to reduce Defense expenditures and to increase the share of the defense budget allocated to combat forces, a decision has been made to require reimbursement for all direct costs of commissary store operations except for the cost of transporting merchandise to overseas stores. These direct costs will be borne by commissary patrons beginning on October 1, 1975. On that date reimbursement of 50 percent of these costs will be required.

On October 1, 1976, and thereafter, 100 percent of the direct cost must be reimbursed. The $37.2 million decrease in fund support from the fiscal year 1976 Operation and Maintenance Appropriation represents the partial cost of wages paid to civilian commissary employees which will be borne by commissary patrons. The full cost of these wages, currently at $100 million, will be paid for by these patrons starting in October 1976.

Chairman McCLELLAN. Will commissary prices continue to be somewhat lower than those at local civilian operations?

General KJELLSTROM. The plan is to continue and provide savings to individuals. The magnitude of the savings will be reduced, of course, because of the increase in the surcharge.

Chairman McCLELLAN. You are trying to provide them the merchandise at the most reasonable cost possible, without subsidizing it?

General KJELLSTROM. That is correct, sir, without subsidization.

Chairman McCLELLAN. How much would you subsidize it now?

General KJELLSTROM. There will be some subsidy provided because of the overhead support by those activities not directly involved in commissary operations. For example, some controller support.

Chairman McCLELLAN. Overall, how much would it increase the cost of the goods to the servicemen above what they have been paying?

General KJELLSTROM. At the present time there is between a 20- and 25-percent savings on the market basket and the savings will be reduced to someplace between 10 and 15 percent.

Chairman McClellan. You are reducing about two-fifths?

General Kjellstrom. About 10 to 12 percent is the best estimate that we have now.

Chairman McClellan. So they will still be getting 50 percent of the benefit they have had in the past.

General Kjellstrom. That is the best estimate we have, Mr. Chairman. There is a task group which has been formed by the Secretary of Defense to determine what method of operation we will have.

Chairman McClellan. There is a lot of complaint about it?

General Kjellstrom. Yes, sir.

Chairman McClellan. The increase will cost them 12 to 15 percent over what they have been paying?

General Kjellstrom. Yes; and the impact, of course, will be on the junior enlisted men and the junior officers, the lieutenants and captains and our corporals and sergeants who are in the lower pay brackets.

Chairman McClellan. Is there any way to avoid this, to reduce the subsidy without penalizing the serviceman?

General Kjellstrom. Sir; I am placed in a position of defending the President's budget on a program which has been reduced by direction.

Chairman McClellan. I understand that.

General Kjellstrom. There is management action that can be taken to reduce the costs and the services.

Chairman McClellan. Are you saying there can still be administrative action taken that will further reduce the subsidy or further aid the patrons?

General Kjellstrom. There are some administrative actions which will enable us to hold the savings at the 15-percent level rather than to reduce the savings to a 10-percent level. That is why I qualified my 10 to 15 percent. There is practically nothing, in my opinion, that can be done to hold the savings at the 25-percent level.

Chairman McClellan. You are saying then that it will take some further administrative action to even hold it to 12½ percent?

General Kjellstrom. Yes, sir.

Chairman McClellan. The benefits they have received in the past will be cut in half?

General Kjellstrom. That is our estimation, sir.

Chairman McClellan. All right, will you please proceed.

General Kjellstrom. I would like to share with you the Army's many achievements in better managing its scarce resources. However, time will permit only a few brief remarks. We expanded our program of productivity enhancement through capital investment; launched a study relating the readiness of our forces to funding levels; achieved energy conservation objectives; and intensified our audits and inspection efforts to identify significant cost reduction opportunities.

ADP-related costs have been reduced by more than 20 percent since fiscal year 1974.

The joint uniform military pay system (JUMPS—Army) remains one of our most successful ADP systems. We now pay the entire Active Army of 785,000 from Fort Benjamin Harrison and are moving

to centralize the pay of our Reserve components. To illustrate the responsiveness of JUMPS, our soldiers received their W–2 forms—earnings statement—with their end-of-month pay of December 31, 1974, quite an improvement over the past. Automating the pay of our civilian workforce is our next goal.

In conclusion, I share the Chief of Staff's concern over the effects of unbudgeted inflation on the costs to adequately maintain and properly operate the Army. Inflation prevents us from doing what we must to train our soldiers and maintain the combat capability of our units. Inflationary pressures are more significant in this appropriation than in any other—we are funding the operation and training of combat units, the individual training of both military and civilian personnel, the operation of the Army's logistical system, the overhaul of major items of equipment, medical care, and the entire command, administrative support structure of the Army.

The funds in this budget request increase in actual dollars over previous years. However, considering inflationary impacts, the increase is minor and will be more than overcome by continued inflation.

With your support of this request, I feel that we can adjust to most of the fiscal year 1976 inflation problem and meet the highest priority requirement—a well-trained combat-ready Army.

QUESTIONS SUBMITTED BY CHAIRMAN MCCLELLAN

Chairman McCLELLAN. Thank you very much, General.

I have some prepared questions that I would appreciate your answering for the record.

General KJELLSTROM. Yes, sir.

[The questions and answers follow:]

COST OF RECRUITING PROGRAM

Chairman McCLELLAN. What is the total cost of the recruiting program in 1976 compared with 1975? Compare the cost per accession in the two years. Provide a detailed breakdown of the components of recruiting costs for the record.

General KJELLSTROM. The total Army cost of recruiting including examination in FY 1976 is $287.9 million compared to $292.2 million in FY 1975, a net reduction of $4.3 million. When compared in FY 76 constant dollars after adjustment for GSA leases, a decrease of $26.6 million in purchasing power is experienced when comparing FY 75 to FY 76. While the cost of recruiting an Army accession in current dollars reflected a slight increase from FY 65 to FY 76, the cost in constant dollars to reflect purchasing power remains virtually unchanged between FY 75 and FY 76:

Fiscal year 1975:	
Current dollars	1,175
Constant dollars	1,293
Fiscal year 1976:	
Current dollars	1,292
Constant dollars	1,292

Computations based on Army's proportionate share of AFEES, lease and DoD institutional advertising costs. Since the FY 76 accession program is lower than FY 75, reductions have been applied in the UOC program ($-8.0 million and 850 end strength in canvasser personnel).

RECRUITING COSTS, ACTIVE DUTY, FISCAL YEAR 1974–76 [1]

	Fiscal year 1974		Fiscal year 1975		Fiscal year 1976		Fiscal year 197T	
	End strength	Amount (thousands)	End strength	Amount (thousands)	End strength	Amount (thousands)	End strength	Amount (thousands)
Headquarters activities: [2]								
Officers	221	$3,930	213	$4,096	213	$4,151	213	$1,047
Enlisted	549	[4] 4,190	533	4,744	533	4,707	533	1,176
Civilian	542	5,112	542	5,884	542	6,428	542	1,607
Field activities:								
Officers	595	8,198	555	10,853	555	10,817	555	2,728
Enlisted	7,512	[4] 57,367	6,901	63,188	6,901	60,943	6,901	15,943
Civilian	584	5,471	696	5,857	696	6,300	696	1,575
Support cost		42,022		[3] 63,062		[3] 66,707		15,908
Advertising service		38,261		43,050		45,750		16,300
Advertising instutional		0		3,400		3,400		850
Procurement items		0						
Medical recruiting:								
Officers	57	1,014	56	1,066	56	1,091	56	275
Civilians	33	312	33	317	33	335	33	83
Support cost		111		111		111		27
Unit of choice:								
Enlisted	1,572	9,155	[5] 1,150	11,934	300	6,402	300	662
Support		19,000		17,000		9,000		2,225
Armed Forces examining and services stations:								
Officers	225	4,659	190	3,917	190	3,703	190	9341
Enlisted	896	8,290	754	7,234	754	6,659	754	1,664
Civilian	1,136	13,385	1,199	13,689	1,199	14,908	1,149	3,727
Support cost		6,441		[3] 22,091		[3] 23,691		4,840
Career counselors	700	5,651	708	6,173	708	6,252	708	1,562
Revitalization of reenlistment program		3,240		1,200		1,200		300
Leased family housing for recruiting		2,564		3,379		5,358		845
Total	14,622	$238,373	13,530	[3] $278,913	12,680	[3] $278,913	12,630	$74,278

[1] This account based on the 1976 President's budget.
[2] Display includes HQ USAREC and region headquarters.
[3] Lease costs are recruiting ($26,632) and Armed Forces Examining and Entrance Stations ($10,508), for fiscal year 1975 and fiscal year 1976 lease costs are recruiting ($90,071) and Armed Forces Examining and Entrance Stations ($7,603).
[4] Includes OOE overstrength authorization, (473).
[5] Due to current recruiting success this ES will be lowered during 3d and 4th quarters, fiscal year 1975.

Comparisons With Fiscal Year 1974 and Fiscal Year 1975

Chairman McClellan. Compare the number of military and civilians being trained in 1976 with the two previous fiscal years.

General Kjellstrom. The number of military and civilians being trained in FY 76 compared with the two previous fiscal years is as shown below:

	Military	Civilian
Fiscal year 1976	620,825	119,434
Fiscal year 1975	639,024	108,600
Fiscal year 1974	535,430	97,240

Chairman McClellan. Provide a comparison of the number of beneficiaries being treated at military hospitals in 1976 with the two previous fiscal years. What proportion goes to active/retired/dependents?

General Kjellstrom. The number of beneficiaries by category being treated in Army hospitals expressed as a average daily inpatient load follows:

[Fiscal years]

	1974 actual	1975 projected	1976 projected
Active	4,501	4,475	4,520
Retired	985	933	937
Dependents	2,842	2,573	2,583
Other	536	284	282
Total	8,864	8,265	8,322

Cost of Dependent and Retired Population

Chairman McClellan. To what extent do dependents and military retirees drive the costs of Army Installations? (Your statement says the basic determinant of the operating cost of an installation is the total population serviced. Are costs in direct proportion to active percentage, retired percentage, and dependents? Or do active forces cost more or less, etc?)

General Kjellstrom. The Army's accounting and reporting system does not permit the maintenance of complete and detailed data on the proportionate installation costs attributable to active, retired, and dependent personnel. For selected areas data is maintained on the category of user. For example, the following data show the proportions of beneficaries for medical care, but do not indicate the proportionate costs. The fixed cost for medical care could not be reduced proportionately with the elimination of one category of personnel.

	Estimated fiscal year 1976
Active	4,520
Dependents	2,583
Retired	937
Other	282
Total	8,322

However, the majority of activities; particularly Base Operations, do not lend themselves to distribution by personnel user category.

The total population serviced by an installation is the primary cost determinant; active personnel are the largest personnel component of that cost. For installations containing tactical divisions more dependents are normally authorized because of grade structure than for installations which have individual basic training as a primary mission. Similarly, installations located near retirement preference areas devote more resources to retired personnel than tactical or training oriented installations. For the Army as a whole, however, cost is dominated by the number of active personnel rather than retired and dependents.

Changes in the Appropriation

Chairman McClellan. Explain the increase for "other force structure" amounting to $4.8 million.

General Kjellstrom. "Other force structure" relates to force structure actions other than the three new divisions. Other force structure is separately identified simply because of the high visibility of resources devoted to the three new divisions. The $4.8 million increase is for the Air Cavalry Brigade and 1st Cavalry Division at Fort Hood, activation and operating costs of a brigade at Fort Carson, and nondivisional artillery, engineer, and Ranger Battalions at various CONUS locations.

Chairman McClellan. Compare the budget requests, the amounts appropriated, and the "floor" on real property maintenance with the amounts actually spent on this maintenance for the past four years.

General Kjellstrom. The comparison is as follows:

Fiscal year	Original budget request	Amount appropriated	Actual obligations	Statutory floor
1971	$220,000	$240,800	$310,439	$220,000
1972	258,000	284,673	375,610	240,000
1973	325,800	336,892	391,086	231,000
1974	308,359	307,591	380,198	246,000
1975	396,000	341,306	----------	[1] 334,500
1976	446,336	----------	----------	400,000

[1] Adjusted for Rescission of $20.5 million.

Absorption of Price Increases

Chairman McClellan. Give some specific examples and describe the impact of each reduction made in order to absorb $360 million increase resulting from inflation.

General KJELLSTROM. The following are examples of funding actions taken by the Army to live within reduced funding levels:

Reduced transportation requirements.

Reduced depot maintenance overhaul/rebuild.

Reduced flying hours.

Hire freezes and reductions-in-force.

Reduced JCS exercises.

Reduced installation support—DS/GS maintenance, communication services, transportation services, overall standard of living reductions and deferrals.

Suspension of most unit training above platoon level.

Reduced hand-on training in Advanced Individual Training Courses including gunnery, combat vehicles, engineer equipment and weapons training.

Crew qualification for missiles, tanks, APC, artillery has been delayed or cancelled.

An administrative deadline of combat vehicles and aircraft.

This will result in:

Distortion of the supply system due to the inadequacy of demand data causing increased order/ship time and increased dues out in FY 1976.

Deferring FY 1975 requirements which result in many items to be purchased in FY 1976 at higher cost due to inflation. FY 1976 acquisitions are already underfinanced for current inflation.

Increased diversion of military personnel to installation support functions.

The result of these impacts is a curtailed Army training program to absorb the shortages in funds.

STOCK FUND PRICE INCREASES

Chairman MCCLELLAN. Explain the significance of the $141.4 million that will be "added funding" as a result of stock fund price increases. What is the ostensible purpose of the 15% price increase?

General KJELLSTROM. Stock fund items should be sold at a price consisting of the current product cost plus a surcharge designed to compensate for transportation costs, obsolence, and losses being experienced. For the past several months we have experienced a severe drain on available stock fund cash because we could not change standard prices fast enough to keep pace with the rapidly escalating inflation. The $141.4 million represents the Operation and Maintenance, Army portion of the DOD $500 million stock fund price increase. The 15% increase included in standard stock fund prices is necessary to satisfy the responsibility of the Secretary of Defense for establishing stock fund pricing policies which will ensure uninterrupted supply support while at the same time maintaining the solvency of the fund.

Chairman MCCLELLAN. What rate of inflation was it based on? What if inflation exceeds or is lower than the amount assumed, what would be the impact? Doesn't the stock fund price increase, in effect, amount to budgeting for inflation in the Operation and Maintenance account?

General KJELLSTROM. Policies prescribed by the Office of Management and Budget do not permit us to budget for inflation in our estimates in the operating accounts. Consequently, future inflation must be accommodated within the total appropriation request. In developing the price structure for FY 1976, we did not approach it from the standpoint of projected inflation as it may affect product cost, but rather from the standpoint of projecting the overall stock fund cash position. The 15% price increase was provided principally to compensate for the time lag between procurement of items at rising prices and the passing on of these increased prices to consuming Operation and Maintenance and other appropriations. The funding requested in Operation and Maintenance is for announced, established stock fund prices and not for projected increases.

BASIS OF ESTIMATED INFLATION

Chairman MCCLELLAN. Explain the basis for the estimated unbudgeted inflation of $500 million.

General KJELLSTROM. The $500 million estimated unbudgeted inflation was developed based on a 12% annual inflation rate. Consistent with the declining inflation rates currently being experienced we have revised our estimate for unbudgeted inflation to $396 million. The $104 million reduction results from use of an inflation rate of 7% vice 12% for the July, 1975 to June, 1976 time period.

Fiscal year 1976 President's budget estimate	$7,352,000,000
Less personnel compensation to reach inflation base	−3,885,662,000
Noncompensation inflation base	3,466,338,000
July 1974–June 1975 inflation at 11.6 percent	402,095,000
July 1975–June 1976 inflation at 7 percent [1]	135,395,000
Fiscal year 1976 total expected inflation	537,490,000
Less: stock fund price increase	141,400,000
Fiscal year 1976 total unbudgeted inflation	396,090,000

[1] 3.5% effective rate.

Training Extension Courses

Chairman McClellan. How much of the amount for Training Extension Courses is for the Active Army, and how much for the Reserve Components? How many of each of the lessons? Will this result in an increase in readiness or a decrease in the training costs of other areas?

General Kjellstrom. Of the $13.064 million requested for Training Extension Courses (TEC), $8.094 million is for the Reserve Components and $4.970 million for the Active Army. There currently are 675 TEC lessons being prepared for production and distribution. Of these, the Reserve Components can utilize 595. The Reserve Components do not have the equipment capabilities to utilize the remaining 80 lessons. Lesson validation data and MOS test score results have demonstrated that skill levels can be raised significantly by the individual soldiers' use of TEC in field units. This has a direct impact on unit readiness and is especially appropriate for raising readiness of the Army Reserve Components. Based on a recent analysis by the US Army Research Institute, the TEC Program will provide greater instructional benefit at a slightly lesser cost than conventional instruction. Due to the extensive in-house development within each Army school prior to contractual support, there is no potential for decreased training costs in the immediate future. However, the quality of training produced by each training dollar will be higher.

One Station Training

Chairman McClellan. The Committee was under the impression that One Station Training (OST) was primarily designed to reduce permanent change of station travel costs. What is the Army's overall plan for One Station Training—The places where it will take place, which installations will lose which functions, etc. and the total cost as well as projected savings per year. Is this really a cost effective program, or does it merely result in a qualitative improvement without significant cost savings?

General Kjellstrom. The primary purpose of OST is better training. This is to be accomplished by providing the soldier a professional home where expertise is shared between schools and training center and a feeling of association and continuity is provided during the transition from Basic Combat Training (BCT) through Advanced Individual Training (AIT) to the Noncommissioned Officer Education System (NCOES). One Station Training was not designed to save Permanent Change of Station (PCS) money. It is estimated that some savings may accrue as the result of fewer miles traveled, but these savings will be offset by the higher cost of moving more personnel as individuals rather than large groups.

One Station Training has the potential of providing adequate training in less time. However, savings from course length reduction are precluded by assignment restrictions of Public Law 51 which currently requires four months training prior to overseas assignment. The current BCT/AIT program is in syncronization with this limitation. Thus, if training requires less time, deadtime occurs before movement overseas. The proposed change to Public Law 51 was not enacted by the 93rd Congress, and it is being requested again before the 94th Congress.

The following chart reflects funds associated with One Station Training:

	MCA	OMA
Fiscal year:		
1974	$2,978,000	
1975	25,704,000	$8,343,000
1976	86,468,000	15,396,000
1971		1,624,000
1977	98,686,000	4,221,000
Post fiscal year 1977	91,321,000	[1] 4,221,000

[1] Recurring.

Additionally, One Station Training will allow the disestablishment of the Army Training Centers at Ford Ord and Fort Polk and will at the same time release facilities for Division activations at these locations. It will give up some existing facilities at Ft. Dix in FY 78. Signficant MCA construction would have been necessary to replace aging trainee support facilities within the training base. In Feb. 74 this cost avoidance was estimated to be a little more than $310 million in MCA funds.

One Station Training is a phased plan through FY 78. Currently partial OST is taught at six installations: Fort Knox (Armor); Fort Polk (Infantry); Fort L. Wood (Engineer); Fort Jackson, Fort Ord and Fort Dix (Combat Support). In FY 76, Fort Gordon (Signal), Fort Sill (Field Artillery) and Fort Bliss (Air Defense Artillery) will begin OST. Advanced Individual Training will be established at Fort Benning so it can be postured to conduct One Station Training in the future. The Army Training Centers at Fort Ord and Fort Polk will lose their training mission and become FORSCOM Division posts. In FY 78 Forts Benning (Infantry) and McClellan (Military Police) begin OST and the Army Training Center at Fort Dix will be disestablished. The final realignment will establish professional homes for Infantry, Military Police, Armor, Field Artillery, Air Defense Artillery, and Signal. Those Engineers attending Advanced Individual Training at Fort L. Wood will be One Station trained, however, some Engineer AIT will be conducted at Ft. Belvoir.

Rescission of Real Property Maintenance Funding

Chairman McClellan. What would have been the impact if the real property maintenance funds had been rescinded as proposed by the President? The material submitted to the Committee indicated that there would have been little impact in the small deferral to the next fiscal year.

General Kjellstrom. The impact of the rescission as proposed by the President would have the immediate effect of increasing the backlog of maintenance and repair by at least the amount of the rescission. Any reduction to the maintenance and repair program will reduce the provision of a meaningful maintenance program. Backlog project costs will increase due to deterioration and inflation. Also reductions undermine the Army's effort to maintain facilities to prescribed standards.

Chairman McClellan. Describe the basis for attempting to reduce the backlog of maintenance to a level of $150 million.

General Kjellstrom. The Army's goal is to reduce the backlog to an acceptable and manageable level by the end of Fiscal Year 1981. This is in line with the Army's commitment to the Congress to develop a meaningful maintenance and repair program to improve our physical plant and preclude the early replacement of facilities with the Military Construction Appropriation.

The objective of reducing the backlog of maintenance and repair to $150 million was a limited one based on funding programs used in development of the Army's budget request.

The level of backlog of maintenance and repair which is considered acceptable and manageable is in the order of twenty percent of our annual recurring requirements for maintenance and repair, or some $80–$100 million.

In the past years when funding programs were well below the amounts required to satisfy annual recurring maintenance, the Army's backlog increased rapidly. This is shown by the rise of backlog from $222 million in Fiscal Year 1972 to $411 million in Fiscal Year 1974 and estimated at $508 million for Fiscal Year 1975.

Depot Maintenance

Chairman McClellan. What is meant by unserviceable equipment? Is this equipment that must be sent to depots rather than repaired at lower maintenance activities? What is the goal in terms of the backlog for depot maintenance?

General Kjellstrom. Unserviceable equipment requiring depot maintenance exceeds the capability and/or capacity of direct and general support maintenance units.

The goal in terms of the backlog for depot maintenance is what is referred to as the maintenance management level. This is that quantity of unserviceable assets that has been determined as required to be on hand in order to insure continued production in the maintenance facility. In general terms, the management level is 25-percent of the projected unserviceable generations of end item. For aircraft equipment, a factor of one-twelfth of the generations is used. Unserviceable generations are projections of equipment which will require depot maintenance and these projections are based on usage data; i.e., age, condition, miles, hours of operation, etc.

Chairman McClellan. Describe in general terms the types of equipment being issued to new combat units that will be overhauled in the FY 1976 program. Is there a conscious attempt to give the new combat units repaired vs new equipment?

General Kjellstrom. Equipment being issued to new combat units will be both new and repaired. Equipment being overhauled in the FY 1976 depot maintenance program is to fill the supply distribution requirements of the Army based on the Army Master Priority List (DAMPL). As equipment is scheduled to become available, either from new procurement or overhaul, it is designated for distribution to fill unit shortages based on the priorities of the units.

MR-LOGAEUR

Chairman McClellan. Describe the purpose and general nature of the MR-LOGAEUR plan. Also give the full cost, as well as the annual cost, and the amount to be contributed by our NATO allies.

General Kjellstrom. When the US withdrew from France in 1967 US Army, Europe (USAREUR) lost is wartime line of communication into Central Europe. Commensurate with this withdrawal, a Lines of Communication/Port Operations (LOC/Port) plan was initiated to develop a wartime LOC through the [Deleted]. The SECDEF approved the LOC/Port plan in 1969 and the Secretary of the Army, Chief of Staff of the Army and CINCEUR supported that plan in testimony before Congress; however, the House Appropriations Committee (HAC) disapproved the Army's request for FY 71 and subsequent years' appropriations to support LOC/Port. No funds were requested for the plan in the FY 74 budget.

As a result of these actions, the Army developed a new plan which deleted previously voiced congressional objections. On 5 June 74, the SECDEF approved a Minimum Required-Logistic Augmentation, Europe (MR-LOGAEUR) plan to [Deleted]. The plan is based upon the framework of existing government-to-government [deleted]. Technical agreements for certain specific functional support areas such as labor, utilities and transportation are completed or under negotiation with these countries with an expected completion date of 30 June 75.

The MR-LOGAEUR plan was briefed to Staff Assistants of the HAC, SAC, SASC and HASC and the plan was favorably received.

Total cost and annual costs are as follows:

[In millions of dollars; fiscal years]

	1976	197T	1977	1978	1979	1980	Total
OMA							
Program 2	2.3	1.0	4.0	4.1	3.5	2.5	17.4
Program 7	7.2	1.5	4.5	1.3	.6	.....	15.1
Total	9.5	2.5	8.5	5.4	4.1	2.5	32.5
Procurement, Other	10.4	.....	7.0	4.5	.3	.....	22.2

Construction for storage facilities for prepositioned equipment will be funded with $8.1 million of NATO Infrastructure funds under the Fast Relocation from France (FRELOC) Reimbursement Agreement.

Commissary Support

Chairman McClellan. What is the Army's position on reduction in commissary support? Does the Army consider commissary savings to be a part of compensation of military personnel?

General Kjellstrom. The Army supports the Presidential decision to reduce the appropriated fund subsidy of commissary stores; however, reduction in commissary support will reduce the savings previously available to commissary store patrons. Lower savings will also reduce the value of commissary stores as a recruiting and retention attraction. For the career man, this represents the termination of a major fringe benefit. Increased prices resulting from the reduction in support will create an adverse morale impact as the military member will perceive this action as a breach of implied contract. This benefit is judged by the service member as part and parcel of the contract he made when he signed up. The resulting increase in food costs is not offset by any adjustment in military pay. This benefit is equally applicable to both active duty and retired military personnel. Personnel, both active and retired, consider the commissary benefit as part of their pay. Any curtailment of it, particularly for those with low fixed incomes, is a serious concern. During all readjustments of military pay, the commissary privilege has been taken into account.

Cost of 16-Division Force

Chairman McClellan. Provide a summary of the overall cost of 16 vs 13 divisions, both the one time costs and the recurring additional cost to maintain the extra three divisions.

General Kjellstrom. The one time and recurring costs to organize and maintain the three new divisions in FY 76 is as follows:

[In millions of dollars]

Division	1-time	Recurring
7th Infantry, Fort Ord	10.8	7.1
24th Infantry, Hunter Stewart	10.6	8.2
5th Mechanized, Fort Polk	9.0	4.8
Subtotal	30.4	20.1
Total	50.5	

The data shown above reflect the one time and recurring costs for FY 76 only. For subsequent years, one time costs will disappear while the recurring costs will increase because most of the units are to be activated in late FY 76.

Productivity Enhancement

Chairman McClellan. Provide details for the record on each capital investment made to enhance productivity through recurring annual savings.

General Kjellstrom. The following provides details on each capital investment made to enhance productivity through recurring annual savings. Since my opening statement, 4 of the 27 projects have been reevaluated and cancelled. As a result, the remaining 23 projects were funded at an investment cost of $531,279 with estimated annual recurring savings of $648,288.

CAPITAL INVESTMENT PROGRAMS

Project	Command	Investment	Annual savings
1. Check bursting machine	AMC	$3,795	$2,038
2. Simulator/statistical analyzer calculator	AMC	25,000	31,208
3. MT/ST typewriter	AMC	7,920	5,280
4. Mechanical filing system	AMC	31,211	21,500
5. Word processing center	AMC	22,000	10,603
6. Electrical capacitors	TRADOC	5,300	2,822
7. Intrusion detection system	TRADOC	17,221	38,259
8. Automatic controls for boiler plant	TRADOC	8,000	49,380
9. Chlorine cylinders	TRADOC	10,500	7,950
10. Programable calculators	TRADOC	3,597	2,983
11. Laundry equipment	TRADOC	81,600	65,044
12. Lime silo	TRADOC	10,000	14,880
13. Navigational training equipment	TRADOC	4,356	6,427
14. Cross folders	USMA	25,000	30,000
15. Spreader-feeders	USMA	21,000	30,000
16. Hydraflew-hydraxator	USMA	41,650	20,000
17. Unipress	USMA	30,000	40,000
18. Laundry equipment	FORSCOM	84,000	52,000
19. Programable calculators	FORSCOM	2,655	2,214
20. Power mowers	FORSCOM	77,000	225,000
21. Duplicating machine	ACC	1,824	5,500
22. MT/ST typewriter	ACC	3,014	2,700
23. Bin collator	ACC	3,836	2,500
Total		520,479	668,288

Joint Uniform Military Pay System

Chairman McClellan. Provide a description of the objective of the Joint Uniform Military Pay System, the total cost and current status.

General Kjellstrom. JUMPS-Army is a system that was devised to pay all active duty personnel from a central point within the Army. The objective is to apply the best and most efficient management and operating techniques in making payments to members. Also, the objective is to (a) eliminate or reduce erroneous or illegal payments, (b) develop greater precision in payment and collection actions, (c) produce from the pay data bank, data and reports which formerly were available only through special statistical and reporting methods outside of the pay system, and (d) develop better interface with personnel and other related systems, and provide more effective support to military pay appropriation and resource management systems.

The estimated cost for FY 75 is $7.1 million. It is estimated that the cost for FY 76 will be $7.9 million.

The term "JUMPS-Army" now relates to three pay systems, which are pay of Army members on *active duty, retired,* and in the *Reserves.* All active duty and retired Army members are paid under JUMPS from the U. S. Army Finance and Accounting Center.

Payment of the Reserve Components, at this time, covers only Inactive Duty Training (IDT). Accounts for these Reserve Components are in the process of being centralized at the Finance Center. Conversion began in March 75. Full implementation is scheduled to be completed by November 1975. The conversion to JUMPS of the Active Duty Training payments is a future objective.

Automatic Data Processing Facilities

Chairman McClellan. What does "satellization of ADP facilities studies" mean? Please explain.

General Kjellstrom. "Satellization of ADP facilities studies" means studies which evaluate the monetary and non-monetary tradeoffs involved in proposals to provide data processing operational support from one central ADP facility. There are two basic variations of the concept. The first is the situation where small geographically separate activities and installations, who cannot justify the ADP equipment required for the processing of Army standard systems, are supported from one central ADP facility. The second is the situation where the data processing operational support required by the host and all tenants at one installation is provided by a consolidated central ADP facility. Increasing personnel costs exert strong pressure toward consolidation and regionalization of ADP support facilities; however, decreasing hardware costs and relatively stable communications cost argue against consolidation above some level of economic tradeoff.

Chairman McCLELLAN. Give some examples of the integration of software research and development efforts that have occured in 1975. What savings, if any, have been generated, or what costs have been avoided?

General KJELLSTROM. The program to integrate software research and development is just getting off the ground. By "integrate" we mean bringing together under one focal point the independent efforts of seven separate Army software developing agencies. Examples of these agencies are the Army Materiel Command, the Computer Systems Command, and the Army Research Office. In addition, the participation of using agencies is encouraged. We believe that the efforts of some of these organizations are similar or overlapping. One of the purposes of integration is to identify the unnecessary duplication and eliminate it by integration of effort. This will be accomplished by critical review of both ongoing and proposed projects. Although no savings have been generated to date, we believe that the potential for savings does exist, however, it cannot be realized until the integration of effort is accomplished. The program will also result in cost avoidance through improved techniques for software development, a forum for exchange of ideas and products, and improved Department of Army monitorship and control.

OUTPUT OF RESOURCES

Chairman McCLELLAN. What is meant by the ability to measure the output of 65% of your Operation and Maintenance, Army resources and how is it measured?

General KJELLSTROM. We have quantitative measurements descriptive of what is accomplished in the various force programs in OMA. These measurements cover approximately 65% of the functions in OMA. For example:

Program 7–S: Short tons of supplies shipped, processed, and stored.

Program 7–M: End items overhauled.

Program 8–T: Training load.

Program 8–O: Cost per recruit and examination.

Program 8–M: Medical care composite units, patient days, and outpatient visits.

Chairman McCLELLAN. Does output measurement include cost of people, or are the costs of the civilian personnel considered a level of effort function?

General KJELLSTROM. In those areas where we have an output measure, the costs of civilian personnel, as well as other object classes, are included in relating resource requirements to the quantitative measures of output. Level of effort functions consist mainly of personnel costs; for example, headquarters, where no quantitative output measure appears feasible.

Chairman McCLELLAN. What advantage would be gained from quantifying the output of all of your OMA resources?

General KJELLSTROM. The principal advantage is that we would be able to relate Army functions, expressed in quantitative terms, directly to the resources required to accomplish those functions, i.e., the number of people and dollars necessary to train 50,000 recruits. At present, we have quantitative factors identified for approximately 65% of the appropriation that partially or wholly can be expressed in resource/output relationships. We are attempting to improve current measurements and develop added measurements. However, some areas do not lend themselves to quantitative measure, i.e., headquarters, intelligence, communications, and support of other nations.

Chairman McCLELLAN. How many weeks of training per year has each division and combat support and service support unit undertaken in each of the past two years (FY 1974 and FY 1975) compared with FY 1976? What other levels of readiness measures are available? Provide similar comparisons.

General KJELLSTROM. Each division and combat support and service support unit has trained year round during FY 1974, FY 1975, and FY 1976. Reduced funding levels have not shortened the training year; rather, the impact for some units has been a reduction of training intensity. For example, one division planned to send a battalion to the Northern Warfare Training Center in Alaska during FY 76 but sent a company instead. Other examples can be cited where training has been reduced in scope. As this occurs, units concentrate on the training of platoon and company-size units at closer in training sites. Commanders continually evaluate their training programs in light of funds available and conduct the best training possible to ensure combat readiness. Less funds impact on the ability of a unit to reach peak degrees of readiness. To date there is no evidence that readiness has gone below an acceptable level because of funding constraints. In some cases, units have not been able to achieve the

desired level of environmental training or battalion level and above field training exercises.

In addition to levels of training readiness, units report monthly personnel and logistical readiness and an overall readiness condition. Other measures to determine training readiness levels are unit operational readiness training tests, normally conducted annually, individual and crew weapons qualification, and training evaluation visits conducted by higher level commanders.

Recent Changes in Weight Allowances

Chairman McClellan. Has there been any change made in the past year in the weight allowance for household goods shipments on unaccompanied tours in the pacific? Describe it. Compare Army baggage allowances with those of other Services.

Answer. There has been no change in the weight allowance for household goods shipments for unaccompanied tour areas within the past year. The Army and Air Force have the same weight allowances for unaccompanied baggage shipments. These vary by grade as follows: Officers, 08 and above—1,000 pounds; officers, 06 and 07—800 pounds; officers, 05 and below—600 pounds; enlisted-E–4 with 2 years service and above—400 pounds; and enlisted-E–4 with less than 2 years service and below—225 pounds.

The Navy and Marine Corps have no specific weight allowances but control the amount that can be shipped by defining specific categories of property which can qualify as unaccompanied baggage. The only exception to this policy is a Marine Corps administrative restriction which limits unaccompanied baggage to 500 pounds for all personnel E–4 with over 2 years service and above who are assigned to Fleet Marine Force, Western Pacific. This was raised from 250 pounds in January 1975.

Fiscal Year 1975–76 Analytical Studies

Chairman McClellan. Provide a list of all Army agencies involved in analytical studies in FY 75 & 76. (This should include all agencies primarily engaged in operations research and systems analysis (ORSA) activities.) For each organization, as well as for the total Army effort, provide for FY 75–76 staffing levels, both military and civilian, contractual efforts, total budget authority, and computer resources available. Also, give a mission and responsibility statement for each agency.

Answer. Within the Army there are six agencies/activities and two elements on the HQ Department of the Army Staff which are primarily involved in analytical/ORSA activities. Within these organizations, projected to the end of FY 75, there are 321 military and 743 civilian professionals combined with 297 clerical (44 military and 253 civilian) personnel involved in analytical work. The above figures will be increased by 15 military professionals and 109 civilian (94 professional and 15 clerical) personnel spaces in FY 76. For Army analytical agencies, the total budget authority (OMA) for FY 75 was $17,958K, and the proposed FY 76 budget is $21,112K. Of course we recognize the other funds are required to operate these agencies. For example, $10,600K RDT&E funds (not including contract funds) were used in the operation of one of the major agencies in FY 75 and $13,800K RDT&E has been requested for FY 76. In total we estimate that to fully operate all analytical agencies will cost us about 40 to 45 million dollars. These analytical agencies programmed $3,645K (RDT&E funds) to civilian contractors for analytical support in various study efforts in FY 75. The Army Study Program for FY 76 has not yet been approved; however, $4,735K has been requested for contractural support by the above agencies. There are nonanalytical elements within the HQDA Staff and TRADOC which also receive analytical support from civilian contractors. In FY 75 $4,565K (RDT&E) were programmed and, in FY 76, $6,193K (RDT&E) has been tentatively budgeted for analytical requirements. Both the budget and the FY 76 study requirements are still being reviewed and will surely be lower. For a more detailed breakout of the above information, a description of mission and responsibility, and computer resources available to those agencies and staff elements involved in analytical/ORSA work for the Army see the following paragraphs.

The Combined Arms Combat Development Activity (CACDA) is responsible for developing concepts, doctrine, organizations, and materiel requirements for combat, combat support, and command and control systems for divisions and

echelons above division of the Army in a theater of operations. To accomplish the above, various study and test efforts require technical expertise in the areas of operational research, systems analysis, economic and cost analysis, war gaming, computer modeling, and field test evaluation. CACDA has 55 military and 61 civilian professionals and 25 clerical (2 military and 23 civilian) personnel (141 total) to accomplish the above mission. There are no contemplated personnel changes for FY 76. The FY 75 OMA budget for this agency was $2,631K, and $2,847K has been requested for the FY 76 OMA budget. CACDA programed $2,550K (RDT&E funds) for analytical contractual assistance in FY 75 and has requested $3,870K for FY 76. CACDA has access to the CDC 6500 TRADOC computer and an IBM 360/91 Applied Physics Lab computer. An average of 98 hours/month of CPU time was used in FY 75 with no change projected for FY 76.

The Concepts Analysis Agency (CAA) is responsible for providing an analytical capability and performing analytical studies required by the CSA and heads of Army Staff agencies in four broad areas: Army objective force to include integration of strategy and other service forces; Army force design with emphasis on integration of new concepts and systems; Army materiel mix with emphasis on rationale developed in the context of force structure in support of the materiel acquisition process; and Army operational and strategic plans and concepts of operations. Activities of CAA are directed toward mid- and long-range force concept studies and analyses of weapons systems mix to support development and procurement decisions in the materiel acquisition process. Within this context, war gaming and operations research techniques are applied to determine force requirements and force capabilities. CAA has 120 military and 120 civilian professionals and 85 clerical (15 military and 70 civilian) personnel (total 325) to accomplish the above mission. The FY 75 OMA budget for this agency was $5,157K, and $5,655K has been requested for the FY 76 budget. CAA programmed $395K (RDT&E) for analytical contractual support in FY 75 and has requested $365K for FY 76. CAA has its own UNIVAC 1108 computer operated with three 8-hour shifts, 5 days per week (less than 10% downtime). CAA provides computer support to other agencies on a time available basis.

The Engineer Studies Group (ESG) is responsible for performing selected studies and analyses within the Army Study System in support of planning, programming, budgeting, and operational decisionmaking. ESG is charged with assisting the Chief of Engineers in the discharge of his Army Staff responsibilities which include advising the Chief of Staff and Army General Staff. As requested by study sponsors and as directed by the Chief of Engineers (COE), provides direct analytical support to the Army, DOD, or other Executive Branch agencies. Such support generally consists of applying engineering, interdisciplinary, and systems/operations research skills to problem areas susceptible to ESG's particular capabilities. ESG has 10 military and 41 civilian professionals and 8 civilian clerical personnel (59 total) to accomplish the above mission. No personnel changes are anticipated for FY76. The FY75 OMA budget for this agency was $1,304K, and $1,414K has been requested for the FY76 OMA budget. ESG had no civilian contract support in FY75, and none is projected for FY76. ESG has access to the Defense Mapping Agency's UNIVAC 1108 computer. The average use of CPU time was 9.0 hours per month in FY75 and will be about the same for FY76.

The Logistics Evaluation Agency (LEA) is responsible for assisting the DCSLOG, HQDA, in the execution of his General Staff responsibilities for development and supervision of the Army logistics organization and system. This includes: providing logistics master planning and guidance in the form of principles, concepts, objectives, and priorities to all elements of the Army; assisting in providing the necessary planning for central direction and control of the development and maintenance of the Army logistics system; analyzing proposed Army logistics doctrine, organization and systems for the near- and long-term planning periods; assisting in review and validation of logistics analyses by application of operations research, systems analysis, and economic analysis techniques, participating as the logistician during life cycle management of combat developments of materiel to include doctrine and organization; and assisting in the evaluation of the logistics portions of contingency plans. LEA has 37 military and 80 civilian professionals and 37 civilian clerical personnel (total 154) to accomplish the above mission. No personnel changes are anticipated for FY76. The FY75 OMA budget for this agency was $3,422K and $3,512K has been re-

quested for the FY76 OMA budget. LEA has not programmed any funds for analytical contractual assistance in FY75, and no funds are planned for FY76. LEA has access to IBM computers (1401 and 7094) at the New Cumberland Army Depot and averages about 41.3 hours per month of CPU time in support of analytical efforts.

The US Army Materiel Systems Analysis Activity (AMSAA) is responsible for providing the central independent technical capability of AMC for the conduct of major systems analyses and cost and operational effectiveness studies. This includes assessing the worth of existing and proposed Army systems, throughout their life cycle, so as to provide a meaningful basis for major decisions concerning their design, development, acquisition, employment, and deployment. AMSAA serves as the AMC center for reliability, availability, and maintainability (RAM) methodology to develop techniques and conduct analyses on the RAM aspects of materiel systems and as directed, to design tests and monitor the AMC life-cycle surveillance program for worldwide stocks of nuclear ammunition and other materiel systems. In addition, AMSAA maintains direct contact with Army materiel users in the field to ascertain specific requirements for improvements and/or new materiel, to evaluate those requirements, to conduct survivability analysis on fielded and developmental equipment and systems, and to establish appropriate projects. AMSAA has 23 military and 337 civilian professionals and 71 clerical (13 military and 58 civilian) personnel (total 431) to accomplish the above mission. For FY76, AMSAA will have an increase of 74 civilian spaces (72 professionals and 2 clerical) due to an expanded materiel test design and evaluation mission. The FY75 OMA budget for this agency was $1,900K, and $2,000K has been requested for the FY76 budget. Most of the AMSAA effort is funded through the RDT&E Program Element. The RDT&E budget for FY75 was $10,600K, and in FY76, $13,800K has been requested. AMSAA programmed $700K (RDT&E funds) for contractual assistance in FY75 and has requested $500K for FY76. AMSAA has access to the Ballistic Research Lab computers (BRLSC and IBM 1401) and averages about 215 hours/month of CPU time.

USA TRADOC Systems Analysis Activity (TRASANA) is responsible for undertaking, monitoring, supervising, reviewing or evaluating requirement studies, Cost and Operational Effectiveness Analyses (COEA), or evaluation of operational test plans or results for Commander, TRADOC, in support of his responsibilities in the weapons systems acquisition process. Such other analytical tasks, test, or model design work will be undertaken as directed. TRASANA will perform a continuing evaluation of ballistic missile defense systems and advanced technology according to an approved agreement with the Ballistic Missile Defense Program Manager (BMDPM) and will continue to perform the SAM–D Missile System Vulnerability Study as directed and in accordance with an approved agreement with Commander, AMC. TRASANA has 60 military and 94 civilian professionals and 61 clerical (14 military and 47 civilian) personnel (total 215) to accomplish the above mission in FY75. As the Ballistic Missile Defense Program is phased out in FY76, TRASANA will absorb 37 additional personnel spaces (15 military and 22 civilian). The FY 75 OMA budget for this agency was $3,544K, and $5,684K has been requested for the FY76 OMA budget. TRASANA has not programmed any funds for analytical contractual assistance in FY 75 and has requested none for FY 76. TRASANA has its own UNIVAC 1108 computer operated with two 8-hour shifts, 5 days per week. In FY76 there will be three 8-hour shifts, 7 days per week.

Within the HQ Department of the Army Staff, there are two elements primarily engaged in analytical/ORSA work. These staff elements do not have a defined budget and are not involved in receiving contractual assistance from civilian agencies.

The Office of the Deputy Under Secretary of the Army (Operations and Research) (ODUSA(OR)) is responsible for the formulation of policies and recommendations in the area of Operations Research and Systems Analysis and for the Army Study Program and advises on all significant aspects in the following fields: operations research; research and development; test, evaluation, and field experimentation; determination of requirements for forces and materiel; force structuring; readiness; logistics; the planning, programming, and budgeting cycle; net assessments; threat analyses (applied to the materiel acquisition and Army study processes); and systems acquisition review committee (ASARC/DSARC) matters. There are 2 military and 5 civilian professionals and 5 civilian clerical personnel to accomplish the above mission. There are no contemplated personnel changes for FY76. There is no computer usage required in this Office.

Systems Review and Analysis Office (SRAO), DCSRDA, is responsible for providing assistance to the CRDA in advising the CSA, VCSA, and the DAS on weapon systems development and acquisition and related policy. This includes conducting rapid reaction, independent operations analyses, systems analyses, and cost-effective analyses, or monitor and review such analyses as performed by other Army agencies, in order to develop and prescribe guidance for identifying weapon systems alternatives and related issues, and the resources and actions required to achieve preferred alternatives. SRAO recruits, organizes, and guides temporary task forces of key specialists from within and outside the Army for the solution of specific problems and, to ensure the ASARC is objectively informed, through "Red Team" (parallel) examination of major issues/alternatives. SRAO also participates in or conducts short studies of an important and sensitive nature. There are 14 military and 5 civilian professionals and 5 civilian clerical personnel to accomplish the above mission with no contemplated personnel changes for FY76. SRAO has access to the US Army Management Systems Support Agency IBM 360/65 computer and uses approximately 2 hours per month CPU time.

Allowances Paid During Temporary Duty Status

Chairman McClellan. Are military personnel paid allowances while in a TDY status, even if they are provided government quarters and meals. If so, what amount is provided to officers, what amount to enlisted. For what reason are these payments made. If there is a difference between officers and enlisted payments, explain.

Answer. When government quarters and government meals are provided during delays incident to travel and during individual temporary duty, the daily per diem rate is $8.30 for officers and $2.00 for enlisted members. These payments are made to reimburse the member for miscellaneous expenses incurred while on temporary duty which are over and above his normal expenses at his permanent duty station. The difference between the per diem rate for officer and enlisted members is because officers are required to pay for meals procured from a government mess plus a surcharge, but enlisted members are provided meals at no cost.

Efforts to Reduce Backlog of Unused Leave Time

Chairman McClellan. U.S. Army, Europe has been reported to be encouraging soldiers to take 30 day leaves between changes of station. What has been the success of this program to date in reducing backlogs of unused annual leave. Have other commands initiated such a policy. Would it be appropriate to be used Army Wide?

Answer. The encouragement of soldiers to take 30 days leave between changes of station as well as other leave programs to encourage the service members to use earned leave is a policy being emphasized Army Wide. A new regulation goes into effect 1 June 1975, that formalizes these new policies to encourage use of accrued leave. Indications are that the overall level of accrued leave for Army enlisted members is being reduced.

Transfer of Army Surgeon Generals Office

Chairman McClellan. It is the committee's understanding that the Army Surgeon Generals Office is being moved from the Forrestal Building to the Pentagon. How many employees are affected and what is the estimated cost of the move? Why is this move being made? Are there other Army agencies that are in Washington D.C. which are relocating from one building to another? What are the agencies, cost, number of persons moving, and reasons for such moves, FY 1975–1976?

Answer. The movement of 340 personnel of the Army Surgeon Generals Office from the Forrestal Building to the Pentagon was made during 4–6 April 1975. The costs attendant to this move consist of:

	Thousands
Building alteration	$73.4
Moving	15.0
Telephones	28.6
Carpeting	15.9
Total	132.9

This relocation pursues an Army management objective of housing the DA Headquarters completely in the Pentagon. At the same time, the space vacated by Surgeon General personnel in the Forrestal Building will permit consolidating of the Adjutant General Center and other DA staff agencies in that facility. Relocation of these agencies from World War II temporary structures in very poor condition is most desirable.

Other planned relocations shown at Inclosure 1 are designed to consolidate or collocate organizations performing similar or related functions, reduce organizational fragmentations, relieve overcrowding of employees, and improve the quality of office space provided.

PROJECTED DEPARTMENT OF THE ARMY MAJOR ORGANIZATIONAL
RELOCATIONS BETWEEN BUILDINGS IN THE NATIONAL CAPITAL REGION - FY 1975

ORGANIZATION	CURRENT LOCATION	NEW LOCATION	NO. OF PERSONNEL	ESTIMATED COST*
1. U. S. Army Computer Systems Support and Evaluation Agency	Nassif	Pentagon	158	$ 40,000
2. Office, Chief of Chaplains	Forrestal	Pentagon	41	11,600
3. Office of The Judge Advocate General (Contract Appeals)	Nassif	Columbia	36	9,900
4. National Guard Bureau	Nassif	Columbia	94	18,000
5. U. S. Army Operational Test and Evaluation Agency	Ft. Belvoir	Columbia	251	70,000
6. 902 Intelligence	Nassif	Hoffman	25	6,000
7. U. S Army Criminal Investigation Command	Tempo A,B,C	Nassif	236	70,000**
8. The Adjutant General Center				
Memorial Affairs Directorate	Tempo A,B,C	Forrestal	44	11,000
Casualty Division	Hoffman	Forrestal	45	11,500
9. U. S. Army Center of Military History	Tempo A,B,C	Forrestal	98	46,000
10. U. S. Army Communications Command	Tempo A,B,C	880 S. Pickett Street	4	3,200
11. MDW - MIL PERS OFFICE	Ft. Myer	Forrestal	162	
F&AO MIL PAY	Ft. Myer	Forrestal	150	63,500

*Includes cost of building alteration, telephone installation and moving.
**Includes $2,000 out of Program 3C for relocation of radio and secure voice network.

Recruitment Advertising

Chairman McClellan. Does the Army plan to use paid radio and TV advertising for recruiting purposes in FY 75 or 76. If so, how much is planned for each fiscal year. If not, why not.

Answer. The Army has received Congressional approval for the conduct of a limited test of paid radio advertising which will use 20 stations in 15 markets. The test will commence the first week in May 1975 and run for a period of 13 weeks at a cost of approximately $600,000. Specifically, the test will determine the effectiveness of radio in areas where other media efforts have not proven effective in attracting known quality individuals from a specific qualified and available market for military service. The FY 1976 Advertising Plan, as all plans have had since FY 1972, will include contingency provisions to utilize electronic media. Implementation of these provisions is dependent upon the radio test evaluation and Congressional approval. The proposed dollar amount for these media in FY 1976 is undetermined at this time, but efforts in this area will be accomplished within the requested FY 1976 Budget by readjustment of the normal print and outdoor media mix.

Experiments With Subsistence Allowances

Chairman McClellan. What experiments have been made with payment of subsistence allowances to all enlisted men, then attempting to attract more of them to use dining halls on an a la carte basis. Describe them, including the additional military personnel costs associated therewith. Also indicate what modifications to the dining halls, what additional civilian personnel are involved, if any, and the additional costs associated with such experiments. Has this concept resulted in attracting more enlisted personnel to the use of the dining hall?

Answer. The Army has not conducted any experiments with the payment of subsistence allowances to enlisted personnel and their use of dining facilities on an a la carte basis. However, we are planning to evaluate such a system in FY 1978 and we have included this test requirement in the DOD Food RDT and Engineering program. Our test plans have not advanced sufficiently to identify the test site and the costs associated with increased personnel, modification of dining facilities and conduct of the test. Our test objectives include the determination of costs in establishing and operating dining facilities on an a la carte basis and the effect of this system on dining facility utilization.

Source Reimbursement

Chairman McClellan. Describe the source reimbursement to the O&M Army account, reasons why Army is performing this work or providing these items, and give dollar amounts of each source.

Answer. The Army estimates its FY 1976 OHA reimbursable workload at $1,129 billion. The reimbursable area includes costs incurred by OMA in support of Foreign Military Sales and Military Assistance Programs, payment of teacher salaries and related costs in overseas schools, costs of operation of commissary stores, provision of base operations support to tenants of other services and Army tenants funded by other appropriations including family housing, costs of laundry services provided military personnel and dependents and reimbursement for costs of property disposal activities.

The Army provides these reimbursable services to others because they are an integral part of the Army's mission, directed by higher authority (in the case of sales and MAP) or because the Army is capable of performing them for other government agencies at less cost than if the agencies organized activities to perform them. In some cases, such as payment of teachers salaries overseas, the Army has the administrative capability to perform the mission in a wide geographic area which is not duplicated by another government agency.

Available Unobligated Balance

Chairman McClellan. Explain why and how an unobligated balance in this appropriation (OMA) is available at the end of the year. ($20 million, approximately for the period FY 1974–1976).

Answer. The Operation and Maintenance, Army appropriation is funded to 26 major commands and agencies by HQDA who in turn fund many separate installations and activities. The $18.3 million unobligated as of 30 June 1974 for FY

1974 represents less than three tenths of one percent the total appropriation for that fiscal year. In an organization as large as the Army, with many funding agencies handling funds a 100% obligation of funds is virtually impossible because of management and time constraints. In addition, obligation adjustments after the end of the fiscal year will use most of the unobligated balance.

MR–LOGAEUR Program

Chairman McClellan. Provide a written summary of the Minimum required Logistics Augmentation, Europe, MR–LOGAEUR program. This should include an explanation of the basic concept behind the plan, the total costs, portion of plan to be US financed, portion financed by allies (i.e. how much will be placed on using host nation assets). Also include a funding profile, year by year.

Answer. [Deleted.] The lines of communications/port operations—(LOC/Port) plan was initiated to develop a wartime LOC through the United Kingdom (UK)-BENELUX.

SECDEF approved the LOC/Port plan in 1969 and SECARMY, CSA and CINCEUR supported LOC/Port in testimony before Congress. [Deleted.]

LOC/Port funds were not requested in FY 74 budget.

The Army developed and the SECDEF approved on 5 Jun 74 a Minimum Required-Logistic Augmentation, Europe (MR–LOGAEUR) plan to open and operate a LOC through the UK/BENELUX or through France, if that territory becomes available for US use.

The plan is based upon the framework of existing government-to-government "LOC Umbrella" agreements with UK and the BENELUX countries and technical agreements for certain specific functional support areas which are completed or under negotiation with these countries.

Construction of storage facilities for prepositioned equipment will be funded with $8.1 million of NATO Infrastructure funds under the Fast Relocation from France (FRELOC) Reimbursement Agreement. (There are no U.S. military construction program funds involved.)

The total costs for the MR–LOGAEUR program include the following OMA funds:

[Fiscal years]

	1976	197T	1977	1978	1979	1980	
Program 2	2.3	1.0	4.0	4.1	3.5	2.5	17.4
Program 7	7.2	1.5	4.5	1.3	.6	.....	15.1
Total	9.5	2.5	8.5	5.4	4.1	2.5	32.5

The MR–LOGAEUR plan was briefed to Staff Assistants of the HAC, SAC, SASC and HASC.

By letter of 16 Dec 74, the HAC interposed no objection to implementation of the MR–LOGAEUR plan.

Civilian Conversions

Chairman McClellan. Explain the increase in 1,149 military positions (AMEDD) converted to civilian. What is the total number of conversions to date in this area? What is planned for future conversion, if any?

Answer. The 1,149 represents the net change in civilian end strength between FY 1975 and FY 1976. Of this number, 945 relate to the positions identified for conversion based upon the results of an Army Medical Department study which was designed to release military authorizations for support of the planned 16 division force. The study results identified a total of 1,919 military spaces which could be converted to civilian. It was planned to convert 974 spaces in FY 1975. However, due to Congressinal constraints on FY 75 funding, the program was deferred to FY 1976 at which time the total of 1,919 spaces were planned to be converted. The balance of the net change, or 204 spaces, relates primarily to the Army's overall on-going program to civilianize military spaces, which was planned to be accomplished in FY 1975 but again was deferred for lack of financial resources. Finally, in FY 1976 OMA Justification Book does not reflect a recent decision not to convert 1,919 military spaces to civilian.

SAFEGUARD

Chairman MCCLELLAN. Provide the military and civilian strengths for each organization involved in the SAFEGUARD system, FY 74–5–6. (Include the Ballistic Missile Defense Program Manager, Program Office, SAFEGUARD Command, Training and Doctrine Command—SAFEGUARD, and SAFEGUARD Operations Agency). Why should there be a separate SAFEGUARD Command who is attached to the Program Manager's Office? Why is a separate "operations agency" needed to perform technical proficiency inspections of the system? Provide an organizational diagram showing the interrelationship of commands and agencies involved in operations and acquisition of the SAFEGUARD system.

Answer. The military and civilian strength authorizations for each organization involved in the SAFEGUARD System for end FY 74 and FY 75 and projections for end FY 76 are as follows:

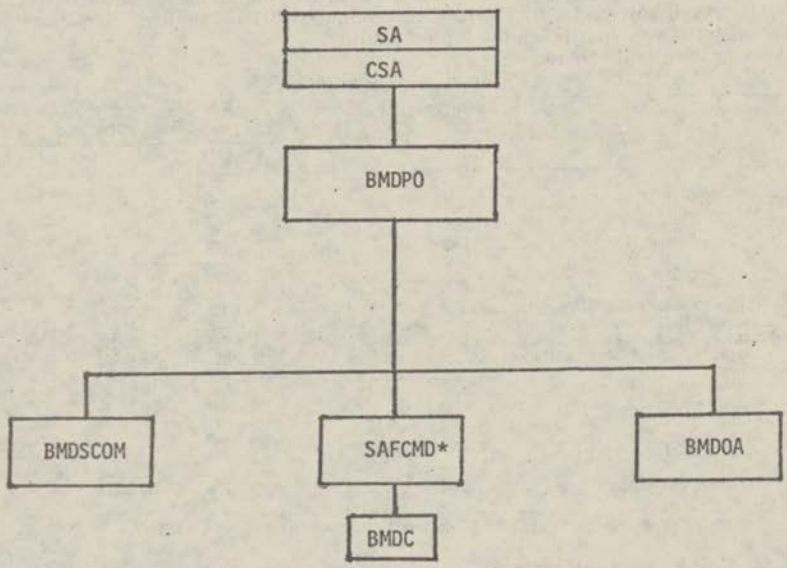
Organization	End fiscal year—		
	1974	1975	1976
Ballistic missile defense program manager:			
Military	1	1	1
Civilian	0	0	0
Total	1	1	1
Ballistic missile defense program office:			
Military	36	21	21
Civilian	54	26	25
Total	90	47	46
Safeguard Command:			
Military	0	454	444
Civilian	0	146	96
Total	0	600	540
Ballistic Missile Defense Systems Command:			
Military	95	38	28
Civilian	697	449	300
Total	792	486	328
Training and Doctrine Command:			
Military	0	8	12
Civilian	0	17	21
Total	0	25	33
Army Air Defense Command:			
Military	162	0	0
Civilian	56	0	0
Total	218	0	0
U.S. Army Communications Command:			
Military	87	52	47
Civilian	164	60	32
Total	251	112	79
U.S. Army Materiel Command:			
Military	2	1	1
Civilian	25	16	7
Total	27	17	8
Ballistic missile defense operations activity:			
Military	0	53	45
Civilian	0	32	20
Total	0	85	65
Total:			
Military	383	628	599
Civilian	996	746	501
Total	1,379	1,374	1,100

The SAFEGUARD Command, which comprises the BMD combat forces, is not attached to the Program Office, but is a separate element under command of the Program Manager. This command is required at Nekoma, North Dakota, to focus all SAFEGUARD BMD system operational activities under one command. The SAFEGUARD Command operates the SAFEGUARD System for the BMDPM to insure that the SAFEGUARD System, to include the Ballistic Missile Defense Center at Colorado Springs, is responsive to the operational requirements of CINCONAD. As such, he oversees maintenance and operational readiness of the SAFEGUARD System, training of personnel and insures on-site nuclear surety, safety and security. Had ARADCOM not been disestablished, the SAFEGUARD Command, rather than being subordinate to BMDPM, would have been an element of ARADCOM.

The Ballistic Missile Defense Operations Activity (BMDOA) located in Colorado Springs, Colorado, is essentially the operational staff for the Ballistic Missile Defense Program Manager (BMDPM), and is responsible for monitoring surety, nuclear safety and security for the BMDPM. In so doing BMDOA assists in preparing the SAFEGUARD Command for Technical Proficiency Inspections conducted by the Department of the Army Inspector General. BMDOA is also responsible for performing doctrinal, training, operational evaluation and combat development functions that the Ballistic Missile Defense Program Office in Washington is not staffed to perform. Further, BMDOA provides the day-to-day liaison with the CONAD Army Point of Contact on matters pertaining to deployment of BMD forces. BMDOA is necessary to perform functions that were previously performed by the ARADCOM Headquarters prior to its disestablishment in the 3d Quarter FY 75.

The following organizational diagrams show the interrelationships of commands and agencies involved in operations and acquisition of the SAFEGUARD System.

COMMAND OF SAFEGUARD



SA - Secretary of the Army

CSA - Chief of Staff, Army

BMDPO - Ballistic Missile Defense Program Office, Arlington, VA

BMDSCOM - Ballistic Missile Defense Systems Command, Huntsville, AL

SAFCMD - US Army SAFEGUARD Command, Stanley R. Mickelsen SAFEGUARD Complex, Nekoma, ND

BMDOA - Ballistic Missile Defense Operations Activity, Ent AFB, CO

BMDC - Ballistic Missile Defense Center, Cheyenne Mountain Complex, Colorado Springs, CO

*BMDPM exercises command, less operational command, of SAFCMD. CINCONAD exercises operational command of SAFCMD and the BMDC.

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SAFEGUARD/Personnel Costs

Chairman McClellan. Provide a cost track, FY 74–5–6 for the personnel, as well as the number of personnel associated with SAFEGUARD communications. What is the cost of leased tactical communication supporting SAFEGUARD. Are other costs involved in SAFEGUARD communications besides personnel and leave costs. If so, describe and provide amounts.

Answer. See table below.

[In thousands of dollars]

	Fiscal year—		
	1974	1975	1976
(a) Pay and benefits:			
(1) Man/year:			
Military	90	71	50
Civilian	187	117	32
Total	277	188	82
(2) Pay and benefits (OMA only)	3,175	2,096	620
(b) Cost of leased tactical communications	2,734	4,245	4,271
(c) Other communication costs	3,346	2,230	88
Leased management communications	2,081	1,671	(1)
Travel	312	275	31
Transportation of things	14	78	7
Rents/utilities	47	59	2
Supplies	31	44	18
Equipment	46	6	0
Purchased services	815	97	30
(d) Total communications costs	9,255	8,571	4,979

[1] Approximately $890,000 has been transferred to program 3, communications, in fiscal year 1976.

SAFEGUARD Site Activation Command

Chairman McClellan. Explain what the SAFEGUARD Site Activation Command is, and what its strengths (military and civilian) were and are, FY 74–76.

Answer. The SAFEGUARD Site Activation Command was that part of the Ballistic Missile Defense Systems Command located at the SAFEGUARD Site in North Dakota. It was the government organization responsible for directing and controlling all activities at the SAFEGUARD Site in North Dakota during the Site activation period, i.e., until activation of the SAFEGUARD Command. Its activities included monitoring on-site contract performance and the base operations support activities required to support Site personnel. The SAFEGUARD Site Activation Command was inactivated on 3 September 1974. The authorized strength at the time of inactivation was 34 military and 116 civilian.

Inflation Costs

Chairman McClellan. Explain what is meant by the statement "increased cost to sustain approved level of operation."

Answer. Increased cost to sustain approved level of operation represents those increases related to the cost of inflation that have been incurred for the period 1 July 1973 to 30 June 1974. The total cost of inflation for this period, excluding pay raises and the 1 July 1975 stock fund price increases, amounts to $513 million. With the additional OMA funding in FY 1975 for the requested reprogramming and the POL Amendment, the remaining increase of $212 million is identified as increased cost to sustain the approved level of operation. The distribution of these funds throughout the appropriation was made after a reevaluation of the effect inflation has had on all of the programs. In some cases, such as tariff rate increases, these funds were directly applied, in others, they replaced funding that had been diverted to other program elements to meet higher priority needs. There was no attempt made to evenly distribute or prorate the additional funding for inflation. Examples of the application of these funds are as follows:

Second destination transportation—Tariff rate increase ..... $39.6 million

Reflects the approved revised tariff rates for Military Sealift Command, Military Airlift Command and Military Traffic Management Command for FY 1976.

Support of other nations ..... $5.1 million

Increased U.S. contribution to NATO due to inflation. The amount does not include currency revaluation changes or program increases.

Combat forces/combat service support ..... $10.9 million

Increased cost of POL, operating supplies, repair parts and equipment. Does not include funding for increased quantities.

Maintenance support activities ..... $17 million

Increase will support program development, scheduling and report, pre-issue enginnering, field support and technical assistance, engineering and analysis services, and publications.

Base operations actitivities ..... $37.8 million

Increase will support inflationary increases in contractual maintenance and repair, POL price increases, cost of tabulating paper, DS/GS maintenance supply costs, and increased contractual costs for post services such as bus service, trash collection, snow removal, etc.

Safeguard ..... $7.6 million

Increase respesents the inflationary portion of the contract logistical maintenance as a result of the deployment of the Safeguard system.

Servicewide support ..... $4.6 million

Includes funding for ADP data banks, microfilming of records and public law requirements.

Recruiting and examining ..... $7.8 milliion

Increased cost of advertising, vehicle operation and maintenance upgrading and repair, District Recruiting Command, and renovation of Armed Forces examining and entrance stations.

Total Civilian Employment

Chairman McClellan. Provide a chart showing direct hire civilian personnel, by appropriation, for all appropriations paying civilians (including industrial funds). This should include strength for FY 74–75–76–7T. For the same years, the table should show indirect hire foreign nations employed.

Answer. The following chart displays the total Department of the Army civilian direct and indirect hire employment by financing appropriations.

TOTAL DEPARTMENT OF THE ARMY CIVILIAN EMPLOYMENT—MILITARY FUNCTIONS AND MILITARY ASSISTANC

	June 30, 1974		June 30, 1975		June 30, 1976		Sept. 30, 197T	
	End strength	Man-years	End strength	Man-years	End strength	Man-years	End strength	Man-years
DIRECT HIRE								
Operation and maintenance:								
Army	193,030	191,468	192,340	194,083	189,143	192,476	193,736	47,522
Army National Guard	28,854	28,039	28,994	28,698	29,687	28,981	29,687	7,413
Army Reserve	14,330	12,881	14,200	13,573	15,989	14,626	15,989	4,039
National Board for Promotion of Rifle Practice	10	10	11	11	12	12	12	3
Research, development, test and evaluation	16,622	16,458	16,402	16,531	15,368	16,162	15,379	3,799
Army Industrial Fund	82,039	79,794	77,699	79,725	76,115	79,570	74,895	18,736
Army Management Fund	245	246	121	121	121	121	121	30
Military construction:								
Army	5,184	4,139	5,012	4,566	5,733	5,573	5,901	1,503
Army Reserve	89	208	77	76	133	131	138	33
Military family housing	1,269	1,127	1,257	1,245	1,346	1,295	1,351	329
Home owners assistance	68	54	60	58	60	59	60	14
Military assistance program	451	470	587	565	426	426	518	126
Total, direct hire	342,191	334,894	336,760	339,252	334,133	339,432	337,787	83,547
INDIRECT HIRE FOREIGN NATIONALS								
Operation and maintenance:								
Army	65,296	65,331	67,953	64,038	66,373	61,807	67,376	15,343
Army Reserve	4	4	7	6	7	7	7	2
Research, development, test and evaluation	3	3	6	6	6	6	6	1
Army Management Fund	181	180						
Military construction, Army	53	45	320	312	231	227	231	57
Military family housing	920	922	1,040	1,026	1,040	1,026	1,040	256
Military assistance program	2	2	2	2				
Total indirect hire	66,459	66,487	69,328	65,390	67,657	63,073	68,660	15,659

Combat Readiness of Existing Divisions

Chairman McClellan. Describe generally the increase in combat readiness of existing divisions that is programmed in the FY 76 budget. Identify the costs of the specific increases in readiness programmed, as well as the units for which such increases are programmed. What support units are programmed for increased readiness? Describe and give cost.

Answer. The fundamental purpose of the FY 76 budget is to continue the reorganization and realignment of the Army in order to improve its combat posture and increase its overall operational readiness. While it would be virtually impossible to associate specific improvements in readiness and the associated costs with specific combat and support units, several examples will serve to demonstrate the thrust and orientation of the budget.

First, in the area of tactical command and control equipment within our divisions, we are budgeting nearly $85.0M for such items as the AN/GRC–103 and AN/PRC 25/77 radios, tactical satellite communications equipment, a new division-level switchboard, and a variety of speech security equipment such as the TSC/KY–57, 58 and 65.

As regards General Purpose Forces (i.e., Program 2), we are requesting just over $8.7M in order to annualize the FY 75 combat activations, and approximately $48.5M for the activation and initial operating costs for the FY 76 program. Included in this total are the activations of our new divisions, Combat Engineer, Infantry, Field Artillery and Air Defense battalions, as well as nearly $5.2M for increases in the authorized manning levels of units in Europe and Korea. It also includes actions taken to improve combat posture in Europe and other ongoing support to combat conversions.

Although not specifically tied to the budget request under consideration, it is significant to note that we are programmed to receive from a variety of sources such as overhaul/modification and new production, to include the payback of FMS, a large quantity of equipment in FY 76, which will have a salutary effect upon the readiness of the Army. For instance, we will receive 452 M60A1 and 185 M48A5 tanks (an M48 series tank, upgunned to 105mm, with a diesel engine) 500 M113A1s, 106 COBRA-TOW's, 151 Lance missiles, as well as 148 Chapparral's, 609 Hawk's, 8,122 Dragon's and 19,885 TOW's.

Again in conclusion, the aggregate impact will be most beneficial to the enhancement of the operational readiness of the Army.

Stock Fund Price Increases

Chairman McClellan. What is the total cost to the OMA appropriation for stock fund price increases, as of July 1975? Break this down by force programs.

Answer. The total cost to the OMA appropriation in FY 1976 for the stock fund price increase effective 1 July 1975 is $141.4 million. The program distribution of this increase follows:

[In millions of dollars]

Program	Mission	Base operations	Total
2—General purpose forces	56.6	31.8	88.4
3—Intelligence activities	1.6		1.6
Communications activities	2.3		2.3
Other intelligence and communications	.3	.7	1.0
7—Central supply operations	6.0	1.2	7.2
Depot maintenance	2.8		2.8
8—Training	5.9	10.4	16.3
Medical	15.9	.8	16.7
Other	2.0		2.0
9—Administration	1.0		1.0
10—Support of other nations	2.1		2.1
Total	96.5	44.9	141.4

Program 2 Mission

Chairman McClellan. Provide a list of FY 1976 costs associated with reorganizations, conversions, activations and inactivations of units.

Answer. Following is a detailed listing of the requested data included in the FY 1976 Budget request for Program 2 mission:

Reorganizations

	Thousands
1st Cavalry Division to Armored Division [1]	$495
Air Cavalry Combat Brigade to Separate Brigade [1]	752
Total reorganizations	1,247

[1] These costs are the FY 75 annualized costs of FY 75 completed reorganizations.

Conversions [2]

	Thousands
Conversion of 12 construction engineer battalions to engineer battalions combat heavy	$6,354
Add two mechanized brigades in Europe	3,620
ALO increases for Europe combat units	2,626
Total conversions	12,600

[2] The increases as shown in the Combat Forces aggregations for conversions are primarily the result of support reductions shown in other Program 2 aggregations, i.e.: Combat Support Forces—$457, Combat Service Support Forces—$10,650 and Command—$398. A total of $1,095 was also transferred from other programs within OMA.

Activations

	Thousands
Fiscal year 1975 activations, fiscal year 1976 annualized costs:	
Reconstitution of brigade, 2nd Armored Division	$2,182
Brigade, 5th Mechanical Division	2,183
Brigade, 7th Infantry Division plus division base (minus)	1,425
Brigade, 24th Infantry Division	1,307
Three lance battalions	350
Ranger battalion 2/75	47
Fiscal year 1976 activations:	
Reconstitution of brigade, 4th Mechanical Division	4,120
Brigade, 5th Mechanical Division plus division base (minus)	6,671
Brigade, 7th Infantry Division plus division base (minus)	4,456
Division base (minus), 24th Infantry Division	3,686
Three combat engineer battalions	1,994
Ranger battalion 3/75	212
Two 8-inch howitzer battalions	794
Two 155 mm howitzer battalions	876
Hawk battalion	303
Total activations	30,606

NOTE.—There are no programed resources for inactivations for FY 1976.

ADDITIONAL UNITS

Chairman MCCLELLAN. Explain the reasons for the following increases: (FY 76) one separate infantry battalion, 15 combat engineer units, 2 8" howitzer battalions, 2 155MM howitzer battalions and 4 HAWK batteries. Are these directly proportional to increases in divisional forces?

Answer. The additional units result from war gaming and other force analysis which determine the combat, combat support and combat service support required by a 16 division force and are not directly proportional to the 3 division increase.

The 15 combat engineer units increase is a result of adding 3 combat engineer battalions and converting 12 construction engineer battalions to combat engineer battalions (Heavy). Revised planning provides for only a 3 battery HAWK battalion (revised TOE) increase in FY 76 with the capability of the 4 battery organization.

COST OF COMBAT UNITS

Chairman MCCLELLAN. Provide the average cost of each type of combat unit described in page 2-6 of the justification book. (FY 76)

Answer. The average annual OMA cost for each type unit is shown in Table 1. The Program 2-Mission costs represent total direct cost. The costs captioned "Other OMA Providing Support" are indirect variable costs of providing support.

These costs were derived from the Force Cost Information System and adjusted through appropriate indices to FY 76 dollars.

Caution must be exercised in using average costs since units vary widely in personnel and equipment strength. Further, comparisons of these derived "average costs" provide only gross approximations for making comparison with budgetary costs. Many factors frequently contribute to major variances.

TABLE 1.—AVERAGE ANNUAL OMA COST OF TYPE UNITS

[In thousands of fiscal year 1976 dollars]

Type unit	Program 2 mission	Other OMA providing support	Total OMA
Armored divisions	17,242	50,825	68,087
Mechanized divisions	15,916	48,559	64,475
Infantry divisions	12,850	44,831	57,681
Airborne divisions	10,287	37,307	47,594
Air assault divisions	21,642	68,538	90,180
TRICAP divisions	16,327	49,833	66,160
Mechanized brigades	3,880	12,388	16,268
Infantry brigades	2,600	10,170	12,770
Air cavalry combat brigade	9,720	32,510	42,230
Armored cavalry regiments	4,964	12,729	17,693
Missile commands	794	3,045	3,839
Special forces groups	841	4,501	5,342
Infantry battalions (Sep)	266	1,188	1,454
Combat engineer units	508	2,604	3,112
Combat aviation units	754	2,135	2,889
Average made up of 3 type units:			
14 07357H at	839	2,052	2,891
6 17111H at	583	2,390	2,973
1 17198H	587	1,752	2,339
Target acquisition battalions	492	2,165	2,657
Gun battalions (175 mm)	395	1,570	1,965
Howitzer battalions (8 in)	430	1,417	1,847
Howitzer battalions (155 mm)	305	1,214	1,519
Nike-Hercules batteries	177	356	533
Hawk batteries	355	408	763
Chapparal/Vulcan batteries	962	1,479	2,441
Lance battalions	626	1,269	1,895
Sergeant battalions	439	1,069	1,508
Pershing battalions	2,430	4,439	6,869
Honest John battalions	281	870	1,151

Activation Costs for New Units

Chairman McClellan. Provide a description, showing dollar amounts and major items, or costs associated with activation and initial operating costs of new units.

Answer. Activation and initial operating costs of new units fall into two major categories, one-time or nonrecurring activation costs and annual recurring costs.

Nonrecurring/one-time costs are generated for the following:

OMA PLL repair parts.—The cost of the initial procurement of the Prescribed Load List (PLL) repair parts bought with OMA funds. PLL are those repair parts required to be on hand in units for organic maintenance of assigned equipment. The PLL is carried by the individual or on unit transportation and enables the unit to sustain itself during combat operations until resupply can be effected.

OMA minor equipment.—The cost of initial allowances of TOE items procured with OMA funds from the Army Stock Fund.

OMA organizational clothing and equipment.—Station accession costs, including furniture and furnishings for quarters and the initial purchases from OMA funds for items authorized in the appropriate Table of Allowances.

OMA unit operations.—Costs of unit operations during unit activation.

Annual recurring costs are the resources required to sustain unit operations. These resources provide primarily for petroleum, oils, lubricants, repair parts for vehicles and equipment and unit operating supplies. Also included are replacements for consumed or worn out minor equipment and organizational clothing and equipment that were acquired during the unit activation. Representative examples are as follows:

[In thousands of dollars]

	Nonrecurring	Recurring
PLL repair parts:		
Infantry battalion, mech division	$69	
Infantry battalion, infantry division	18	
Tank battalion	198	
Minor equipment:		
Infantry battalion, mech division	136	
Infantry battalion, infantry division	129	
Tank battalion	134	
Organizational clothing and equipment:		
Infantry battalion, mech division	273	
Infantry battalion, infantry division	249	
Tank battalion	173	
Unit operating costs:		
Infantry battalion, mech division		$458
Infantry battalion, infantry division		282
Tank battalion		750

STRENGTH INCREASES

Chairman MCCLELLAN. Explain the increases in the authorized level of organization for combat units in Europe and the 2d Infantry Division. Compare the authorized strengths/actual strengths of those units being increased with other units not being increased.

Answer. USAREUR: The Army plans to increase authorizations in all USAREUR tank battalions, the armored cavalry regiments, the divisional cavalry squadrons and the HAWK units of the command which are expected to be involved in heavy fighting during the early hours of any conflict. These units are authorized about [deleted] of the total spaces required for a full strength unit. This planned increase will allow these elements to be at nearly [deleted] of full authorization. The following space increases are programed in the below listed units.

23 tank battalions	+1,013
2 armored cavalry regiments	+594
4 divisional cavalry squadrons	+280
28 Hawk batteries	+399
Total	+2,286

Other combat units will generally continue to be authorized approximately 90% of the total spaces required for a full strength unit.

These increases in the authorized level of organization for combat units will not increase the overall USAREUR military end strength.

Second Infantry Division: The authorized level of operations (ALO) of the 2d Infantry Division is being increased over the next 15 months. (Deleted.) In addition, the increased U.S. manning will provide for a related reduction in Korean Augmentation To The U.S. Army within the 2d Infantry Division, in accordance with previous Congressional recommendations.

(Deleted.)

COMBAT BRIGADES DEPLOYED TO EUROPE

Chairman MCCLELLAN. Break down the increased costs for deploying the combat brigades to Europe, explain the reasons for such increases, and how these costs were calculated.

Answer. The total costs to the OMA appropriation in FY 1975 and FY 1976 for deploying the combat brigades to Europe consist of transportation, facilities and equipment rehab/upgrade, and base operating costs identified as follows:

[In millions of dollars]

	Fiscal year—	
	1975	1976
Program 2 mission:		
Transportation	1.2	5.2
Per diem payments to individuals	.7	3.5
Movement from major training area		.8
Rehabilitation of prepositioned stocks (POMCUS)		.5
Program 8 medical: Activate and operate medical clinic at north AG (Bremerhaven)	.1	.4
Base operations: Rehabilitation of facilities	2.4	11.9
Total	4.4	22.3

These costs were determined from facilities site surveys and inspection of prepositioned equipment, application of Air Force-provided equipment and personnel movement costs for actual personnel and equipment to be moved, and application of specific per diem rates categorized by officer and enlisted personnel identified for each rotational brigade.

Cost of Conversion Support to Combat Spaces

Chairman McClellan. Explain what costs are associated with "Conversion" of support to combat spaces. Why is this different from the initial activation and operating costs of such combat units? How do the "ALO increases in combat units" differ from combat readiness improvements involving ALO increases?

Answer. The dollar costs associated with the "Conversion of Support to Combat Spaces" as shown in the OMA Justification Book are the support dollars for those military spaces that have been transferred internally within Program 2 and the OMA appropriation. These costs do not represent new resources but are merely a realignment of dollars to support the conversions. The following stub entries reflected in the Justification Book for FY 1976 show this trade-off:

	Thousands
Combat forces:	
a. Conversion of engineer construction battalions to combat engineer battalions	+$6,354
b. Add two combat brigades to Europe forces	+3,620
c. ALO increases in combat units	+2,626
Total	+12,600
Combat support forces:	
a. Corps headquarters	−82
b. Eliminate corps artillery headquarters	−375
Combat service support forces:	
a. Conversion of engineer construction battalions to combat engineer battalions	−6,354
b. DS/GS maintenance	−2,305
c. Field Army support units	−776
d. Theater Army support units	−724
e. Combat equipment group, Europe	−491
Command: Conversion of support spaces to combat	−398
Transfers from other programs [1]	−1,095
Total	−12,600

[1] Not a specific stub in the Justification Book.

These dollars provide all the operating costs for the new units—the combat engineer battalions converted from construction, and the FY 76 funding of two combat brigades. These costs differ from initial activation and operating costs in that there is no requirement for new funding. The increased costs for the two added combat brigades in Europe are support costs for transportation, civilian personnel, and installation preparation and operation.

The ALO increases in the conversion of support to combat spaces relate directly to the implementation of the Nunn Amendment. These dollars provide ALO increases in Armored Cav Regiments, Air Cav Troops, Tank Battalions, Improved HAWK, and Cav Squadrons (Divisional). On the other hand, the ALO increases under combat readiness improvements are a result of the Army's continuing efforts to reduce the tooth to tail ratio. Headquarters and support elements are being reduced and these spaces and related funding are being used to increase the ALO's of combat units other than those associated with early combat power in Europe.

Major Funding Categories

Chairman McClellan. Provide a breakout of the costs of Army combat forces in major categories of funding (e.g., operation of aircraft, replacement of repair parts, operational readiness training tests, etc.) FY74–5–6.

Answer. Headquarters, Department of the Army does not collect, control nor distribute funding for the specific functions of operational readiness training tests or replacement of repair parts. The Army does collect and aggregate costs in thirteen elements of expense of object classes. The majority of the annual OMA costs for training tests and repair parts are aggregated into object classes for supplies, materials and equipment.

Examples of items included in supplies and materials are repair parts, chemicals, surgical medical supplies, POL, clothing and clothing supplies and cleaning supplies. Equipment, on the other hand, consists of supplies of a more durable nature which can be expected to have a period of service of a year or more.

For aircraft operations costs, the Army does make estimates based on standard factors for POL and repair parts. This data is not specifically maintained for the Combat Forces aggregation. Instead, these costs are included in the object class for supplies and materials along with like costs for other tactical vehicles.

Average Cost of Combat Units

Chairman McClellan. Explain the average cost (FY 74–75–76) of each of the combat units shown on pags 2–10 of the justification book.

Answer. The annual OMA cost for each type of combat support unit for FY 74–75–76 is shown in Table 1. These costs were obtained from the Force Cost Information System Appropriate conversion indices were used to display costs in FY 75 and FY 76 dollars.

Caution must be exercised in using average costs since units vary widely in personnel and equipment strength. Further, comparisons of these derived "average costs" provide only gross approximations for making comparisons with budgetary costs. Many factors frequently contribute to major variances.

ANNUAL OMA COST OF TYPE COMBAT SUPPORT UNITS
DOLLARS IN 000'S

TYPE UNITS	FY 74 Direct Prog 2 Mission	FY 74 Indirect Other OMA Prov. Supt.	FY 74 Total OMA	FY 75 Direct Prog 2 Mission	FY 75 Indirect Other OMA Prov. Supt.	FY 75 Total OMA	FY 76 Direct Prog 2 Mission	FY 76 Indirect Other OMA Prov. Supt.	FY 76 Total OMA
Medical Companies, Air Ambulance	568	1246	1814	683	1497	2180	756	1657	2413
Assault Spt. Helicopter Co.	1133	2336	3469	1362	2807	4169	1507	3107	4614
Aviation Co. Heavy Helicopter Co.	538	4230	4768	647	5084	5731	716	5626	6342
Surveillance Airplane Co.	597	2601	3198	717	3126	3843	794	3460	4254
Miscellaneous Aviation Co.									
Army 01137H10000	251	606	857	302	728	1030	334	806	1140
Corps 01127G90000	323	779	1102	388	936	1324	480	1036	1466
Med Det Heli Amb 08660H	135	287	422	162	345	507	180	382	562
Combat Support Units]* Intelligence Support]									
*On basis of 225 units, following is shown:									
Total for 225 Units	22650	86403	109053	27220	103839	131059	30126	114924	145050
Average	101	384	485	121	462	583	134	511	645

Caution must be exercised in use of average because units vary widely in personnel and equipment strength, hence in cost.

TABLE 2

Increased Units in Fiscal Year 1976

Chairman McClellan. Why is there an increase of 2 adjutant general units, 53 ordnance units, 2 quartermaster units and one transportation unit in FY 76?

Answer. Incremental increases to combat service support force are to meet previously established requirements and to provide maintenance for new weapons systems in the field. These increases are: 2 postal units (Adjutant General), 2 petroleum companies (Quartermaster), and 1 heavy truck company (Transportation Corps). The Ordnance units include 15 Shillelagh Detachments (7 man), 25 Red Eye Detachments (2 man) and 13 Lance Detachments (4 man).

Added Requirements for Maintenance Activities/Contractual Agreements

Chairman McClellan. Explain the added requirements for maintenance activities/contractual agreements for field army support, with the exception of the one item transferred from program 9.

Answer. Maintenance activities/contractual agreements total $25.452M.

a. Supplemental Contract Costs for Army automated tactical data systems software maintenance total $2.562M. These systems; Tactical Fire Direction System, Missile Minder, Tactical Operations System; have been primarily contractor developed, during which time they were financed using research and development funds. As the systems now move to the field, maintenance is properly charged to OMA. US Army Computer Systems Command, having the maintenance mission, will contract for system maintenance.

b. The continuation of the Congressionally approved program to upgrade the Army's camouflage program (camouflage screens) is a $28.1M requirement (a $16.5M increase over FY 75).

c. Introduction of the synthetic flight training system (SFTS) (2B24) to field units began in late FY 1975. Aviation Systems Command (AVSCOM) has been charged with negotiating, contracting, and monitoring execution of all maintenance on all SFTS Army-wide. Since Program 2 units will eventually possess the majority of the deployed simulators, funding will be carried in P2, Army Materiel Command (AMC). The $4.654M funding includes computer system engineering, programing and ADP repair, electronic and hydraulic repair, spare parts, and is based on delivery of 14 SFTS through FY 76. The cost data available at the time was preliminary.

AN/VIC–1

Chairman McClellan. What is the reason for the $6.2 million requirement for the AN/VIC–1 in FY 1976?

Answer. The $6.2 million is the total deleted from OPA and transferred to OMA, and is composed of $3.5 million for telecommunications equipment (items under $500,000) available through the Army Stock Fund and $2.7 million for the AN/VIC–1 intercommunications system. 3,935 AN/VIC–1 systems, including mounting harnesses, are to be procured for installation in track vehicles; i.e., tanks, personnel carriers, self-propelled howitzers.

Army and POMCUS Shortages

Chairman McClellan. Explain what specific upgrades are being funded with $10 million for active Army and POMCUS shortages.

Answer. The FY 1976 President's Budget includes $9.987 million for "Upgrade Tanks and Wheeled Vehicles Required to Fill Active Army and POMCUS Shortages" as follows:

	Millions
a. M114A1E1 armored reconnaissance vehicle, 225 units	$1.350
b. M–60 series tanks, 134 units	2.680
c. Wheeled vehicles, 3,000 units	5.957

USAREUR is currently replacing active Army M114A1E1 vehicles with the M551 Sheridan vehicles under the 3 (M551) for 5 (M114) exchange program. The M114 vehicles that become excess as a result of the exchange program represent the least serviceable assets in the USAREUR fleet. Only those vehicles most economical to repair and those that do not need overhaul will be upgraded to fill shortages in active Army, POMCUS and Theater Reserve Stocks. The average per vehicle costs is $6,000 ($5,000 labor/$1,000 repair parts).

The tank upgrade is generated from the tank reconfiguration program, exchange of M60 tanks for M60A1 and M60A2 tanks. A total of 351 tanks will be exchanged, of which 134 will be retained in USAREUR to fill POMCUS shortages and will be upgraded with these funds. The remainder will be retrograded to CONUS. The per unit cost is estimated at $20,000 ($11,000 labor/$9,000 repair parts). Implementation of the analysis of Army's needs, management and utilization of wheeled vehicles (WHEELS Study) will excess approximately 7,000 vehicles. 4,000 vehicles will be excess to USAREUR's requirements while 3,000 (2,145 prime movers and 855 trailers) will be retained and upgraded to fill theater shortages and replace older like-type assets. The per unit cost is estimated at $1,986 ($1,034 labor/$952 repair parts).

Civilians Replaced Military Personnel Converted to Combat Units

Chairman McClellan. Provide an analysis of the total number of indirect hire civilians replacing military personnel who converted to combat positions. Indicate what the replacement ratio, civilian to military was.

Answer. Army programs for increasing combat power in USAREUR through FY 76 call for a net reduction of 12,175 support spaces. An additional 1,328 support reductions are required to offset the brigade headquarters and the support battalions of the two brigades deploying to USAREUR from CONUS. Thus, a total of 13,503 military support reductions are required. The Army budget provides for using 3,488 foreign national spaces in those activities which could not be eliminated or consolidated, and which have a continuing peacetime mission to insure operational readiness of the combat forces. The commander in USAREUR subsequently revised his requirement from 3,488 to 3,843.

The use of indirect hire civilian personnel for partially offsetting the military support reductions increases the opportunities to reduce military support spaces. With such hires, military reductions can be made on an individual position basis in units which must be retained because they have a continuing, essential peacetime workload to insure the immediate operational readiness of the deployed forces.

The Army budget request of 3,488 foreign national hires in comparison to the required 13,503 military support reductions results in a civilian to military ratio of 1:3.8, or for every civilian hire, almost 4 military reductions will be made. The revised requirement of CINCUSAREUR for 3,843 civilians results in a ratio of civilian hire to military support reductions at 1:3.5.

Attached is a chart which depicts those functional areas wherein military support reductions will be made and the offsetting civilian hire required.

USAREUR is the only area in which this type of replacement takes places in FY 75 and FY 76.

[illegible] SUPPORT REDUCTIONS AND CIVILIAN HIRE

CATEGORY	Military Reduction Total	Military Reduction FY 75	Civilian Hire Total
Headquarters	1942	1582	0
Project Chase (And related actions)	(745)	(745)	(0)
USAREUR HQ and Sub HQ	(200)	(200)	(0)
Non-USAREUR HQ	(560)	(200)	(0)
Manpower Survey Actions	(437)	(437)	(0)
Combat Support	2787	1140	0
Engineer Construction Bn Conversion (3 Bn)	(1970)	(780)	(0)
Field Arty HQ (Corps)	(360)	(360)	(0)
NATO Spt	(457)	(0)	(0)
Combat Service Spt			
Administration	667	587	162
2 Bands	(86)	(86)	(0)
Postal Services	(65)	(65)	(65)
Finance	(169)	(89)	(97)
Cook's Helpers TDA units	(306)	(306)	(0)
ADP Reduction/Consolidation	(41)	(41)	(0)
Transportation	1893	1853	387
Car Companies	(120)	(80)	(120)
Project Wheels	(1500)	(1500)	(0)
Civilian Hire 2 Trk Co's	(273)	(273)	(267)
Supply	717	634	232
Wholesale Supply	(492)	(478)	(78)
Retail Supply	(156)	(156)	(85)
Civ Hire Ordnance Ammo Handlers	(69)		(69)
Maintenance	2652	347	1423
Reduce/Civilianize POMCUS	(989)	(347)	(843)
Reduce/Civilianize DS/GS Maint	(1663)		(580)
Medical	846	93	487
Medical Unit Reductions	(307)	(93)	(0)
Eliminate Dental Activity	(52)		(0)
Civ Hire Medical Activities	(487)		(487)
Signal	750	250	0
Other	1249	64	1152
Psyops Unit Elimination	(64)	(64)	(0)
Projected FY 76 Manpower Conversions	(452)		(419)
To be determined	(733)		(733)
TOTAL	13,503	6,550	3,345

1/ NOTE: 3488 IDH spaces were requested in FY 76 President's Budget. Subsequent USAREUR plan changes based on OSD guidance has increased this request.

JCS-DIRECTED/JCS-COORDINATED EXERCISES

Chairman MCCLELLAN. Explain the difference between a JCS-directed and a JCS-coordinated exercise. Who directs an exercise that is JCS-coordinated?

Answer. JCS-directed exercises are strategic mobility or major commander in chief directed exercises of considerable interest to the Joint Chiefs of Staff. JCS-coordinated exercises are minor exercises, the scheduling of which requires coordination by the Joint Chiefs of Staff because it involves the units or forces of more than one commander in chief or agency. JCS-coordinated exercises are directed by the sponsoring commander in chief or agency.

Chairman MCCLELLAN. Provide a statement describing each of the FY 1976 JCS-directed and coordinated exercises. For each exercise that is continuing (i.e., also held in FY 1975), explain the reasons for the increased costs. The cost of these exercises has doubled in FY 1976; can you explain the general reason for such a large increase in a single fiscal year?

Answer. [Deleted.]

COMBAT DEVELOPMENT ACTIVITIES

Chairman MCCLELLAN. There is an increase of over $12 million for combat development activities. Please explain:

a. The amount of civilian personnel augmentation for MASSTER and TRASANA and the reasons for such augmentation.

b. Why the Army Security Agency requires increased operational testing, and what systems are responsible for such increase.

c. Why there is an inhouse support increase of $3.4 for combat developments.

d. Explain what the TACS/TADS operational effectiveness demonstration (OED) is, and why funding is appropriate for FY 1976. Will this continue in FY 7T and outyears?

Answer. (a) MASSTER manyears were held below the authorized civilian strength in FY 75. The MASSTER civilian manpower augmentation brings manyears and end strength in balance. The TRASANA increase of 38 manyears is the transfer from SAFEGUARD of those positions formerly associated with the BMD program which in FY 1976 will be employed in the evaluation of Infantry, Communications and Intelligence and Artillery Systems, and cost analysis, model development and utilization and quality assurance analyses. Support to SAFEGUARD in FY 76 will be limited to the phasedown of that system. These spaces were funded in the RDTE appropriation in FY 75.

(b) The Army Security Agency requires increased operational testing to test systems before type classification and [deleted].

[Deleted.]

Total ---------- 625,000

(c) The $3.4 million for inhouse support of combat development studies and analyses is actually the operational concept evaluation requirements associated with procurement of commercial items off the shelf to be used as military items without modification. TRADOC intends to evaluate 52 such items in FY 1976 which vary from the use of model airplanes as target devices to portable burglar alarms for mine detection purposes. The objective is to evaluate the military utility of these items without development of a separate prototype and at one tenth of the prototype development cost. FY 1976 is the year of maximum intensity for this program.

(d) The TACS/TADS operational effectiveness demonstration is a JCS directed effort to establish compatibility, interoperability and operational effectiveness among the following systems:

[Deleted.]

The TACS/TADS OED was originally planned for completion in FY 1976; however, [deleted].

COMMAND AREA SCHOOLS

Chairman MCCLELLAN. Explain the type of skills that would be provided by Command Area Schools, and give examples. If these skills are nonmilitary, explain how they maintain and increase combat readiness. How many individuals went to Command area schools in FY 75 and are planned for FY 76? What is the military and civilian strength of all of the Command area schools, FY 75–76?

Answer. Command area schools provide training that is not available from the CONUS training base. These schools are designed to furnish specific skills required for a particular area. For example, the USAREUR command area school provides such courses as: Special Ammunition Security, Explosives and Demoli-

tion, M60A1 Tank Commander, 155mm and 8" Projectile Prefire, DS/GS Mechanized Stock Control, Tactical Equipment Maintenance, and M60A2 Transition. In Panama, the Jungle Operations Training Center provides Jungle Operations training to Army, National Guard and Marine forces. In Alaska the Northern Warfare Training Center conducts such courses as Arctic Mountaineering (Summer and Winter), Freezup/Instructor Training, and Inland Waterways Navigation. All the skills provided by these schools are military in nature.

The projected student load for FY 75 is 28,687 and for FY 76, 33,250. Military and civilian strengths are as follows:

	Fiscal year—	
	1975	1976
Military	396	396
Direct hire	48	48
Indirect hire	113	113

End Strength—USAREUR and FORSCOM

Chairman McClellan. Provide the military and civilian end strength, FY 75–76, for USAREUR and FORSCOM and explain any increases in those years.

Answer. See table below.

USAREUR

	Mil AGG	Civ DH	OMA	Div IDH	OMA
Fiscal year:					
1975	[1] 180, 259	[3] 6, 211	6, 138	[4] 52, 124	51, 167
1976	[2] 177, 003	[3] 6, 229	6, 156	[4] 54, 598	53, 641

[1] Does not include Bde 75 assigned to forces command in Europe. (3115)
[2] Does not include Bde 75 and 76 assigned to forces command in Europe. (7275)
[3] Increase results from various reprograming actions, not identified with conversion of support to combat.
[4] Net increase results from additional IDH foreign nationals added to the overall manpower program to offset the military support reductions converted to combat.

FORSCOM

	Mil AGG	Civ DH	OMA
Fiscal year:			
1975	258, 819	48, 523	33, 859
1976	286, 812	52, 513	36, 079
Increase	+27, 933	+3, 990	

The military increases are associated with the following actions:

Activation of three new divisions	16, 600
Reconstitution, 4th brigade, 4th infantry division	3, 800
Nondivisional combat initiatives	6, 882
Priority support requirements for nonmobilization contingencies	488
Other	163
Total	27, 933

The civilian increases are associated with the transfer of the Ft Ord Garrison from Training and Doctrine Command to Forces Command (a transfer of spaces between major commands), a requirement for additional General Support Forces (GSF) manpower for base operations of the 16 Division Force and an increase of 1,770 spaces for reserve technicians and base operation support for reserve components.

Fort MacArthur and Fort Lawton

Chairman McClellan. Explain the decreases and reasons involving Fort MacArthur and Fort Lawton.

Answer. Defense priorities have been realigned based on a reevaluation of the total strategic threat. As a result, air defense forces assigned the strategic air defense mission have been reduced. The closure of Forts MacArthur and Lawton eliminates installations with high operating costs devoted primarily to support of such air defense forces.

As a result of the closure of Fort MacArthur, approximately 121 acres of the Upper Reservtion will be declared excess upon relocation of units and activities to the Middle Reservation. The commissary and post exchange will remain operational through 30 June 1975, at which time, both activities will be closed and the Lower Reservation, approximately 58 acres, will be declared excess. The Middle Reservation, approximately 100 acres, will be retained for use by active Army and Reserve component units. Approximately 12 of the remaining 100 acres will be licensed to the California Army National Guard.

Fort Lawton will be closed prior to 30 June 1975. One hundred fifty-one acres will be reported excess. Sixty-eight acres will be retained for the Army Reserve and the U.S. Army Cemetery.

Cost reductions of $8 million include the following areas of base operations support: Supply operations, direct and general support maintenance administrative transportation services, laundry and dry cleaning services, the Army food program engineer support and services, and administration.

DS/GS Maintenance in Korea

Chairman McClellan. What is DS/GS maintenance in Korea? Why the increase of $1.5 million.

Answer. Direct Support (DS) and General Support (GS) maintenance in Korea provides for the support maintenance of troop equipment and operating equipment when such maintenance is performed by either an installation or satellite support maintenance activity.

The $1.5 million increase in FY 76 is required for the upgrading of Eighth Army depot stocks (war reserve and claimant), new classified projects (Improved HAWK Program, TOW Missile Project, and Guardrail IV), and contract funds for maintenance-in-storage of DeLong Pier barges. Four (4) DeLong barges are being retrograted from other Pacific areas to be maintained in Korea for contingency requirements. The FY 76 funding increases are as follows: a. Guardrail IV ($200,000), b. Improved HAWK Program ($345,000), c. TOW Missile ($43,000). Part of the requested funds are for supplies ($635,000), part for labor ($253,000), and part for contractual services ($18,000).

Upgrade of Nuclear Security Facilities

Chairman McClellan. What upgrade of nuclear security facilities is being undertaken and where?

Answer. The Army is upgrading its nuclear storage facilities in Korea, Europe, and US. The primary requirement is for the purchase and installation of 152 intrusion detection systems and the hardening of security force facilities. This program is designed to provide for the continued upgrading of physical security for nuclear storage facilities. In addition, improvements are being made in order to prevent terrorist groups and other criminal elements from obtaining a nuclear device. The following is the FY 1976 cost by country:

Country:	*Thousands*
Europe	$3,729
Korea	364
Conus	462
Total	4,555

Environmental Quality Program Increase

Chairman McClellan. What accounts for the $4.823 million allocated as an increase in the Environmental Quality Program? What is this in response to?

Answer. The increase funding of $4.823 million is requested for the following new or expanded requirements primarily at FORSCOM installations:

a. Air Pollution Control—emission testing of fixed and mobile sources, installation of smoke detectors and minor modification of plans to meet emission standards at 17 locations in accordance with the Clean Air Act, PL 91-604. ($136,000).

b. Water Pollution Abatement—connection of such discharge sources as vehicle washracks, air-conditioning cooling towers and swimming pool backwash lines to sanitary sewers (44 sources); correction of infiltration in sanitary sewer collection systems (6 installations); training of sewage treatment plant operators and laboratory technicians (250 persons); and replace or repair oil/water separators on 30 washracks as required by the Federal Water Pollution Control Act, PL 92-500, and National Pollutant Discharge Elimination System Permits. ($2,729,000).

c. Noise Pollution Control—conduct noise surveys as required by OMB Circular A-106 (7 installations). ($144,000).

d. Solid Waste—design of new sanitary landfills; installation of controls such as fencing and monitoring stations on existing disposal sites (3 installations); and establish/upgrade waste recycling operations at 22 installations through purchase of containers and other hand-operated devices, and installation of equipment such as balers and shredders in accordance with 40 CFR 241 and DoD instructions on establishment of recycling programs. ($1,023,000).

e. Pesticides and Hazardous/Toxic Chemicals—installation of safety equipment for pesticide operations (2 locations); repackaging of pesticides in safe containers; training for 22 pesticide applicators; modifications to oil storage tanks to minimize dangers of spills; and revision of oil spill prevention plans as required by the Federal Environmental Pest Control Act, PL 92-516, and 40 CFR 112, Oil Pollution Prevention. ($241,000).

f. National Environmental Policy Act, PL 91-190, Requirements—conduct ecological surveys of installations to identify areas of critical environmental concern; preparation of environmental impact assessments/statements to support program and budget requests (6 installations). ($550,000).

Dining Facility Modernization

Chairman McClellan. Which bases are undergoing dining facilities modernization in FY 76 (increase of $7.4 million is reported)? Explain what type of modernization is taking place under this program.

Answer. FY 76 OMA funds are required for dining facilities scheduled for modernization at the following installations:

Fort Benning	Fort Eustis	Fort McClellan
Fort Bliss	Fort Gordon	Fort Ord
Fort Bragg	Fort Hood	Fort Riley
Fort Campbell	Fort Lee	Fort Sill
Fort Carson	Fort Leonard Wood	Fort Stewart
Fort Devens	Fort Lewis	Redstone Arsenal

The program to fully modernize existing permanent dining facilities provides an attractive, but not plush decor in the dining area; a properly equipped self-service area for beverages, condiments, salads and desserts; separate serving lines for short order and full course meals; an upgrade of selected items of food preparation equipment; and male and female locker and restroom facilities. The requested $7.4 million increase will provide mobile/portable food service equipment and items of decor for 88 dining facilities being modernized in the FY 75 and FY 76 Military Construction Program.

Chairman McClellan. What items for activation and initial operating costs are funded in this program as opposed to the combat forces program, and explain the requirement for $13.2 million.

Answer. The combat forces program provides activation and initial operating costs in the areas of initial provisioning of maintenance supplies (prescribed Load List), organizational clothing and equipment, operating costs during activation and minor equipment. Within the Base Operations program provisions are primarily made for increased supply operations, direct and general support maintenance, administrative transportation services, laundry and dry cleaning services, the Army Food Program, bachelor housing furnishings, personnel support, maintenance and repair of real property, minor engineering support, and administrative support.

The $13.2 million is to support the activation of Signal Intelligence units in Europe ($1.3 million), and activation of units at Fort Ord and Fort Stewart ($11.9 million) in support of the 16 division force structure. At Fort Ord (7th Division) two Infantry Battalions, two Artillery Battalions and the Brigade/

Division Base are programed to be established. At Fort Stewart (24th Division) one Artillery Battalion and the Brigades/Division base are programed to be established.

Combat Power in Europe

Chairman McClellan. Does the $16.8 million for Combat Power in Europe relate strictly to increased people at certain bases in Europe. If not explain the increase.

Answer. Personnel costs related to the employment of 1,419 foreign national indirect hire personnel (883 manyears) hired on a time phased basis during FY 1976 account for $8.1 million. This includes the hiring of clerical, administrative supply, and maintenance personnel to replace military now performing these tasks.

Rehabilitation and operating costs of $8.7 million are required to support the stationing of brigades at Wiesbaden and within the Northern Army Group (NATO) area of responsibility. Rehabilitation costs include renovation of facilities, hardstands and close-in training areas, modification of troop billets, and establishment of maintenance and facility repair shops. These expenditures are required to bring pre-World War II Kasernes to minimum acceptable levels of readiness and occupancy. Operating costs include the following areas of base operations' support: supply operations, direct and general support maintenance, administrative transportation services, the Army food program, and engineering and administrative support.

Current Exchange rates

Chairman McClellan. What currency exchange rate was assumed for budget purposes, and what the exchange rate was of the latest date available?

Answer. The FY 1976 OMA budget was priced at the following foreign currency levels:

German deutsche mark (DM)	2.47 to $1
Korean won	480 to $1
Japanese yen	300 to $1

Recent rates for these currencies (23 Apr 75) were as follows:

DM	2.36 to $1
Won	480 to $1
Yen	293 to $1

Common Service Warehousing

Chairman McClellan. Why was Common Service Warehousing transferred from Navy and Air Force?

Answer. Prior to FY 1976 warehousing for DOD components was performed on a reimbursable basis among the Army, Navy, Air Force and DSA. After a review of the reimbursement program, the decision was made that warehousing services which are provided by one DOD Component to another DOD Component will be funded on a common service (i.e., non-reimbursable) basis. The funding changes represent inter-service funds adjustments necessary to implement the program and do not alter the components' responsibilities relative to performing the warehousing services. There is no overall increase in cost to DOD.

National Military Command System

Chairman McClellan. The National Military Command System increases by $1.4M in FY 76. Explain the Improved Emergency Message Automatic Transmission System.

Answer. [Deleted.] The improved system is designed to make use of the capability of the Automatic Digital Network (AUTODIN) as a transmission media. The FY 76 funds for Army will lease two IEMATS systems for CINCEUR. IEMATS is under Defense Communications Agency (DCA) management for the JCS with Air Force as the executive agent.

Chairman McClellan. The National Military Command System increases by $1.4 million in FY 76. Explain the Improved Emergency Message Automatic Transmission System, and the Washington Secure High Speed Facsimile System—What they are, and why WASHFAX is being upgraded. What is the total cost of the WASHFAX upgrade, and year by year costs?

Answer. (Deleted.) The Army has been assigned the responsibility for the one time system upgrade cost of $800,000.

WORLDWIDE COMMUNICATION INCREASES

Chairman MCCLELLAN. Worldwide communication increases by $18 million in FY76. What is the Technical Control Improvement Program and why $1.7 million is required?

Answer. [Deleted.]

Chairman MCCLELLAN. Worldwide communication increases by $18 million in FY 76. What is involved in the $1.5 million increase for supporting Defense Communications Systems transmission media?

Answer. [Deleted.]

PROJECT DUCKTAIL

Chairman MCCLELLAN. Worldwide communications increases by $18 million in FY 76. Please explain what is Project Ducktail?

Answer. [Deleted.]

AUTODIN UPGRADING

Chairman MCCLELLAN. Worldwide communications increases by $18M in FY 76. Please explain why AUTODIN services provided to the Defense Civil Preparedness Agency are being upgraded at this time.

Answer. The proposed Automatic Digital Network (AUTODIN) upgrade of the eight Civil Defense Regional Offices will increase the speed of service from 75 baud (teletypewriter speed) to 1200 baud. In addition, each office will be dual homed, i.e., have an alternate circuit route to the AUTODIN switch. For additional safety the alternate circuit will also be avoidance routed, i.e., avoid major population centers. The additional funding is required to pay the subscriber rates charged by the Communications Services Industrial Fund (CSIF) under the management of the Defense Communications Agency (DCA) for the 1200 baud lines.

WWMCCS

Chairman MCCLELLAN. Worldwide communications increases by $18M in FY 76. Why the prototypes WWMCCS is being expanded and what the total cost of this expansion is.

Answer. [Deleted.]

LEASED SATELLITE SERVICES

Chairman MCCLELLAN. Worldwide communications increases by $18 million in FY 76. Please explain what Gapfiller leased satellite services provide, and why there is a $4.3 million requirement. Will these funds continue to be needed in the outyears?

Answer. The Army is participating in a Navy contract with COMSAT for leased satellite services supporting tactical communications pending the availability of Navy FLTSATCOM. COMSAT will launch two satellites, one over the Pacific and one over the Atlantic for GAPFILLER service. The Army will lease one channel in each of these satellites at a cost of $193,833 per channel per month for a total annual cost of $4,251 thousand. Service will be available over the Atlantic about 15 Aug 75. Pacific about 15 Nov 75. Army costs will commence upon actual service date for each channel and will continue for two years. These channels will primarily support Special Ammunition Storage (SAS) satellite communications tests in Europe and Korea, with capacity available for NCA, JCS, and Service contingencies.

PROJECT DUCKPINS

Chairman MCCLELLAN. Explain what project DUCKPINS is, and its total cost.

Answer. Due to the classification of Project DUCKPINS, it is recommended that, at your convenience, the Director, Office of Preparedness brief the committee on this project.

TRAFFIC CONTROL AND LANDING SYSTEM INCREASES

Chairman MCCLELLAN. Major reason for increases in cost of Traffic Control and Landing Systems is support of the worldwide air traffic control and navigational aids upgrade program. Describe this program, including its total cost.

Answer. Operations and Maintenance, Army resources in support of the Traffic Control and Landing System program thru FY 1975 provided only for support of on-going, recurring requirements and did not allow for essential upgrading to improve safety conditions and traffic control operations. The worldwide air traffic control and navigational aids upgrade program parameters are to achieve minimum air traffic control standards as established by regulations and directives promulgated by the Army, FAA, and in overseas areas by appropriate foreign governments and to attain standardization of equipments. Total cost of upgrade program thru FY 1978:

Operations and maintenance, Army:

	Million
Fiscal year:	
1976	$2.0
1977	1.8
1978	.2

Aviation procurement, Army:

Fiscal year:	
1976	0.
1977	3.5
1978	1.5

SUPPLY DEPOT OPERATIONS

Chairman MCCLELLAN. Supply depot operations increases $37 million in FY 76, of which $14 million is for increases in Care of Supplies in Storage. Please explain what the Care of Supplies in Storage increases program actually does, what its total cost is and what specific readiness benefit it provides.

Answer. The Care of Supplies in Storage (COSIS) program has as its goal, performance of specific tasks to assure that the true condition of materiel in storage is known, properly recorded and that materiel is provided adequate protection to prevent deterioration. COSIS concerns itself with the in storage inspection, minor repair, testing, exercising of materiel, and preservation, packaging and packing of materiel. The quality control aspects of COSIS provides for identification and, when necessary, removal from stocks of nonissuable quantities of items determined to be in other than a serviceable or issuable condition.

The total COSIS program cost in FY 1976 is $50.3 million dollars, an increase of $14 million over FY 1975. The beginning COSIS backlog of 717 thousand short tons is 127 thousand short tons higher than the FY 1975 beginning figure.

The $14 million dollar increase in the COSIS program will enable the Army to allocate manpower and materiel to the critical backlog, preventing further deterioration of stored materiel and reduce potential materiel losses.

Knowledge of true materiel condition in storage is necessary for combat readiness. Maintenance of materiel in storage increases the capability of the Army to respond to the needs of combat forces. Specifically, it insures that the equipment issued to the combat forces is completely serviceable and available for immediate use.

CENTRAL PROCUREMENT ACTIVITIES

Chairman MCCLELLAN. Central Procurement activities shows a decline in FY 76 of less than $1 million even though there is a significant decrease in procurement of materiel as well as contracts administered. Why isn't there a more significant decline in funding for this program?

Answer. The workload decline in this program has resulted in reductions of $2.8 million. However, increases in personnel compensation, and cost of supplies has offset the reductions by $2.7 million. All workload factors reflected in the budget indicate reduced workload. The factor most indicative of this program is the number of procurement actions processed. The reduction of 4% in this area normally is related to total workload reductions. However, in FY 76 the projections indicate that the decrease in overseas operations (5%) is more than offset by a 2% increased workload in CONUS. The workload in CONUS is entirely in the Army Materiel Command and is of a much more complex nature than the overseas workload. An example of the AMC role compared to the overseas areas is indicated by the fact that 88% of the value of procurement actions is in CONUS.

Bachelor Housing

Chairman McClellan. Where is the initial issue of bachelor housing furnishings that require $5.5 million? Was there any utilization of existing bachelor housing furnishings?

Answer. The $5.5 million increase is required to fund the following requests:

Installation	*Number spaces*
Fort Carson	1,190
Fort Hood	1,638
Fort Hunter/Stewart	1,850
Fort Riley	84
Fort Jackson	1,170
Fort Benning	1,170
Fort Gordon	736
Fort McClellan	1,170
Fort Rucker	143
Fort Eustis	127
Fort Leonard Wood	230
Total	9,508

Existing bachelor housing furnishings will be utilized to the extent possible considering the new modern design of the barracks. Existing furnishings have been considered in determining the above requirements. Currently there is a deficit of adequate furnishings at the above installations.

Transfer of Tenant Support

Chairman McClellan. What is meant by transfer of Tenant Support at AIF installations from various programs? Why is this tranfer being made?

Answer. Under our current procedures, all Army tenant activities on Army Industrial Fund (AIF) installations are provided funds by their parent organization for base operations support. These funds are used by the tenant activities to reimburse the AIF for services received. The administrative workload intrinsic in this method of financing is of such complexity, and magnitude, particularly for the servicing Finance and Accounting Officer, that a better, streamlined method of supporting base operations for tenant activities on an AIF installation is required.

To simplify administrative procedures in FY 76 funds are being transferred from various programs as listed at Inclosure 1, to Program 7–S so that the host command can provide tenants with non-reimbursable base operations support. This new method should reduce the clerical workload and provide for better management control.

Source of funds

Program:	*Thousands*
P–1–S	$463
P–2	930
P–3–C	36
P–30	17
P–8–T	22,593
P–8–M	5,405
P–9	886
Total	30,330

Dredging Operations at Kings Bay and Sunny Point

Chairman McClellan. Why are the dredging operations at Kings Bay and Sunny Point being undertaken?

Answer. Military Ocean Terminal, Sunny Point (MOTSU), is the Army's primary ammunition loading facility. The principal mission of the terminal is receipt, handling, and loading of ammunition and other dangerous cargoes onto ocean-going vessels. Due to its location, there is continuous silting in the channels, turning basins and wharf areas. Dredging has been required on a cyclic

basis, ranging from 18 to 24 months, since the construction of MOTSU. This dredging includes only that work which is essential to the operation of MOTSU. It does not include any work in the main navigational channel of the Cape Fear River.

Military Ocean Terminal, Kings Bay, is a standby ammunition loading terminal to be utilized in the event MOTSU becomes inoperable. Due to its location dredging of the approach channel, turning basin and wharf areas is required on a less frequent basis than MOTSU. The last dredging at this facility was in 1969.

The navigable areas associated with both of these terminals are currently silted to the extent that vessels cannot be loaded to their rated capacities, resulting in increased costs of shipping ammunition. If dredging is not accomplished, costs of shipping ammunition will continue to increase and eventually ocean-going vessels will not be able to utilize these terminals.

Materiel Command Reductions

Chairman McClellan. Describe the specific headquarters reductions and mid-management command reductions made in FY 75 in the Materiel Command.

Answer. Headquarters, USAMC, its staff support and the headquarters of each of the six commodity commands were reduced by a total of 476 military and civilian spaces in FY 75 as a result of the DOD Headquarters Review directed by the Secretary of Defense in October 1973.

Reactivating Reserve Industrial Plants

Chairman McClellan. What has been the Army's experience in reactivating reserve industrial plants and equipment during wartime (especially during Vietnam). Had the expenditure of funds for industrial preparedness operations made it possible to reactivate certain plan ts when needed. Describe and give examples.

Answer. The use of layaway plants and equipment during the Vietnam build-up contributed materially toward the Army's ability to accomplish early production. Standby lines demonstrated the capacity to achieve production in four months or less in lieu of a fifteen month time lag encountered with new equipment acquisition. Attached as an inclosure is a table illustrating activation and production of plants and equipment, new equipment lead time developed in coordination with private contractors, and the FY 1966 replacement cost. The time frames encountered for production are minimal not only because of the availability of equipment, but also because the equipment is located within a facility in an acceptable manufacturing configuration.

The expenditure of funds for industrial preparedness operations has made it possible to reactivate certain plants as needed.

ACTIVATION OF STANDBY PRODUCTION LINES DURING FISCAL YEAR 1966 IN SUPPORT OF SOUTHEAST ASIA

[Dollar amounts in thousands]

Facility	Number of machines activated	Activation date	Production date	New equipment leadtime (months)	Acquisition cost	Replacement cost
Indiana AAP	15	April 1966	May 1966	15	$57.6	$89.4
Cornhusker AAP	121	September 1965	October 1965	15	558.8	1,078.5
Lake City AAP	339	February 1966	June 1966	15	2,301.2	5,592.0
Lone Star AAP	12	April 1966	May 1966	15	71.5	150.8
Milan AAP	18	June 1966	July 1966	15	26.3	50.8
Twin Cities AAP	900	February 1966	September 1966	15	7,775.0	18,038.0
Scranton AAP	34	January 1966	February 1966	12	1,180.3	1,853.1
Sunflower AAP	110	August 1965	December 1965	10	1,179.8	2,984.8
Burlington AAP	230	April 1966	September 1966	15	3,180.3	4,993.0
Louisiana AAP	77	March 1966	do	15	833.7	1,609.0
Total	1,856				17,164.5	36,439.4
Acquisition cost						17,164.5
Hypothetical savings						19,274.9

Logistics Support Activities

Chairman McClellan. Logistic Support Activities increased by $20 million in FY 1976. Of this amount, $7 million is for increased costs of demilitarization of military items, and $5 million for master planning. Please explain why demilitarization costs increase so much. Also describe in detail what new initiatives are involved in "Master Planning" activities, how many personnel, where, etc.

Answer. *Demilitarization of military items.*—Demilitarization of military items is one of the functions performed as a part of disposal of surplus property. The expenses of Property Disposal Operations are financed from the proceeds of sales of surplus property or by direct OMA appropriation when proceeds are inadequate to reimburse for total expenses incurred. Total property disposal activities, including demilitarization of military items, decreases by $4.6 million between FY 1975 and FY 1976, from $73.1 million to $68.5 million. The $7.2 million increase shown in the budget results from the difference in direct OMA funds available to offset the shortage of proceeds of sales required to fully finance the approved programs.

Master planning.—Master Planning for the long range development of Army installations is and has been a function of all permanent installations. This effort has been inhibited due to a lack of technical expertise and limited funding. The new initiatives include Master Planning of a more technical nature involving energy conservation, environmental requirements and preservation of historical places which are changes common to many installations and can be accomplished by architect-engineer contracts. These contracts will be administered by field organizations of Office, Chief of Engineers within current personnel authorization.

Equipment Requiring Depot Maintenance

Chairman McClellan. Provide the backlog of equipment requiring depot maintenance, for the past three fiscal years and projected FY 1976, FY 197T by major equipment category and total backlog. What is considered to be the "management level" of the backlog? Why was FY 1975 funding so far below FY 1974 funding? What is the reason for selecting FY 1976 as the year for such a large reduction of the backlog?

Answer. The following table reflects the backlog information by equipment category for three fiscal years and the projected for FY 1976 and FY 197T. (Inclosure 1)

The depot maintenance management level is the quantity of unserviceable assets required to be on hand in order insure continued production until additional unserviceable assets materialize. The dollar value of the management level is approximately $41 million. FY 75 funding is much lower than FY 74 as a result of an Army decision made prior to submission of the FY 75 President's Budget. The Army determined that readiness of the force could be improved by expediting the depot maintenance overhaul program. Therefore, $88 million of the projected FY 75 program was pulled into FY 74 and submitted with the FY 74 readiness supplemental. Congress subsequently reduced the Army request by $44 million.

In response to the question requesting the reason for selecting FY 1976 as the year for such a large reduction of the backlog. In order to improve readiness Defense has set a goal of reducing the Army maintenance backlog to management level by the end of FY 1977. Efforts to achieve this goal are reflected by the decrease in backlog from $215.6 million in FY 1973 to a planned backlog of $78.4 million by the end of FY 197T. Indications are that recent cost increases since preparation of the budget will prevent the Army from reaching management level in FY 1977; however, the budget was developed with this objective in mind. The backlog reduction during FY 1976, as compared with prior years effort is as follows:

Fiscal year:	*Million*
1973	$—70.0
1974	—94.5
1975	+58.4
1976	—76.7
197T	—24.9

This phased backlog reduction plan was developed based on capacities, priorities and fund availability.

DEPOT MAINTENANCE BACKLOG ANALYSIS

	Fiscal year—				Management level	Unfinanced	Fiscal year 197T	Management level	Unfinanced
	1973	1974	1975	1976					
Aircraft	13,778	10,558	38,160	24,120	4,160	19,960	13,361	4,160	9,201
Automotive	17,482	6,812	3,195	4,074		4,074	3,600		3,600
Combat vehicles	108,359	49,807	41,494	24,509	16,737	7,772	17,849	16,737	1,112
Construction	12,856	3,180	2,668	1,510	1,257	253	1,257	1,257	
Comm./elec	22,908	24,702	37,047	13,510	8,164	5,346	12,709	8,164	4,545
Missiles	767	9,054	26,832	25,993	5,685	20,308	23,295	5,685	17,610
Ships	517	720	508	14		14			
Munitions	6,587	356	2,359	532	344	208	344	344	
Weapons	15,812	3,756	11,746	1,833	1,224	609	1,224	1,224	
Rail	694	811	657	98		98			
General equipment	15,840	11,388	14,003	5,764	3,707	2,057	4,087	3,707	1,100
Commodity operations			830	838		838			
Total	215,600	121,144	179,499	102,815	41,278	61,537	78,446	41,278	37,168

IMPLEMENTATION OF ONE-STATION TRAINING CONCEPT

Chairman MCCLELLAN. Delineate the additional costs associated with implementation of one-station training concept ($5.9 million under recruit training increases).

Answer. The one-station training concept will be initiated at Forts Benning, Bliss, Gordon, and Sill in FY 1976. The $5.9 million requested in Recruit training is a one-time requirement to modernize and augment training facilities to complement the one-station training concept. Items to be purchased include:

	Millions
Barracks/day room/office furniture	$2.1
Organizational equipment and clothing stock	2.7
Brigade and training staff equipment	.1
Office machinery	.1
Training aids, repair parts, athletic equipment, administrative supplies	.9
Total	5.9

DEFENSE INFORMATION SCHOOL

Chairman MCCLELLAN. Describe the mission of the Defense Information School, provide its FY 74–5–6 funding and staffing levels.

Answer. The Defense Information School provides training for selected officers, enlisted personnel, and civilian employees for the Department of Defense and other Federal Agencies, and persons from allied nations to prepare them for government information assignments. Courses conducted are: Information Officer Basic Course, Broadcast Officer, Advanced Information Specialist, Newspaper Editor, Public Affairs Seminar, Information Specialist (journalist), Information Specialist (Broadcaster), and Information Officer (Reserve components).

Funding and staffing levels for the Defense Information School are as follows:

	Fiscal year—		
	Actual 1974	Estimated 1975	Estimated 1976
Amount (in millions)	$.9	$.9	$.9
Officer end strength	15	13	13
Enlisted end strength	34	35	32
Civilian end strength	44	49	49

AVIATOR REQUIREMENTS VS. STRENGTH

Chairman MCCLELLAN. The Army has indicated that it doesn't plan to achieve a balance of aviator requirements vs strength until FY 1978. (It has an excess

of commissioned aviators.) In light of this, explain why FY 1976 pilot training load increases over FY 75, and pilot training output is up significantly over FY 1975. Why shouldn't it be held level in FY 76 or decreased? How many aviators does the Army intend to Reduce in Force in FY 76?

Answer. In the President's Budget the Army's Undergraduate Pilot training output for FY 75 is 728 and for FY 76 842. In FY 75 this output requirement was reduced from 928 by an Army warrant officer recall program. When comparing the FY 75 output requirements with the FY 76 output requirements this factor must be considered and when doing so it should be noted that the Army's requirement actually decreased from FY 75 to FY 76, (928 to 842) a decrease of 86. Training rates reflect the initial entry output to man the FY 80 force of 14,095 (11,696 core+2,399 supplement). The FY 80 force shows a requirement for 1,486 lieutenants (LT's) and 6,087 warrant officers (WO). Current Army policy is to train LT's with less than 48 months active federal commissioned service (AFCS) and WO's. With the above training, the projected LT strength for end FY 80 is 1,057 or 420 less than required. The projected WO strength for end FY 80 is 6,064 or 23 less than required. The total projected aviator strength for FY 80 is 14,220 (125 over the total requirement). The WO requirement of 6,087 in FY 80 includes 5,534 operational flying (TOE–TDA) positions and 558 positions allocated to transients, patients and students (10%).

There are no quotas for any category of officers assigned for the FY 76 RIF. Selection of officers to be released will be based on the total record of the officer concerned. Therefore, information concerning the number of aviators to be released can be determined only after the selections are made by the Department of the Army Active Duty Board (DAADB) scheduled to convene approximately 7 May 1975.

Increased Commissionings

Chairman McClellan. If ROTC commissionings are increasing, why are OCS input and commissionings also increasing in FY 76.

Answer. ROTC production available, planned active duty accessions from ROTC, and planned OCS output for FY 75 and FY 76 are displayed below.

	Fiscal year—	
	1975	1976
ROTC available production	5,367	4,532
ROTC active duty accessions	4,065	3,700
OCS output	350	500

Total Army requirements for officer accessions to support active duty and Reserve Components are increasing. ROTC provides a major source of officers to the Reserve Components, either immediately (following three months of active duty for training) or upon completion of initial tour. The increase of OCS from 350 to 500 has been made to provide more ROTC graduates to the Reserve Components without substantially increasing overhead costs and with no loss in quality while:

Allowing procurement of only those ROTC graduates desiring active duty.

Allowing increased upward mobility for high quality enlisted personnel.

Training Extension Courses

Chairman McClellan. An increase of $13 million is included for Training Extension Courses, to expand such courses to combat support and service support skills. Provide an explanation of success to date with such extension courses, and reasons for extension to other skills. What would be the readiness impact of denying the expansion?

Answer. TEC is a program in which the service schools provide pre-packaged training materials for soldiers in units to learn "on the job" skills necessary to survive on the battlefield and accomplish MOS responsibilities. It has now been initiated in combat arms battalions of the active Army and Reserve Components worldwide. The stimulus for developing the system was the recognition that the Army's most significant training problems existed in this area. Experience in in-

dustry and academia indicates that the program will be even more applicable to the technical MOS's of the combat support and combat service support, where significant training problems have historically existed, and which are based on the hard skills which lend themselves to TEC's self-paced interactive approach.

In a recent analysis by US Army Research Institute, the program was proven to be more effective than live instructors, especially with soldiers of low verbal ability and from an economic point of view TEC provides greater instructional benefits at a slightly lesser cost. Additionally field validations on 125 lessons with approximately 4,300 soldiers resulted in an average knowledge gain of 48.9 percent on tests measuring the critical skills essential to adequate job performance.

The TEC approach is particularly viable for Reserve Component units which lack the expertise and time necessary to train to the required skill level on highly technical jobs. Since the majority of the Army Reserve is structured as combat support and combat service support units, the extension of the program to MOS's of this type is especially apropos at this time.

Unit readiness is based upon the collective assessment of men, material and equipment. Lesson validation data and MOS test score results have demonstrated that skill levels can be raised significantly by the individual soldiers use of TEC in field units. This has a direct impact on unit readiness and is especially appropriate for raising readiness of the Army Reserve Components.

Continued funding of the TEC program at this projected level will allow the Army to take advantage of modern educational technology in increasing the individual capability of soldiers and thus improving unit readiness.

Environmental Quality Program

Chairman McClellan. Why is an increase of $4.8 million required for the Environmental Quality Program?

Answer. The increased funding of $4.8 million in FY 1976 is requested for the following new or expanded requirements at TRADOC installations:

a. Air Pollution Control—emission testing of fixed and mobile sources, installation of smoke detectors and minor modification of plants to meet emission standards at 7 locations in accordance with the Clean Air Act, PL 91-604. ($56,000).

b. Water Pollution Abatement—connection of such discharge sources as vehicle washracks, air-conditioning cooling towers and swimming pool backwash lines to sanitary sewers (39 sources); correction of infiltration in sanitary sewer collection systems (3 installations); training of sewage treatment plant operators and laboratory technicians (100 persons); and replace oil/water separators on 100 washracks as required by the Federal Water Pollution Control Act, PL 92-500, and National Pollutant Discharge Elimination System Permits. ($1,523,000).

c. Noise Pollution Control—conduct noise surveys as required by OMB Circular A-106 and Noise Control Act of 1972, PL 92-574, (13 installations). ($266,000).

d. Solid Waste—design of new sanitary landfills; installation of controls such as fencing and monitoring stations on existing disposal sites (5 installations); and establish/upgrade waste recycling operations at 18 installations through purchase of containers and other hand-operated devices, and installation of equipment such as balers and shredders in accordance with 40 CFR 241 and DoD instructions on establishment of recycling programs. ($1,130,000).

e. Pesticides and Hazardous/Toxic Chemicals—installation of safety equipment for pesticide operations (1 location); repackaging of pesticides in safe containers; training for 16 pesticide applicators; modifications to 27 oil storage tanks to minimize dangers of spills; and revision of oil spill prevention plans as required by the Federal Environmental Pest Control Act, PL 92-516, and 40 CFR 112, Oil Pollution Prevention. ($275,000).

f. National Environmental Policy Act, PL 91-190, Requirements—conduct ecological surveys of installations to identify areas of critical environmental concern; preparation of environmental impact assessments/statements to support program and budget requests (12 installations). ($1,550,000).

Commercial and Industrial Type Functions Test Program

Chairman McClellan. Explain the commercial and industrial type functions test program, which requires an increase of $1.9 million.

Answer. The Army is conducting a study to evaluate the feasibility of contracting out various in-house Base Operations services. Four posts have been selected for the test program: Fort Eustis, Virginia; Fort Gordon, Georgia; Fort

Chaffee, Arkansas; and Carlisle Barracks, Pennsylvania. Preliminary analysis of the feasibility study indicates that savings are possible by contracting out certain base operations functions.

In the event that the Army, after receiving OSD and Congressional approval decides to conduct the test by soliciting formal contractor bids and making a contractor selection, $1.9 million will be required to pay civilian terminal leave and separation allowances for affected personnel at the test installations.

Of the four posts involved, the costs for Fort Chaffee estimated at $.5 million are included in the OMAR appropriation, and not included in the $1.9 million above.

ADDITIONAL COMBAT FORCES

Chairman MCCLELLAN. Why $3.8 million is required for the activation and initial operating costs of the additional combat forces.

Answer. The increase of $3.8 million within Base Operations is required to support the activation of a STRAF Brigade at Fort Polk, LA. Activation costs of $1.4 million during FY 76 are required for the purchase of bachelor housing furnishings for permanent party STRAF troops, reconstruction of the road net and tank trails leading to and within unit training areas, and minor rehabilitation of selected mission essential facilites. Remaining costs represent a recurring requirement to support this add-on mission at Fort Polk. These recurring costs of $2.4 million include increased Base Operations support in the following areas: supply operations; direct and general support maintenance; administrative transportation services; laundry and dry cleaning services; the Army Food Program; personnel support; the maintenance of bachelor furnishings; and minor engineering support.

INCREASED SECURITY COSTS

Chairman MCCLELLAN. There is a $10 million increase in FY 76 in recruiting and examining costs. Delineate the $7.8 million increased cost to sustain approved level of operations. Explain what the Armed forces examining and entrance requirement study is. Describe the recruiter professional development program, what it is and how much it costs.

Answer. While OMA Program 8 Other recruiting and examining costs show a $10 million increase, total FY 76 recruiting and examining resources including all OMA and MPT costs compared to those of FY 75 in constant dollars reflect a decline of $26.6 million. Total recruiting cost per accession in constant dollars is at virtually the same level in FY 75 and FY 76. The FY 76 reductions are related to lower recruiter military personnel, and reductions in the unit of choice canvasser program.

Because of the impact of a shifting population, changes in transportation systems, and the transition of an all volunteer force, there exists a need to thoroughly evaluate the effectiveness of the AFEES to include their method of operation and location. The operations of AFEES have been analyzed from time to time in the past and several selected changes have been made in the operations of the system. However, these actions have focused on near term changes and have not been sufficiently comprehensive to forecast requirements and recommended changes in the AFEES system for the 1980 to 1985 time frame.

Selective Service has an effort underway to totally revise and automate induction notification and processing by November 1975. DOD has an ongoing project under Air Force control to determine the feasibility of automating and processing in the AFEES to include typing of the required enlistment documents. Additionally, each Service has a School Seat Reservation System for coordination of the applicant's proposed training, and the respective Service training capability. All of these projects, which have been developed through individual Service sponsorship, have the common objective of a total accession management system which will insure enlistments in consonance with Service needs. A key element of this study will be to analyze the interrelationships of these various programs and recommend automation interface techniques where feasible.

The role of Mobile Examining Teams (MET) will be investigated to determine the optimum cost effective use of these teams to preclude sending mentally unqualified applicants to the AFEES whenever possible. Also, the study will investigate alternative methods of conducting medical examinations with the view of increasing reliability, reducing costs and expeding applicant flow.

And lastly, this study will provide the basis for programing changes in the AFEES system to meet accession requirements through 1985. It is envisioned that extensive analysis of population trends, transportation changes, educational and employment opportunities will be required to forecast the required number, size and location of AFEES in the past 1980 period.

The results of a recent contractor research effort on recruiter training needs have confirmed the requirement for a professional educational system for recruiting personnel. It has been determined that a decentralized system would be the most expensive, effective, and economical method of training a properly trained and informed corps of recruiters. The recruiter professional development program will meet this requirement/need. The program is a series of sales and sales management oriented courses of instruction, developed for field recruiters, first-line supervisors, middle managers, and top supervisors. The courses are standardized and integrated so that USAREC managers are knowledgeable of the inherent requirements and procedures of not only their own positions, but also those of personnel at each level under their supervision. The program will cost $900,000 in FY 75 and $2,009,000 in FY 76.

Tuition Assistance and Vocational-Technical Programs

Chairman McClellan. Other education programs increase by $7 million in FY 76. Explain the $5.1 million increase in tuition assistance and vocational-technical programs.

Answer. The Vocational-Technical program is being expanded to meet the needs and interests of enlisted personnel, particularly carrier NCOs. An increase of $3.1 million is programmed to provide for vocational-technical courses to include $.5 million for the procurement of equipment necessary for hands-on instruction. Through this program both career and non-career soldiers have the opportunity to expand their MOS skill and knowledge, increase technical competence, and develop secondary or tertiary MOSs. Because the vast majority of enlisted MOSs are vocational or technical, this program will have a significant impact upon job performance, unit readiness and career development of the individual soldier. Approximately 38,000 vocational-technical course enrollments are expected during FY 75. Based upon program trends and installation program plans an estimated 55,000–60,000 enrollments are expected during FY 76. The college tuition assistance program is expected to increase by 25–30% between FY 75 and FY 76. An additional $1.8 million is needed to support this increase in college participation. It is expected soldiers will enroll in approximately 130,000 college courses utilizing tuition assistance funds in FY 75 and 170,000 courses in FY 76. This increase will result from: higher education level of new recruits, more readily available associate and baccalaureate programs through the Servicemen's Opportunity College (SOC), more highly education oriented enlistees through the Project AHEAD concept, and improved planning of education and training activities by commanders.

Army Academy of Health Sciences

Chairman McClellan. Explain the specific mission of the Army Academy of Health Sciences. What courses are taught here that eventually will be taught at the Uniformed Services University of Health Sciences. What courses are at the Uniformed Services University of Health Sciences that are not taught at the Army Academy of Health Sciences.

Answer. The Academy of Health Sciences, U.S. Army (AHSUSA) provides systematic progressive education of Army Medical Department (AMEDD) officer and enlisted personnel in the field of health sciences that pertain to the AMEDD and to Army related care disciplines. The Academy also develops concepts, doctrine, material requirements, and organizations for the health care system in support of the Army in the field in all combat environments. There are no courses taught at the AHSUSA that will be taught at the Uniformed Services University of Health Sciences (USUHS). The initial curriculum to be developed by the USUHS is in medicine and is designed to provide education leading to an MD degree. Training of this type is not provided by AHSUSA. Disciplines such as dentistry, veterinary medicine and nursing may be added later to the curricula of USUHS.

Medical Care Composite Unit

Chairman McClellan. Explain what is meant by a "Medical Care Composite Unit" and how is it calculated?

Answer. The Medical Care Composite Unit (MCCU) is a single unit of measurement for the various primary categories of patient care services perforced at the Army Medical Treatment Facilities. It is formed by application of designated level-of-effort weights based upon the manhours of effort associated with each functional component as follows:

Workload component	*Weighting Factor*
Average daily beds occupied	X 1.0
Average daily admissions	X10.0
Average daily live births	X10.0
Average daily clinic visits	X 0.3

The MCCU is the product of a special tri-service study of patient workloads at selected DOD hospitals during the post-Korean war period which was designed to express a gross measurement of hospital effort. It has subsequently been periodically reevaluated by the Department of the Army to insure validity. The composite unit has been successfully used as a broad performance measurement device and as a reliable management tool at the Departmental level. The MCCU was not designed; however, for use as a measurement device for determination of level of effort at individual hospitals and is not a satisfactory indicator upon which precise resources at particular facilities may be determined and allocated. The Department of the Army continues to use periodic on-site manpower surveys to establish current requirements at each treatment facility based upon the specific health care missions assigned, treatment specialties provided, capabilities of the physical plant, geographic and climatic conditions, type and mix of the population supported and similar local considerations.

Civilianization Program in Hospitals

Chairman McClellan. Describe the civilianization program in hospitals and indicate how many positions are being civilianized in FY 76, plus costs.

Answer. The Army Chief of Staff directed a "Review of Army Medical Department Management & Operations" with the objective of reducing military personnel and returning those spaces to DA for the planned 16 division force. Based on this study, the Army Medical Department recommended the conversion of 1,919 military authorizations to civilian positions in the medical program, with an initial implementation planned for the conversion of 974 spaces during the latter part of FY 1975. However, due to the Congressional reduction in FY 1975, OMA funds, $12 million of which was applied to the medical program, implementation of the conversion was deferred to FY 1976. The FY 76 budget request reflects the conversion of 1,919 military end strength and 1,679 military manyears to civilian positions at an increased cost to Program 8-Medical (Operation and Maintenance, Army Appropriation) by $18.2 million. Under the plan, 1,786 positions ($16.9 million) will be converted within the Army hospitals with the remaining 133 positions ($1.3 million) being converted in other medical activities. These recommendations were approved and a public announcement was made on 18 October 1974.

Increased Cost of Medical Activities

Chairman McClellan. There is a $13 million increase in other medical activities in FY 1976. In connection with this program, please explain where "medical materiel activities" are located, and how many are involved?

Answer. The medical materiel activities provide technical, logistical and maintenance support for worldwide medical supply missions. The nine medical materiel activities are located at the following sites:

Overseas: 1—Einsiedlerhof, Germany; 2—Machinato, Okinawa; and 3—Yongsan, Seoul Korea.

Continental US: 1—Tobyhanna, PA; 2—Sharpe/Tracy, CA; 3—Ft Detrick, MD; 4—Ft Sam Houston, TX; 5—Ft McPherson, GA; and 6—Ft Clayton, Canal Zone, Panama.

Chairman McClellan. There is a $13 million increase in other medical activities in FY 1976. In connection with this program, please explain why annual funding for a historical unit is required—how often is the history of the Army Medical Department published?

Answer. The Army Medical Department Historical Unit is a separate activity under the command of the Army Surgeon General. Managerial control and standardized accountability require organizational identity paralleling other Army ac-

tivities. The Army Medical Department Historical Unit functions as a separate activity with responsibility for the preparation and publication of the history of the Army Medical Department. This history is used extensively in research and has contributed to the improvement of medical services, especially during hostilities. Specifically, mortality rates have been significantly reduced during succeeding wars.

Documenting the Army's medical history is continuous. The Army Medical Department Historical Unit has published 55 histories, including various Theater Campaigns, since WW II. Six historical publications will have been published during the period September 1974 to September 1975. Fifteen projects have been directed covering the Korean War and subsequent actions in Asia. Historical publications provide source data in the professional disciplines of surgery, medicine, psychiatry, dental medical research and development, as well as medical logistics and administration.

Chairman McClellan. There is a $13 million increase in other medical activities in FY 1976. In connection with this program, please explain why there is a $2.8 million increase in drug and alcohol prevention testing shown on page 8–54, yet only $1 million increase shown on the following page for "reinstatement of drug testing?"

Answer. The $2.8 million increase not only includes the $1 million for reinstallment of drug testing, but also includes $1.8 million for the transfer of the Drug Abuse Testing Laboratory in Wiesbaden, Germany from the U.S. Air Force. This inter-service transfer was required to accomplish an improved balance of the distribution of worldwide drug testing which is equally shared by the three services.

Chairman McClellan. There is a $13 million increase in other medical activities in FY 1976. In connection with this program, please explain why were medical labs in Europe transferred from Air Force?

Answer. The transfer of the Wiesbaden Lab from the Air Force to the Army was made by order of the Assistant Secretary of Defense (H&E) so as to provide a more equitable and efficient workload distribution among the services.

Chairman McClellan. There is a $13 million increase in other medical activities in FY 1976. In connection with this program, please explain why there is an $803,000 requirement caused by increased combat power in Europe?

Answer. Increased combat power in Europe involves the replacement of 134 military medical personnel with civilian indirect hire by the end of FY 76 in an attempt to improve the "tooth to tail" ratio in Europe. Positions to be civilianized include medical-dental specialists; ambulance drivers; administrative-clerical personnel; and supply-equipment specialists. The $803,000 is for the pay of personnel and relates to 100 man years of employment during FY 1976.

"All Other" Category

Chairman McClellan. What is included in the $8,183,000 "all other item" on page 8–54?

Answer. By definition the "all other" category consists of those expenses that are not specifically identified anywhere else in the medical management structure. Some of the larger identifiable costs associated with this account are: printing of medical forms and publications (1.8 million), travel of patients and attendents to, from and between hospitals (.5 million), blood center at Ft Knox (.8 million). The remaining expenses are made up of numerous small activities throughout the world to include: medical illustration detachments, blood banks and purchase of blood, medical record activties, radiological hygiene activities and all the Joint Health Activities like the Medical Library, and Pest Control Board.

Tri-service Medical Information Service

Chairman McClellan. Provide a description of the Tri-service medical information service support, etc.

Answer. The Tri-service Medical Information System (TRIMIS) is the integrated DOD program developed with the support and input of the three military departments for the planning, test, evaluation and eventual installation of medical automatic data processing systems (ADP) in the health care facilities of the three departments. The program will apply ADP technology to all levels of health care. It will enable the medical departments to obtain relevant, reliable and timely information, reduce the effort in gathering, recording, summarzing and extracting data, use this data to enhance training and professional develop-

ment, increase speed and efficiency of health care operations and reduce clerical responsibilities.

The total Army cost programed for FY 1976 is $9,697 million. These costs include $8,023 million for operation and maintenance, $900 thousand for military construction and $774 thousand for military personnel. This funding relates to the initial planning, systems design, performance specifications and procurement of commercial systems which will go toward the first prototype system required to support the new Walter Reed Hospital which is scheduled for occupancy in FY 1977. Future proliferation to the DOD medical system is dependent upon the development and experience gained during this initial effort.

Cost of Medical Examination

Chairman McClellan. What is the average cost of a medical examination at an Armed Forces Examining and Entrance Station. Based on this cost, build up to a requirement for $8,004,000 in FY 1976. Based on the same cost, explain why workload decreases of 62,000 medical examinations only results in a $65,000 decrease?

Answer. The estimated average cost of a medical examination at an Armed Forces Examining and Entrance Station, including fixed as well as variable expense, is $8.49 in FY 1975 and is $9.57 in FY 1976. The estimated FY 1976 cost of $8,004,000 is a net increase of $378,000 over the estimated FY 1975 cost of $7,626,000 which represents an increase of approximately $1.08 per exam. This increase is due to increased civilian pay costs ($71,000) and the conversion of military to civilian physicians ($372,000), offset by a net decrease of $65,000 related to decreased workload.

The net decrease of $65,000 for a reduction of 62,011 medical examinations is the result of decreased workload costs of $307,000, offset to some extent by increased cost per examination of $242,000. The variable cost per exam relates primarily to the consumable medical supplies and to a portion of the fee-based physician costs for diagnostic testing and exams which are provided by private physicians on a contractual basis. The preponderance of AFEES costs over civilian employee salaries which are relatively fixed in nature and which do not change significantly with a relatively small change in the range of workload performed. Thus, the expected minor reduction in the number of AFEES exams for FY 1976 do not produce a straight-line savings commensurate with the above-cited average cost per examination.

"New Walter Reed Army Hospital"

Chairman McClellan. Explain what "New Walter Reed Army Hospital" is referred to under Medical Base Operations. Is there a new building, or merely an add-on to existing facilities?

Answer. The new Walter Reed Army Hospital was authorized and funded by Congress (FY 1972 & FY 1974), and is scheduled for completion by July 1976. The new facility will utilize one million additional square feet supporting nine (9) additional elevators, eight (8) additional surgical suites, six (6) additional pharmacies, and food preparation areas on each floor. In addition, the new building is designed to have primarily 1 and 2 bedrooms versus the present ward concept. The FY 1976 dollar requirement will support the initial operational responsibilities in areas such as engineer maintenance, housekeeping and security.

Service Wide Support Increases

Chairman McClellan. Service Wide Support increases $25 million in FY 1976. In this connection, please explain:

a. Why there is an increase of $14.6 million in standard level user charges plus an increase of $5.3 million in additional GSA charges in the national capital region. Is additional space in the national region being acquired?

Answer. GSA bills each service under the provisions of Public Law 92-313. The increase of $14.6 million for GSA standard level user charges reflects the increased costs of renting floor space in the Washington, D.C. area, the National Capital Region. The increase of $5.3 million in additional GSA charges is needed for the cost of operational mission overtime to pay costs of guards and utilities. The Army space requirements actually decrease by 482,146 square feet from FY 75 to FY 76 in the National Capital Region.

CONSOLIDATION OF EXECUTIVE DEVELOPMENT PROGRAM

Chairman MCCLELLAN. What does "consolidation of executive development program" mean?

Answer. The Executive Development Program is now being accomplished in other programs and appropriations. This net increase centralizes the program to insure that top executives are identified and trained for assignments to the top Army positions. Reductions in other programs/appropriations were netted against other increases.

DEPARTMENT OF LABOR REIMBURSEMENT

Chairman MCCLELLAN. Explain the "reimbursement to Department of Labor for employee compensation," per PL 86-767. Why does this appear as an FY 76 increase? Hasn't it been funded in previous years?

Answer. The reimbursement to Department of Labor for employees compensation (PL 86-767) has been funded in OMA since FY 1966. The increased medical costs and death benefits paid have required an increase from 16 to 34% each year from FY 1966 to FY 1976.

PUBLIC AFFAIRS PROGRAM

Chairman MCCLELLAN. What types of tours are associated with the Army's public affairs program, and what is their cost, FY 74-75-76?

Answer "Operation Friendship" tours are the only tours associated with the Army's Public Affairs program. "Operation Friendship" is a program of orientation tours designed to show civilian community leaders how the Army trains, and how it is equipped, organized and takes care of its soldiers. Tours are focused on posts conducting basic and advanced individual training. Guests are responsible for transportation to and from initial assembly point, and costs of billeting, meals and incidentals. Travel between initial assembly points and points to be visited is provided as part of the flight training used to maintain normal air crew proficiency. Due to the austerity of funds and the energy crisis, no costs have been incurred or are anticipated from Public Affairs resources within FY 74-75-76.

SUPPORT OF OTHER NATIONS PROGRAM

Chairman MCCLELLAN. Explain why eight European MAAGs were added in FY 76 to the Support of Other Nations program. Further explain what "State Department Administrative Shared Support" means?

Answer. a. Since these eight European Countries are Foreign Military Sales customers who do not participate in the Military Assistance Grant-Aid Program, it was considered improper to fund these MAAGs from the MAP Appropriation. Accordingly, at the direction of OMB, total MAAG financing for these countries was included in the Support of Other Nations, Program 10 OMA budget submission for Fiscal Year 1976.

b. Shared Administrative Support costs are funds transferred from a Military Service Appropriation to the U.S. State Department as reimbursement for administrative services rendered to MAAGs, Missions, and Military Groups by oversea State Activities. Administrative services provided for Program 10 include:

(1) Personnel services—records management for all local nationals.

(2) Budget/Fiscal services—payroll and budgeting operations for local nationals.

(3) General services—building and vehicle support.

(4) Communication services—message/cable traffic processed through State operated message centers.

(5) Security services—security investigations and building watchman/guard functions.

GENERAL PURPOSE FORCES PROGRAM

Chairman MCCLELLAN. For each item explaining an increase or decrease of flying hours in the General Purpose Forces program, give the number of associated hours of increase or decrease, FY 1975 to 1976. (e.g. how many hours does increased emphasis on nap of the earth flight and aerial gunnery training require in FY 1976).

Answer. The number of flying hours that can be specifically identified which are associated with major changes are shown below:

Transfer of intelligence units to General Purpose Forces—Increase 12,070 hours.

Implementation of 16 Active Division Forces—Increase 41,777 hours.

Increased use of simulators—Decrease 32,808 hours.

The remaining net increase of 41,715 hours is primarily related to increased emphasis on combat readiness of aviators, aviation units, and of the integrated combined arms team to include aerial gunnery, nap of the earth flight and training for operations in a high air defense and armor threat environment.

SSA

Chairman McClellan. Explain what "SSA", shown on the table of Headquarters Operation and Administration, represents.

Answer. "SSA" refers to those Staff Support Activities (Organizations) which exist to support Army headquarters (i.e., Headquarters, USAREUR and 7th Army) which would not exist in the absence of the headquarters.

QUESTIONS SUBMITTED BY SENATOR YOUNG

Senator Young. Mr. Chairman, I have some questions for the general, also. Could I insert them in the record?

Chairman McClellan. Of course, Senator. Certainly.

Without objection, Senator Young's questions with their respective responses will appear at this point in the record.

[The questions and answers follow:]

Recruiting Funds

Senator Young. How much of the funds requested are for recruiting and how are the funds divided by function required for recruiting?

General Kjellstrom. The Army has requested $147.6 million in the FY 1976 Operations and Maintenance, Army budget for recruiting purposes. The Army has reduced its UOC program from $17.0 million in FY 75 to $9.0 million in FY 76; however, this reduction has been offset by inflationary increases in other portions of the recruiting budget. A functional break of the FY 76 Operation and Maintenance, Army costs follows:

	Thousands
Recruiting operations	$50,810
Examining operations for all services	38,599
Advertising—Army	45,750
DOD institutional advertising	3,400
UOC program—support costs	9,000
Total	147,559

Personnel Involved in Training Process

Senator Young. The training of military and civilian personnel involves a high percentage of the personnel of the Army in each category. How much is unit and individual training? How much of this training is repetitive?

General Kjellstrom. The numbers of military and civilian personnel receiving training addressed in my opening statement refer to personnel involved in individual training and not unit training. The total programed input of 620,825 military represents individual training for Active Army and Reserve Component personnel programed into almost one thousand separate courses. A trainee or student counts as an input to each separate course he or she will attend during the fiscal year. For example, 232,540 trainees are programed into Recruit Training. A major portion of these same trainees will then attend enlisted initial skill training for a program input of 225,228. This provides for FY 76 a total program input of 457,768 for Recruit and Initial Skill Training alone. The balance of 163,057 are accounted for in a similar manner in other courses involving both officers and enlisted. The projected civilian training input of 119,434 for FY 76 represents instances of training of 8 hours duration or more. It is conceivable that some employees will be trained in two or more specialized courses and will be reported accordingly as separate instances of training.

Individual training is predicated on a philosophy of progression and, accordingly, the training is not repetitive. There are isolated incidents of refresher training being provided when an individual need is recognized.

Maintenance Backlog

Senator Young. What is the status of the maintenance backlog in the Army? How much, if any, will this budget reduce the backlog?

General Kjellstrom. Maintenance backlog in the Army is composed of two parts, real property maintenance and depot maintenance. For real property, our estimated FY 75 backlog will be $508 million. The FY 76 request will reduce the backlog by $31 million to an estimated $477 million by end FY 76. For depot maintenance, the FY 75 backlog is estimated to be $180 million. The FY 76 request for $490 million will result in an estimated FY 76 backlog of $103 million, a backlog reduction of $77 million.

Maintenance Backlog/Real Property

Senator Young. How much of the maintenance backlog is real property maintenance?

General Kjellstrom. Backlog of maintenance and repair of real property at the end of Fiscal Year 1974 was $411 million. The revised Fiscal Year 1975 funding program will result in a backlog of maintenance and repair of real property estimated at $508 million. The Army's Fiscal Year 1976 budget request will result in a backlog estimated at $477 million.

Maintenance Backlog/Vehicles

Senator Young. How much is for vehicle maintenance?

General Kjellstrom. Within the budget request for the depot maintenance programs, vehicle maintenance consists of $160 million of the total $490 million. Vehicle maintenance includes automotive equipment ($27.9 million) and combat vehicles ($132.1 million). The unfinanced backlog at the end of FY 76 is projected to be $4.0 million and $7.8 million respectively.

Camouflage Screens

Senator Young. How much is the Army requesting for camouflage screens? Is this request consistent with the Army's overall plan for procurement of these screens?

General Kjellstrom. We are requesting $28.1 million in FY 76 and $7.0 million in FY 7T for camouflage screens. This request is consistent with the Army's plan for procurement of 200,000 modules (400,000 screens) during FY 74 through FY 79 in the Operation and Maintenance appropriation.

Senator Young. Over how many years does the Army plan to buy camouflage screens?

General Kjellstrom. The Operation and Maintenance, Army program to buy 200,000 modules is expected to be completed in FY 79. This program began in FY 74 for a total of six years. The Army plans to continue procurement of modules beyond FY 79 to provide the new screens for reserve components as well as replacement systems for the active Army.

Senator Young. Does the new camouflage screen provide longer life than older cotton burlap and mesh nets? What is the expected shelf life of the new screens compared to the old screens?

General Kjellstrom. Yes. Two years service life for new versus six months service life for old screens. The expected shelf life of the new screen is at least five years. The shelf life of the old burlap net was not determined but could have been as long as five years.

Senator Young. What qualities does the new screen provide over the old screen?

Gen. Kjellstrom. The old screen provided visual concealment only and was procured in various special net sizes, i.e., 45′ by 45′, 29′ x 29′, 22′ x 22′. With the introduction of new and more sophisticated target acquisition sytems, the old burlap camoulflage net is not capable of providing the protection and concealment required in the environment of today's battle areas and is therefore considered obsolete. The new screen provides visual concealment in woodland, snow and desert colors. The new screen is modular in construction and can be

assembled into as many modules as needed to cover any equipment used by the Army. It thus replaces the need to provide special screen sets for each type of equipment. One of the major problems with previous camouflage screens was that they became extremely heavy when wet. Although the new screen is initially about the same weight as the Army's old burlap system, it gains less than 20% when wet as opposed to over 100% weight gain for the old system. The new screen is pigmented in such a way that when photographed with near infrared (camouflage detection film) it will match the characteristics of the background foliage exhibited on the film rather than the characteristics of man-made objects which camouflage detection film is designed to reveal. The screen does not have a capability against far-infrared (thermal viewing devices). The new screen also has the capability of dissipating radar returns from enemy surveillance radars. The approximate constant use field life of the new screening is two years, whereas old burlap nets lasted only about six months in the hands of troops.

Senator YOUNG. What would be the cost of producing the old type screens today?

General KJELLSTROM. Twenty cents per square foot for old screens (which would compare to about $.64/square foot new screen (support system not included)).

INFLATION RATE

Senator YOUNG. What rate of inflation was used in developing the budget request for Army Operations and Maintenance?

General KJELLSTROM. For the period July 1973 through June 1974, approximately a 12% rate of inflation was used. Budget rules preclude use of any prospective inflation beyond the June 1974 time.

Senator YOUNG. What is the estimated unbudgeted inflation cost in this request?

General KJELLSTROM. The estimated unbudgeted inflation for FY 1976 is $396.1 million, computed at a rate of 11.6% for July 1974 through June 1975, and at 7% for July 1975 through June 1976. The stock fund price increase of $141.4 million was deducted from the computed $537.5 million to arrive at $396.1 million.

STATEMENT OF LT. GEN. HAROLD G. MOORE, DEPUTY CHIEF OF STAFF FOR PERSONNEL

ACCOMPANIED BY:

MAJ. GEN. RICHARD L. WEST, DIRECTOR OF ARMY BUDGET, OFFICE OF THE COMPTROLLER OF THE ARMY

BRIG. GEN. J. M. WROTH, DIRECTOR OF PLANS, PROGRAMS AND BUDGET, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR PERSONNEL

J. M. SCHARSTEIN, CHIEF, MILITARY PERSONNEL ACTIVITIES BRANCH, BUDGET DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR PERSONNEL

MAJ. A. G. BURBANK, PLANS AND SYSTEMS DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF FOR PERSONNEL

BIOGRAPHY AND PREPARED STATEMENT

Chairman MCCLELLAN. General Moore, I believe you are our next witness.

Lt. Gen. Harold G. Moore is the Deputy Chief of Staff for Personnel, Department of the Army.

General Moore, I see you have a prepared statement. With your permission, sir, we will insert it in the record and let you summarize it in a shorter statement, if you will.

[The biography and statement follows:]

BIOGRAPHY OF LT. GEN. HAROLD G. MOORE, DEPUTY CHIEF OF STAFF FOR PERSONNEL, DA

Lieutenant General Moore was commissioned from the United States Military Academy into the Infantry in June 1945. He fought in the Korean War with the 7th Infantry Division and in Vietnam with the 1st Calvary Division.

General Moore has served on the Army Staff; at the Military Academy at West Point; in the Office of the Assistant Secretary of Defense for International Security Affairs; in the Northern Headquarters of the North Atlantic Treaty Organization; in airborne units in Japan and the United States; in Eighth Army Headquarters; and as Commander of the 7th Infantry Division in Korea; the Military Personnel Center in Alexandria, Virginia; and Fort Ord, California. He is a graduate of the Infantry School Advanced Course; the Army Command and General Staff College; the Armed Forces Staff College; and the Naval War College. General Moore is presently the Deputy Chief of Staff of Personnel, United States Army.

STATEMENT OF LT. GENERAL HAROLD G. MOORE

Mr. Chairman and members of the Committee, it is indeed a pleasure for me to appear before you today to present the Army's military personnel request for FY 1976 and the Transition Period. I will also briefly discuss our FY 1977 requirements. In brief, I am here to request your approval of a Military Personnel, Army Appropriation of 8 billion 264 million dollars in FY 1976 and 2 billion 100 million dollars in the Transition Period to support an Army of 16 divisions and 785,000 soldiers.

In my presentation, I will identify our force requirements, discuss our manpower programs and then turn to other activities designed to achieve the goals established by the Secretary of the Army and Chief of Staff for the coming year.

ARMY GOALS

These goals are

- To upgrade the quality of our soldier while maintaining our momentum in recruiting and retention. Our success in this endeavor will be decisive in determining the long run feasibility and viability of a volunteer military force.

- To obtain the maximum benefit from all resources.

- To shape the Army for the future.

The blueprint for achieving these goals remains the Army Personnel Plan which my predecessor, General Rogers , discussed in his appearance before you last year. I am pleased to report that this plan continues to be an effective management tool in moving us toward the type of Army we want in the future.

FORCE STRUCTURE

There has been considerable testimony by previous witnesses before this committee concerning the shape of the Army that is required to support our national objectives over the next few years - that is what has become commonly known as the 16 Division Force.

The force structure changes involved in moving from FY 1975 President's Budget force level of 13-1/3 Divisions, to a 16 Division Active Army without an increase in strength are basically centered around the activations of three new divisions at Fort Ord, California, Fort Polk, Louisiana, and Fort Hunter/Stewart, Georgia. We have activated the headquarters of the 7th Infantry Division at Fort Ord, and begun recruiting for a brigade of the 7th, a brigade of the 5th Infantry (Mechanized) at Fort Polk and a brigade of the 24th Infantry at Fort Hunter/Stewart. The key consideration in the phasing of each activation is to coordinate the arrival of personnel with the availability of equipment and facilities. I want to emphasize that this increase in combat power will not require an increase to the size of the Army. Rather, it results from a combination of actions involving converting support troops to combat, eliminating or consolidating headquarters, streamlining the training base, and eliminating any element of the Army that does not contribute fully to a lean and flexible force.

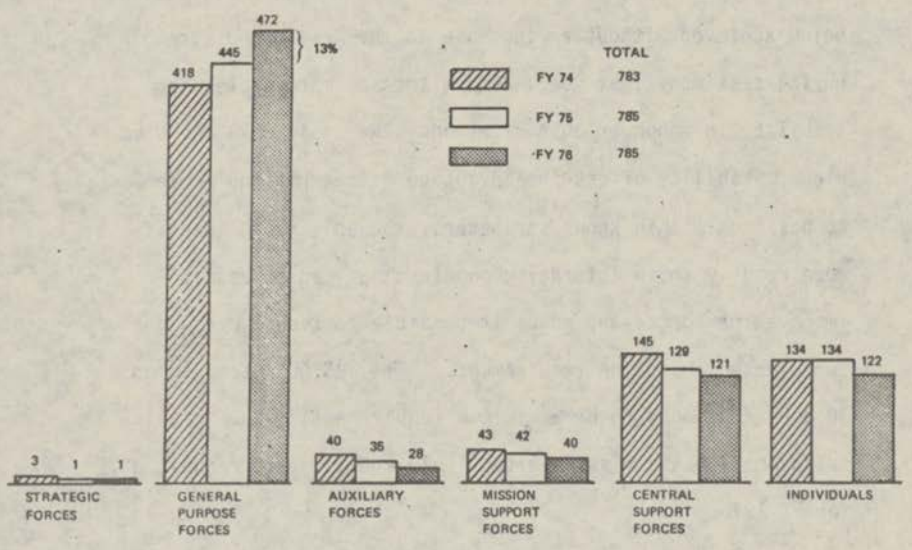
Increased reliance on the Reserve Component forces is vital to our total program both for additional combat power and support capability. It is planned that the Reserve Components will provide a brigade for both the 7th and 25th Divisions. Initially Reserve Components will also round out the 5th and 24th Divisions. In FY 1977 a third active brigade will join these two divisions with the Reserve brigades retaining full affiliated status.

Nunn Amendment

The Army's portion of the reduction to support personnel in Europe required by Senator Nunn's amendment to the FY 1975 Military Authorizations Bill amounted to 12,000 spaces by end FY 1976. To turn these spaces into increased combat power as permitted by the amendment we are sending a brigade from the 2d Armored Division at Fort Hood to Germany beginning 1 March of this year. Only the Brigade Headquarters and the Support Battalion will remain in Europe on a permanent basis. The remainder of the brigade will rotate by unit to Germany approximately every six months then return to Fort Hood. A similar sized deployment is planned for FY 1976. Additional measures to increase combat power in Europe are taking the form of increases in the authorized strength levels for selected combat units and the proposed conversion of Engineer Construction Battalions to Engineer Combat Battalions.

This first chart shows the shifting of Army manpower to combat from support since fiscal year 1974. As you can see, we are projecting a thirteen percent increase in General Purpose Land forces between fiscal year 1974 and fiscal year 1976.

MILITARY MANPOWER
(THOUSANDS)



This next chart shows the combat battalions that will be added during this same period.

WHAT HAS THE **ACTIVE** ARMY ADDED

FROM END FY 1974 . . . TO END FY 1976

TANK BNS	4
MECH BNS	6
INFANTRY BNS	10
ARTILLERY BNS	16 (11 DIV, 5 SEPARATE)
CAVALRY SQDN	3 (2 AIR, 1 GROUND)
RANGER BNS	2
HAWK BN	1
COMBAT ENGR BNS	6

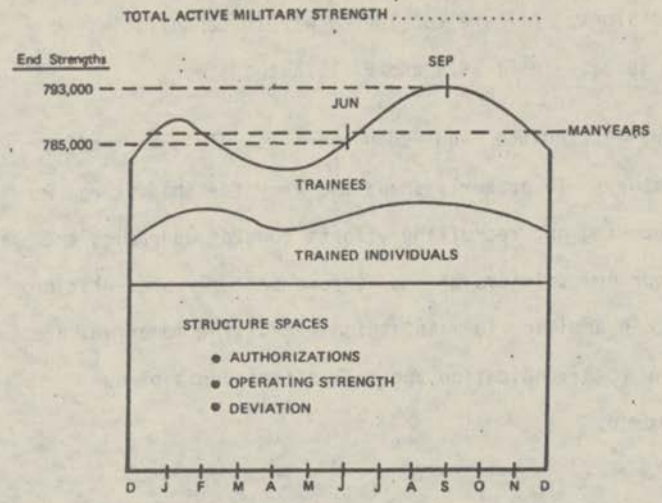
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COMBAT
BATTALIONS

ARMY PERSONNEL REQUIREMENTS

As I mentioned earlier,our increased combat capability is being achieved without an increase in the Army's end strength. During testimony last year, Army witnesses made a plea for stability in manpower authorizations. We again make the same plea. Stability offers the advantage of determining force composition within known parameters, the ability to identify more readily those internal economies that can be used to improve the force, and makes it possible to reduce personnel turbulence to routine requirements. The 785,000 strength on 30 June continues to be a minimum requirement if the Army is to accomplish its mission effectively and is again requested for FY 1976.

September End Strength Requirements

Although a stable end strength has been requested for FY 1975 and 1976, the change in the accountability date for the new fiscal periods ending on 30 September each year coincides with a cyclical peak in total strength. There will be little change in the aggregate of manpower in units that make up the active Army Force. However, as can be seen on the following chart, because of seasonal variations in the individuals accounts, about 8,000 more people will be in the Army in September than in June. The preponderence of these individuals are newly accessed trainees recruited from the pool of recent high school graduates. Additionally seasonal starts of civil and military schools cause an increase in both the student account and the number of military academy cadets.



This means that the 30 September end strength for the Transition Period and beyond should be 793,000 in order to provide a constant level of manpower in units. June total strength will continue to be about 785,000.

RECRUITING

I would now like to discuss our recruiting efforts.

Accession requirements to man the force in FY 1976 no longer cause the concern and doubt that were evident last year. At that time FY 1975 was the hurdle which had to be surpassed in order to achieve a levelling off in FY 1976 and beyond. We are now confident of our ability to meet our FY 1975 recruiting objectives. This means that total accession requirements in FY 1976 will decline to 187,400 versus 214,100 in FY 1975. The FY 1976 total includes 18,000 prior service, 152,200 male and 17,200 female non-prior

service accessions. All are considered within capabilities in view of our success in FY 1974 and FY 1975 to date.

However, getting the required numbers is only a part of our recruiting story. To properly shape the Army for the future, we have been focusing our recruiting efforts towards upgrading the quality of our new soldiers and to achieve better representation. These goals, in addition to maintaining recruiting momentum, are requiring the total dedication and full effectivenss of our recruiting force.

Quality

Our desire for quality has led us to establish the following goals for the active enlisted force by end FY 1976.

- Increase the high school graduate content of the enlisted force to 80%.

- Raise from approximately 53% to 63% the proportion of those entering the Army from the top half of the population according to mental category ranking. At the same time, we plan to cut the share of those in the lowest acceptable category from 18 to 11%.

This is not to say that we do not have quality in the Army today -- we just want to make it even better. In this regard, we have taken a number of steps during this fiscal year to improve enlisted accession input. Individuals in our lowest acceptable Mental Category (Mental Category IVC) are not enlisted, neither are 17 year old non-high school graduates in Mental Category IIIB or below. We have also targeted our recruiting force towards a higher quality market. Included is a goal of 10,000 enlistees this year for individuals possessing one or more years of college.

Measured in terms of High School Graduation and Mental Category IV accessions, our recruiting success during the past year is shown in the following table:

Quality of Accessions

	1st Half FY 1974	1st Half FY 1975
High School Graduate	53.6%	60.6%
Mental Category IV	19.4%	13.9%

Representation

We believe that these quality personnel should be representative of all regional, economic, and racial segments of society and that no individual group should disproportionally bear the burden of national defense. It is our intent to obtain accessions that reflect a geographical representative cross section of our society as well as providing the opportunity for all qualified applicants to compete for Army career opportunities. I should point out, that we do not intend to ever deny enlistment to a qualified individual for whom we have a requirement.

The percentage of black non-prior service accessions was 24.0 percent for the period July 1974 through February 1975 or approximately a three percent decrease from the corresponding period last year. This decline in the percentage of black Americans enlisting can be attributed to the cumulative effect of several factors -- increased total applications and recruiter emphasis in all areas of the country. Despite these factors, black enlistments continue to exceed the percentage (12.4 percent) of black Americans in the 17-20 age group which provides most of our enlistments. We feel this is a positive reflection of that group's awareness of the opportunities available in the Army.

Recruiting Force

We are taking steps which will allow us to meet our quantitative and representional improvements by means other than increasing the size of the recruiting force. We are re-allocating our recruiting resources on the basis of density of population meeting enlistment qualifications.

The increased Special Duty Assignment Pay approved for our recruiter force last year has enabled us to attract and retain quality personnel. Major projects are underway to precisely define the occupational and behavioral dimensions of the recruiting field. These efforts will lead to better use of people and new devices to select people for the job who have a high probability of success. The benefits of this increased experience level can been seen not only in our recruiting successes but also in a decline in the degree of recruiting malpractice which exists. I might add, parenthetically that the Army does not tolerate malpractice and immediate corrective action is taken when it does occur. In CY 1974 the founded allegation rate of malpractice was 1.2 per 1,000 enlistments. This represents a decline from the 1.5 per 1,000 rate in CY 1973.

Advertising

Advertising continues to be a major contributing factor to our recruiting successes. Ninety-seven percent of new enlistees indicated that Army advertising had an influence on their decision to enlist. Moreover, all research studies indicate that advertising plays a significant role in the enlistment decision of the higher mental category applicant, and therefore must receive major credit

for attracting high quality personnel to the Army. Therefore, we ask for your continued support for our advertising fund request.

Combat Arms

With all the successes that we have had in recruiting this year, we have had difficulties in combat arms recruiting. I want to be very candid with you in this regard because we need the Congress' full support. We believe that combat arms recruiting is improving and that any shortfall in FY 1975 will be minimal. No shortfall is anticipated in FY 1976 and beyond, providing we continue to receive your support for the Combat Arms Enlistment Bonus. This is a result of the increased emphasis and priorities that the Army has placed on combat arms recruiting. Among the actions taken are:

- The constant review of recruiting options to insure a proper emphasis on combat arms recruiting and to provide combat arms a more competitive edge over other skills.
- The assignment of our uncommitted accessions to the combat arms.

Unfortunately, we will probably always have some difficulty in recruiting personnel for the combat arms. Our young men today are very interested in learning skills that they can use to earn a living after they leave the Army; and they do not perceive combat arms training as offering a usable skill. Therefore, we will continue to require bonus authority to attract quality personnel into the combat arms.

ENLISTED PERSONNEL MANAGEMENT

Reenlistments

One of the most encouraging indicators of the cumulative success of our personnel programs is in the area of first term soldier reenlistments. Nearly 10,000 more first term soldiers reenlisted during the first six months of fiscal year 1975 than during the same period of fiscal year 1974. We believe the reason for this increase is the changing composition of the first term population from one of draftees and draft-motivated enlistees to a volunteer force. Some observers may attribute this success to high unemployment rates, but it should be noted that the reenlistment rate of careerists has remained fairly stable. The following table portrays a comparison of first term and career reenlistments during the first half of fiscal years 1974 and 1975.

REENLISTMENT RESULTS

	1st Half FY 1974		1st Half FY 1975	
	Accomplishments	Reenlistment Rate	Accomplishments	Reenlistment Rate
First Term	7,767	20.4	17,550	25.6
(RA)	(7,632)	(22.9)	(17,036)	(35.7)
(AUS)	(135)	(2.9)	(514)	(2.5)
Career	16,786	70.3	17,682	72.8
Total	24,553	N/A	35,232	N/A

In FY 1976 our objective is to obtain 25,100 first term and 36,100 career reenlistments or a total of 61,200 immediate reenlistments.

Content

These reenlistment successes have enabled us to project an increasing proportion of the force in a career status (those with

more than three years service). By end FY 1976, 41 percent of the force is expected to be in a career status. This compares to 38 percent in this category at end FY 1974. Improved reenlistments will also allow us to reduce the amount of monies paid for the Selective Reenlistment Bonus. Based upon favorable manning, the number of new bonus payments in FY 1976 is expected to be 10,683 compared to 13,462 in FY 1974 and 14,909 in FY 1975.

The Top Six enlisted grade content is projected to be 62.3 percent of the enlisted force by end fiscal year 1976. This reflects a downward trend from earlier fiscal year requests and a modest increase from the 59.6% Top Six manyears funded in FY 1975. It is consistent with the long range goals of the Enlisted Force Management Plan which I will discuss in more detail later.

The E-4 and E-5 shortages that we have experienced over the past several years have been of major concern. However, we think that it is reasonable to expect that on-going integrated programs will enable us to achieve our goals by end fiscal year 1976. I might add that a key issue in soldier retention is job environment and personnel satisfaction. We are taking a critical look at soldier satisfaction, both in terms of the total force structure and by individual job specialty. Our major goal is to determine which jobs are least satisfying and then design mechanisms to overcome the undesireable factors.

In our continuing search for qualitative improvement of our force, we are using several innovative ways to attract better quality and to separate marginal soldiers who do not meet our standards or lack motivation for effective service.

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Voluntary Release Option Test

The Voluntary Release Option Test permits enlistees to request discharge after completion of Basic Combat Training. This concept is designed to attract quality enlistees and is currently being tested at several installations. In the units conducting the test, enlistees are given the option to request discharge from the Service but not the right to discharge. The purpose of the test is to determine whether such a program is feasible when related to losses, recruiting capability, training and other costs.

During the initial phases of the test, we found that about eighteen percent elected discharge after successful completion of Basic Combat Training. Some of the main reasons were personal or family problems, homesickness, dissatisfaction with their assigned military occupational training specialty or duty station, inability to adapt or adjust to Army life and dislike for discipline or regimentation. We are continuing the test to learn more about the undesirable aspects of service so we can take positive corrective action in areas where improvements can be made.

We are also planning a further test with a sample of approximately 600 enlistees who score high on the entrance tests. This test will be restricted to those individuals with two or more years of college and will be limited to certain designated skills. The option will be offered prior to enlistment and will be a part of the enlistment contract. This portion of the test will go beyond basic training. The enlistees participating in the test may request discharge after four weeks of Advanced Individual Training or 130 days active duty if no advanced training is required.

From this test we hope to learn whether an option of this type is an effective recruiting incentive.

Trainee Discharge Program

This program, initiated in September 1973, provides for the continuing evaluation of all enlistees during the initial training period with honorable discharge of those who demonstrate they cannot adapt to Army life or meet our minimum standards of performance. Individuals separated under this program must be discharged prior to completion of 180 days of service.

Commanders responsible for implementing this program are particularly alert to ensure that it is carried out as intended and not used as a substitute for good leadership. It is not our intent to eliminate the slow learner who, given reasonable time and good leadership, will make a productive soldier. Losses appear to be closely related to civilian education level and mental category

- The average monthly loss rate for non-high school graduates is about 1.8 times that for high school graduates.
- The average monthly loss rate for Mental Category IV is 2.3 times greater than Category I; 1.9 times greater than Category II; and 1.1 times greater than Category III.

Furthermore, a downward trend in losses has been experienced as enlistment standards have been raised. Rates are comparable for men and women and for Caucasians and Blacks.

Recent data collected on personnel in units who have been screened by the Trainee Discharge Program reflect its success. Losses of personnel in units in the first six months after training

have declined. Rates for AWOL, desertion, and incidents of Articles 15 have also decreased in most units. The following table reflects selected discipline statistics for the Army worldwide.

DISCIPLINE STATISTICS
(Rate/1000)

	Non-Judicial Punishment	AWOL	Desertion
FY 1974			
1st Quarter	57.71	42.9	14.4
2nd Quarter 1/	51.80	28.8	9.0
3rd Quarter	56.49	30.1	8.8
4th Quarter	54.32	28.1	8.9
FY 1975			
1st Quarter	52.78	28.0	8.3
2nd Quarter	48.01	21.8	6.8

1/ Trainee Discharge Program initiated.

Trainers and commanders alike unanimously support the program, trainers because it ensures that only quality personnel are sent to units, commanders because they receive a more qualified, better motivated soldier from the training base.

Expeditious Discharge Program

Since October 1973, the Expeditious Discharge Program has been successfully tested in Europe. The program was designed to permit commanders to identify and separate quickly those individuals who are unable to adjust to military life and who are unable to perform duties commensurate with the standards expected of the average soldier. The program has proved to be highly effective in meeting its objectives of identification and rapid separation of substandard, nonproductive soldiers who are considered to be unqualified for further service.

The program is applicable to enlisted members with at least six but not more than 36 months continuous active duty. Members discharged under the program may receive an honorable or general discharge, depending upon their military record. The test EDP procedures, as refined by USAREUR experience, were incorporated in Army regulations and expanded to other major commands in November 1974. Through 31 January 1975, a total of 6,208 soldiers have been discharged under the Expeditious Discharge Program. Of this number, 2,800 (45 percent) received honorable and 3,408 (55 percent) received general discharges. Soldiers discharged under this program do not receive undesireable discharges.

MOS Mismatch

Mr. Callaway, General Weyand and I are deeply concerned with our commitment to the volunteer soldier to provide a meaningful job with proper utilization following the initial training period.

To assure proper personnel utilization, the Army took a critical look at all our enlisted personnel programs and found that many improvements could be made. In December 1973 a special office was formed to examine the problem of enlisted personnel malutilization or skill mismatch. The initial examination determined that in June 1972 there were 78,000 soldiers or 16% of the enlisted force which were skill mismatched. This was reduced to 39,700 soldiers or 8.0% of the enlisted force by December 1974.

To obtain these results and to further assist in improving the mismatch situation, certain significant changes were made in our procedures for utilizing enlisted personnel. These changes include the mandatory requirement for first term personnel to be

used in the skills for which trained; reenlisting personnel in overstrength skills for shortage skills; the implementation of a program where personnel with a skill only needed either overseas or in CONUS, are now trained in a secondary skill, which permits them to be properly utilized when they are serving in locations that do not require their primary skill.

The long range outlook for further reducing MOS mismatch is good. As the Sixteen Division Force develops, there probably will be a temporary increase in the mismatch rate until personnel are reclassified, retrained and reassigned to meet this new requirement. Thereafter we expect utilization to continue to improve and the mismatch rate to continue to decrease.

The problem will never be completely eliminated because of personnel distribution problems such as tour stabilization and the changing of authorizations to implement new requirements. Also these distribution problems and stabilization requirements will leave some commanders with vacancies in their units requiring exceptions to utilization policies in order to accomplish their mission.

Enlisted Force Management Plan

I would be remiss if I omitted the Enlisted Force Management Plan from my discussion of enlisted personnel management. This plan, which has been over two years in developing, establishes long range qualitative and quantitative objectives toward which the Army will orient its enlisted personnel management policies and practices over the next decade.

This plan starts with our current and projected management programs, increases the emphasis on retention, adds the concept of management by year groups, and establishes numerical objectives so as to provide the soldiers, the personnel manager, and the commander a clear view of where the Army is headed in enlisted personnel management. Progress toward accomplishing certain key objectives is measured and reported quarterly. A critical review and update of the plan is conducted on an annual bais. Objectives for the total enlisted force have been approved and are used in the day-to-day career management of soldiers.

An enlisted personnel management system has been designed to implement this plan. This system has as its goals

- the establishment of a more comprehensive system for the professional development of our non-commissioned officers and highly skilled specialists.

- a visible and understandable career progression pattern for all soldiers regardless of their chosen skill area.

Objective career management fields are being designed so as to provide equitable promotion opportunity among all 35 career fields. Promotion objectives are established in our long range plan for the total enlisted force. These long range promotion objectives recognize the need to increase the length of service before a soldier can achieve non-commissioned officer status but at the same time to provide for good advancement opportunity for qualified soldiers. The average time in service at promotion and the promotion opportunity for our steady-state objective force for the top five grades are as follows:

Promotion to Grade	Average Time At Promotion (Years)	Promotion Opportunity
E-9	21.5	51%
E-8	18.0	52%
E-7	14.0	81%
E-6	8.5	82%
E-5	4.0	91%

We will not achieve these promotion objectives in FY 1976. We must first correct a significant shortage in grade E-5 and moderate shortages of personnel with between four and six years of service. Our reenlistment program and the FY 1976 promotion plan are expected to correct these shortages. Our plan is to achieve our long range promotion objectives by FY 1981.

4-Month Training Requirement

Before leaving my discussion on enlisted personnel, I would like to bring to your attention an area where Congress can help us.

We believe that action should be taken to amend the laws that require an individual to have four months training before assignment outside the United States, its territories and possessions. Also, action should be taken to amend the law that requires Reserve Component personnel to have a minimum of four months initial active duty for training. These laws are section 671 of Title 10, United States Code for active Army enlisted personnel, the Military Selective Service Act for draftees, and section 511d of Title 10, United States Code for Reserve Component personnel. We would prefer that flexibility to assign individuals to oversea areas free from hostile fire upon completion of basic training and initial military specialty training be prescribed by the Secretary concerned. Reserve Component

personnel would also be released from active duty upon completing similar training.

In many instances four months are not required to properly train a serviceman in a particular military skill. Basic training of uniform length is given to all Army personnel. However, the length of skill training varies widely by the type of military occupational specialty in which trained and by the ability of the individual and his prior training, education and experience. It is both costly in dollars and wasteful of individual talent to restrict the assignment or release from active duty for training of personnel because of these statutory limitations. It is estimated that the following man days could be saved if these restrictions were relaxed.

Man Day Savings

	Man Days	
	FY 1975	FY 1976
Active Army	302,000	258,000
Army National Guard and Reserve	154,000	238,000

Proposed legislation to accomplish the change desired by the services was submitted to the 93d Congress but was not enacted. We are resubmitting this proposed legislation for consideration by the 94th Congress.

Let me now discuss officer personnel

OFFICER PERSONNEL

Officer Content

Reductions in the officer force are continuing both in absolute numbers and as a percentage of the total force as shown in the following table:

	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
Force	811	801	783	785	785	793
Officers	121.0	115.8	105.6	102.5	98.1	98.1
% Officers	14.9	14.5	13.5	13.1	12.5	12.4

Reduction in Force

Officer reductions have been achieved by a combination of reducing procurement and involuntary Reduction-in-Force (RIF). We have involuntarily released 10,000 Reserve officers since FY 72. The 2,200 officer RIF programmed for FY 75 has been delayed to FY 76 in order to permit use of recently enacted Regular Army RIF legislation.

Grade Structure

At the same time we are reducing the size of the officer force, we are continuing in our effort to reduce senior officer content. You will note in the table below that our programmed grade levels are below the FY 64 pre-Vietnam levels in each grade. (The numbers exclude personnel on active duty who are paid from civil functions, Reserve and National Guard appropriations.)

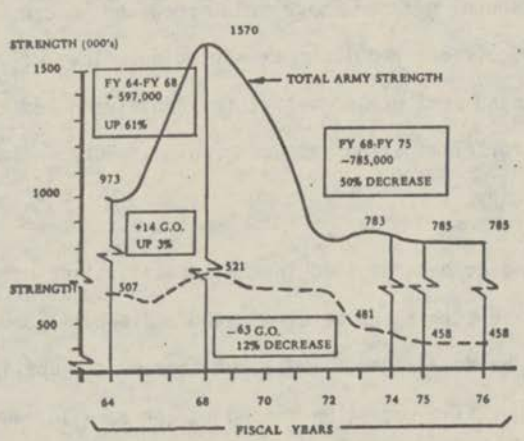
	FY 64	FY 74	FY 75	FY 76	FY 7T	(64-76)
Generals	494	466	439	439	439	(- 55)
Colonels	5,119	5,052	4,900	4,771	4,771	(- 348)
Lieutenant Colonels	12,363	11,379	11,178	11,107	11,078	(-1,256)
Majors	17,105	17,656	16,937	16,776	16,805	(- 329)

The by-grade reductions which have been achieved when physicians and dentists are excluded are depicted in the following table.

	FY 64	FY 74	FY 75	FY 76	FY 7T	(64-76)
Generals	472	446	419	419	419	(- 53)
Colonels	4,761	4,329	4,159	4,041	4,059	(- 720)
Lieutenant Colonels	11,628	10,489	10,265	10,206	10,150	(-1,422)
Majors	16,107	15,073	14,366	14,156	14,165	(-1,951)

The following graph illustrates general officer strength in relation to total strength. By end FY 76 we will have reduced the number of generals by 63 since the peak in 1968 and by 49 from pre-Vietnam levels.

GENERAL OFFICERS FY 64-76 *



*Includes those paid from Civil Works, National Guard and Reserve Appropriations.

TDA Analysis

To provide a logical basis for eliminating jobs to match these reductions, the Army is conducting a complete review of officer requirements.

The objectives of this review are:

- To determine the minimum number of officers and the leanest grade structure required to man and support a 16 Division Force.

- To make every job in the Army a meaningful job with a grade commensurate with its responsibilities.

- To identify the officer positions which can be eliminated to bring the officer structure down to the 98.1 thousand level projected for end FY 1976. This requires a 6,300 reduction of officer positions from that authorized at end FY 74.

Major Army commands, HQDA, Defense activities and Joint activities are conducting the review. In addition, four teams each headed by a general officer, have been organized to conduct on-site analysis of officer requirements worldwide. They will validate major command reviews and assist in identifying additional officer positions for elimination and downgrading. They began work in early February.

The review to-date has resulted in the identification of about 3,000 officer positions that can be eliminated and about 1,300 positions that can be downgraded. These, of course, are applied against the 6,300 position reduction needed to get down to end FY 76 budgeted levels.

As results are obtained, the career impacts of reductions must be assessed. However, it appears from results achieved to-date that we may be able to reduce 06 authorized positions (but not total officers) to less than budgeted.

Paralleling this review we are examining alternatives to reduce our senior officer numbers. It is most desirable that we

should continue on active duty, through a qualitative screening process, only those officers that we consider to be the most productive. Our entire effort toward reducing senior officer content could ultimately be counterproductive if the result is a freezing of promotion opportunity while attrition takes care of the senior officer reductions.

Officer Procurement

Officer procurement has been reduced to the lowest level since before World War II in order to reduce officer strength without unnecessary RIF. In order to provide desired year group distribution with a most favorable projection of officer retention, we should be procuring approximately 12,000 officers each year. Current plans call for 9,400 in fiscal year 75 and 9,100 in fiscal year 76. Further reductions would only exacerbate an already undesirable situation. The next table shows the sources of officer procurement from FY 72-76.

	FY 72	FY 73	FY 74	FY 75	FY 76	FY 7T
USMA	773	923	791	860	875	0
ROTC	5,449	5,177	3,999	4,065	3,700	1,417
OCS	1,134	1,028	324	350	500	0
OTHER	6,620	4,717	4,352	4,130	4,036	2,772
TOTAL	13,976	11,845	9,466	9,405	9,111	4,189

U.S.M.A.

Our prime source of Regular Army Officers continues to be the Military Academy. The quality of the young men matriculating at West Point continues to be high. The class that entered last

July was chosen from the largest applicant pool in the Academy's history. For the class entering next July, the number of applicants is up slightly compared to the same period last year. These increases can be attributed to improvements in the attitude and understanding of the general public as well as improvements in admission procedures.

The cadet attrition rate continues to be reasonable considering

- USMA cadets cannot change careers or academic majors; to do so, they must resign.

- Fifty years ago, 4% of the college age population attended college -- now 40% attend. The result has been a large increase in number of colleges, junior colleges, technical schools, and scholarship programs. West Point must compete.

- Historically, the average attrition rates at West Point have run between 30 and 35 percent. In the middle of a war the rate drops and just after a war the rate rises abruptly for one or two years and then drops back to normal. Cadet attrition hit its peak with the Class of 1974 and is now scaling down.

- The officials at West Point have estimated that the attrition at graduation of the four classes now at West Point will be

Class of 1975	37.0%
Class of 1976	36.8%
Class of 1977	34.0%
Class of 1978	32.0%

ROTC

The next table provides data on the Senior ROTC program:

	SY 73	SY 74	SY 75	SY 76 (Est)
Institutions	293	290	291	287
New Freshman Enrollments	17,889	15,493	21,171	19,125
Total Cadets	41,294	33,220	39,346	40,200
Commissioned from MS IV	9,297	5,367	4,532(est)	5,135

The total opening ROTC enrollment in School Year 1974-75 represents an approximate eighteen percent increase from the total opening enrollment in School Year 1973-74. 6,354 females are participating in the program at 285 schools this school year.

We are projecting that 6,500 ROTC scholarships will be in effect in fiscal year 1976 of which about 1,200 will be a 4-year scholarship awarded to outstanding high school graduates entering the program in fiscal year 1976. For every 4-year scholarship winner there are ten applicants.

The Army annually reviews the list of schools it considers to have failed to maintain a cost effective officer production program. Four Senior ROTC units will be disestablished this year due to low enrollment and officer production. Forty-one schools have been placed on evaluation status. At the beginning of School Year 1975-1976 a decision will be made whether to continue these units.

The Army sets aside 50 2-year scholarships each year for enlisted soldiers on active duty. Last year about four fully qualified applicants were available for each award. This year, the ratio is expected to be much higher (7 to 1). Applicants must have at least two years of college credit, but no more than two and one-half years; have served on active duty for at least one year and be able to complete the requirements for commissioning by age 25. All scholarship cadets incur a four year service obligation.

OCS

Our only male Officer Candidate School (Fort Benning) will produce 350 officers in FY 75 and 500 officers in FY 1976. This increased OCS output is supported by the rate of current OCS application and can be accomplished without lowering the two year college requirement for entrance into the program.

Minority Group Participation

Minority enrollment in ROTC and USMA has shown significant growth. Minority enrollment in ROTC for school year (SY) 1974-75 is 9,625, which represents 24.5 percent of the total enrollment. Approximately 18 percent of the total enrollment is black. There are now 373 minorities enrolled at USMA; 198 of these are black. Of the 133 students who have completed OCS this year, 9 were minority. During FY 1974, over 600 minority group members were brought on active duty as officers.

The result of our efforts to increase minority content of the officer corps is reflected in the following table.

Black Officer Content by Grade

Grade	Dec 73	% 1/	Sep 74	% 1/	Dec 74	%1/
GO	12	2.5	12	2.6	12	2.6
COL	103	2.0	126	2.6	127	2.6
LTC	639	5.4	616	5.5	610	5.5
MAJ	927	5.1	862	4.9	848	5.0
CPT	1,281	4.1	1,423	4.4	1,448	4.4
1LT	488	3.6	532	4.2	565	4.5
2LT	473	3.5	428	3.7	483	4.4
		4.2		4.5		4.6

1/ Percent of Total Officer Content.

FEMALE PERSONNEL

No discussion of enlisted and officer personnel management is complete without mentioning the great strides that have been made regarding women in the Army.

All officer specialties are open to women except those in Infantry, Armor, Field Artillery and Air Defense Artillery. Likewise, 415 of the 451 enlisted military occupational specialties are open to women. The remaining 36 are closed due to their relationship to combat.

Studies are now underway to determine more precisely Army total female requirements. As of 31 December 1974 we had 33,545 enlisted women; slightly above our projected path toward our target of 50,000 by end FY 1979.

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Officer Personnel Management System

The new Officer Personnel Management System that we have been working on for several years will be fully implemented this year. This has entailed a significant retooling of our philosophy of officer professional development as well as extensive revisions in the mechanics of our management system.

We have established 45 career specialties in which officers will receive their professional development and utilization. At the same time we are converting our procedures for managing officers from the traditional career branch structure to the new framework of specialties. Officers will retain their branch identification but they will be assigned, schooled, and accounted for on the basis of their grade and designated specialties.

The results of centralized selection of colonel commanders have been very good. Consequently, centralized selection has been expanded this year to include lieutenant colonel commanders and colonel project managers. The inclusion of this latter group - those officers who manage the acquisition of our major material items - is part of the Army's overall effort to improve the management of material acquisition. We are confident the Officer Personnel Management System will satisfy its objectives of developing officers in the right numbers and with the right skills, and improve the motivation and professional satisfaction of the officer corps.

Defense Officer Personnel Management System (DOPMS)

The proposed Defense Officer Personnel Management System will further assist us in the management of officer personnel

and we fully support it. This new system will provide needed changes relating to the appointment, promotion, separation and retirement of military officers.

PERMANENT CHANGE OF STATION (PCS)

Last year, the Army continued to achieve greater stabilization of its personnel by continuing the recent trend of reducing the number of PCS moves. As the following table shows, a continued reduction of moves is estimated for both FY 1975 and FY 1976.

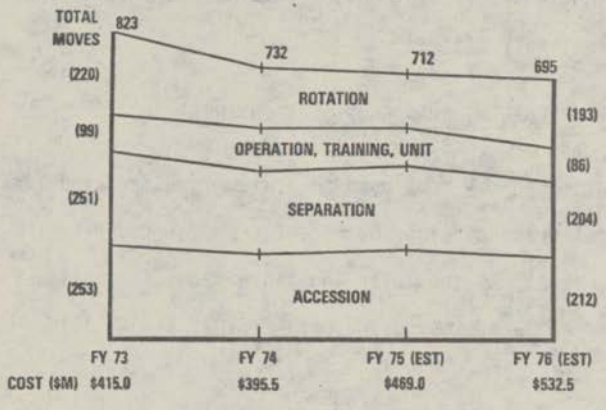
PCS MOVE PROGRAM

	FY 1974	FY 1975	FY 1976
Accession	221,677	236,037	211,503
Training	28,960	26,259	26,306
Operational	55,932	48,494	48,000
Rotational	190,568	166,800	192,586
Separation	230,314	223,868	204,233
Unit	4,199	10,399	12,036
TOTAL	731,650	711,657	694,664
COST ($M)	$395.5	$469.0	$532.5

In spite of move reductions the cost of the PCS move program is steadily increasing because of inflationary pressures. The FY 1975 moves as shown depict a move program constrained by the ceiling placed on PCS travel. The overseas tour extensions reduced rotational travel requirements by 16,000 moves. Additionally, rotational travel in FY 1976 includes 13,900 moves related to the proposed 24 month tour for first term enlisted personnel.

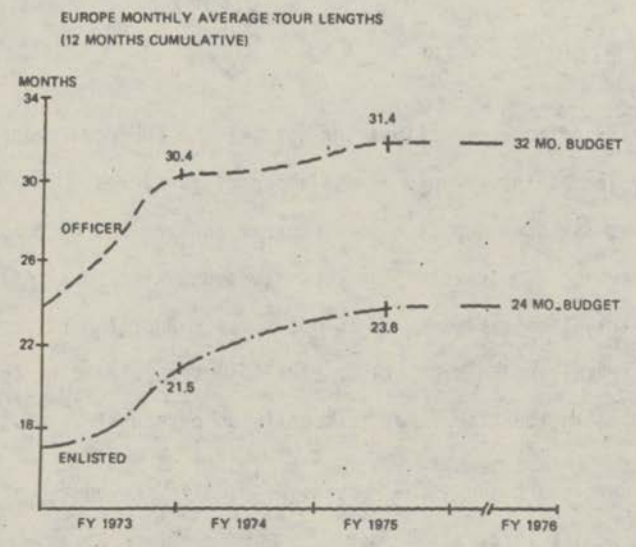
This next chart shows the reductions made in the number of PCS moves since FY 1973.

PCS MOVES (000's)



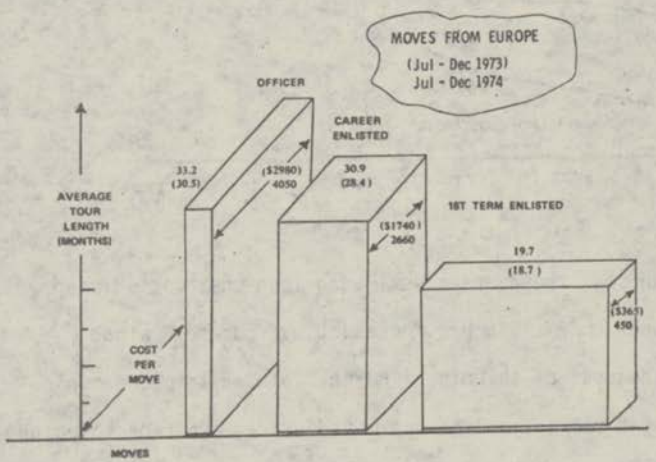
The total number of moves appears high when compared to the average strength of the Army, however, approximately 60% of the total moves are a result of gains and losses.

The progress made in improving overseas tour lengths is shown on this chart.



Officer and enlisted average tours in Europe have continued to improve since FY 1973 with the enlisted tours showing a leveling off over the past 8 months.

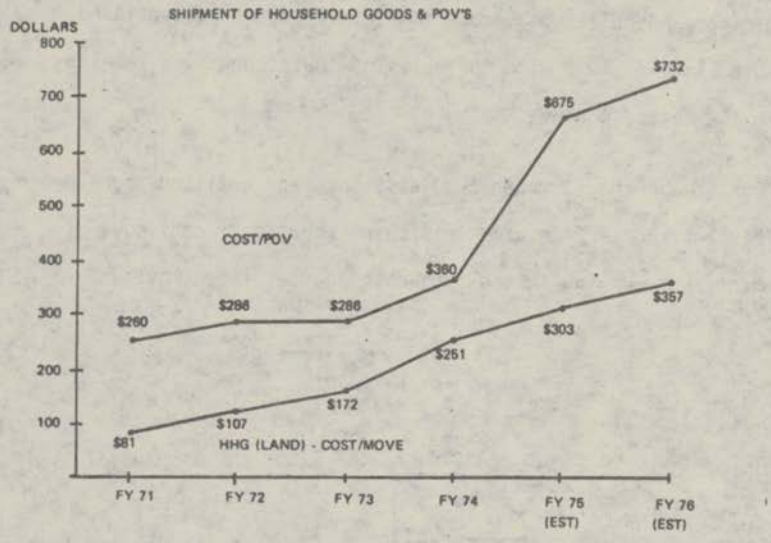
Even though the 12 month cumulative average enlisted tour length has leveled at 24 months this chart shows that continued improvement is occurring in the high-cost, career force moves.



(Figures in parenthesis reflect data for period Jul-Dec 1973)

The first term enlisted average tour length remains low, however, the bulk of the cost of rotational travel is connected with career force moves because of the difference in average costs.

As I pointed out earlier, despite the reduction in the number of PCS moves, the PCS costs have increased significantly. This is due primarily to rapidly rising price levels in the transportation industry. The following chart shows how rate increases have affected the costs of shipping household goods POV's.



As you can see, the average estimated land cost for shipment of household goods in FY 1976 has increased by four-fold since FY 1971 while the cost of shipping a POV has almost tripled. In last year's budget submission the estimated average cost of shipping a POV in FY 1975 was $341. Today that cost is $675.

This last table on PCS shows the cost increases contained in the FY 1976 budget submission.

COST INCREASES
FY 75 to FY 76

	Amount ($000)
1. ICC Rate Increases	$23,266
2. MAC Rate Increases	19,544
3. MSC Rate Increases	3,164
4. Port Handling Rate Increase	559
5. DLA Increase (Pay Raise)	236
	$46,769

These increases reflect only those already announced rate increases and do not allow for any additional rate increases that will probably occur during the remainder of FY 1975 and during FY 1976.

HUMAN RESOURCES

Leadership, Behavior and Motivation

Our analysis of recent experiences led to expanding our concept of Military Personnel Management to include human resources development and to the systematic integration of race relations, drug abuse control, and other humanistic activities into the normal staff structure of the Army.

These activities include those designed primarily for their effect on individual morale and organizational esprit; development of individual potential; and development of an organizational climate that enhances the attitudes, motivation, commitment, and sense of well-being of soldiers and their families.

To assist in achieving our goal of better integration of human resources development into personnel management, we intend to:

- Provide commanders with a single staff manager who has broader responsibilities for human resources development.
- Increase the quality of staff expertise through an improved education and training program for the Personnel Management Specialist which provides a solid knowledge base for a total Personnel Management perspective - life cycle functions, administration and human resources development.

- Consolidate, where possible, existing Human Resources Development programs, activities, and functions that are separately managed.

For the past three years, the Army has been examining a process which will enable the commander to systematically and objectively evaluate his organizational climate to identify strengths and weaknesses. Techniques have also been developed which can be applied individually or as a part of an integrated command program to improve the entire organizational environment to include family life. To assist the commander, we plan to provide a well trained personnel management officer who will possess the skills to apply the new technology.

During the next year, we will continue to address the expanded concept of personnel management and how we can better employ existing resources with emphasis on how the various separate activities such as Race Relations/Equal Opportunity, Alcohol and Drug Abuse Prevention, and other "personnel-oriented" activities are to be integrated into the normal command and staff structure.

Alcohol and Drug Abuse

During 1973 and 1974, the number of soldiers undergoing treatment for alcohol and drug related problems stabilized at an average point-in-time client load of 16 thousand. Alcohol cases comprised 38 percent of the 1974 alcohol and drug caseload in contrast to 32 percent in 1973. In 1974 there were approximately 950 more persons in treatment each month for alcohol problems than during 1973. Likewise, there were 880 fewer drug cases in rehabilitation each month during 1974 than for the previous year.

Despite the suspension of the urine testing program in July 1974, persons entering a drug abuse program remained stable through the end of the calendar year, averaging two thousand cases monthly. Although it cannot be documented, we feel that greater personal involvement on the part of commanders and non-commissioned officers was responsible for maintaining the accession rate in the absence of urinalysis. Now that urine testing has resumed, we anticipate that this increased awareness on the part of our leadership structure will endure and augment the abuser identification function.

Race Relations

Significant strides have been made in the area of equal opportunity in the Army. However, as enlightenment and expectations rise, and as we learn more about the nature and scope of the problem, considerable effort will still be required to attain the goals of racial harmony and social peace within the Army.

Our race relation education program tries to create this harmonious relationship in order to increase organizational and combat readiness. The program integrates formal race relations instruction in the training establishment with a comprehensive program to improve interracial communication in units and provides special training for the Army's leadership.

Full-time instructors and staff specialists for the Army's race relations/equal opportunity program are trained at the Defense Race Relations Institute, Patrick Air Force Base, Florida.

Law Enforcement

We have every reason to be optimistic in our continuing efforts to insure that our Army achieves and maintains the highest attainable levels of discipline and readiness. The success of efforts in the past year to improve the quality of leadership and motivate our personnel as a primary means of reducing incidents of crime and indiscipline, are clearly evident.

A review of indiscipline indicators for the first three quarters of calendar year 1974, compared to like periods in the previous two years, indicates a generally downward trend despite some fluctuation. The significant and continuous decline in AWOL and desertion rates has been particularly encouraging; they have reached their lowest levels since 1969. Also, marihuana and other drug offenses declined in the first three quarters of CY 1974. We did, however, experience a slight increase in other Army crime rates when the period is compared to the previous two years. The number of reported offenses actually declined. However, the military population declined at an even faster rate, thus increasing the rates per thousands. Crime rate trends in the Army continue to compare favorably with nation-wide trends reported by the FBI as indicated in the following table:

CRIME INDEX TRENDS

(January through June 1974 - percent change over same period of FY 1973)

	FBI	Army (Worldwide)
Crimes of Violence	+ 6	-6
Crimes Against Property	+17	+2

A key to maintaining a disciplined force and providing a secure living and working environment for our personnel lies in continuing our efforts to reduce or eliminate the conditions conductive to crime and indiscipline. The Army's crime prevention efforts are both people and materiel oriented. As we improve our leadership, upgrade the quality and motivation of our personnel, and work to eliminate the undesirable element, we will continue to initiate improvements in physical security essential to protecting our people, their personal property, and the physical assets of the US Government.

Before closing, I would like to point out that over the years this budget addresses, military manpower is, comparatively, a good buy. MPA dollars per military manyear will increase by approximately 10.9% from FY 1974 to FY 1976 (including the proposed 1 October 1975 pay increase of 5%). The increase over the same time frame in pay rates alone is 16.7%. Therefore the overall cost of military manpower is increasing less rapidly than military pay rates. Also, over this same time frame, inflation in the economy may approach 24% if the current trend continues. Thus, the relative increase in military manpower cost from FY 1974 to FY 1976 is less than pay raises and both are less than inflation.

This same favorable comparison occurs in relation to costs in the civilian sector of the economy. Although the comparability is not absolute, the following table does show that the increased cost of military manpower compares favorably both with wage and salary payments and price increases in various segments of the economy.

PERCENTAGE INCREASE
Dollars Per Military Manyear Vs. Selected Statistics

	Increase Nov 1973 to Nov 1974
MPA Dollars Per Military Manyear /	+ 5.4%
Wage and Salary Payments	
Commodity Producing Industries	+ 3.6%
Distributive Industries	+ 7.5%
Service Industries	+11.7%
Industrial Commodity Prices	
Petroleum Products, Refined	+43.1%
Furniture and Household Durables	+16.8%
Transportation Equipment - Motor Vehicles	+15.7%
Textile Products	+ 7.5%
Farm Products, Processed	+24.9%
Retail Gasoline	+34.3%

/ Reflects FY 74 column of FY 75 President's Budget compared to FY 75 column FY 76 President's Budget.

Further, during the period between FY 1974 and FY 1976, the cost of the Army's primary weapons system, the soldier is rising only 16 percent while the cost of most equipment is rising by greater amounts. The following table illustrates this point:

IMPACT OF INFLATION

	Initial Cost FY 74	Estimate FY 76	% Increase
Average Soldier	$10,000	$11,700 1/	16
M113A1	$58,000	$78,500	35

1/ Includes all projected maximum inflation costs not included in the budget submission to be on a comparable basis with a procurement item.

SUMMARY OF REQUIREMENTS

The following table indicates our fund requirements by budget activity. Fiscal Year 1974 is actual obligations while fiscal years 1975, 1976 and 197T are estimated requirements.

(In Thousands of Dollars)

	FY 1974	FY 1975	FY 1976	FY 197T
Pay and Allowances of Officers	$1,954,667	$1,944,209	$1,947,108	$ 482,506
Pay and Allowances of Enlisted	4,859,061	5,113,541	5,210,231	1,307,254
Pay and Allowances of Cadets	17,307	19,386	20,563	5,323
Subsistence of Enlisted Personnel	482,939	530,691	547,652	138,747
Permanent Change of Station Travel	395,457	468,878	532,481	164,572
Other Military Personnel Costs	19,029	8,273	6,365	1,598
Total Direct Program	$7,728,510	$8,084,978	$8,264,400	$2,100,000

CONCLUSION

This concludes my presentation of the FY 1976 Military Personnel, Army request. We seek your support for the resources required to execute it. The program presented today will cost 8 billion, 264 million dollars in FY 1976 and 2 billion, 100 million dollars in the Transition Period. These funds will fully support an average military personnel strength of 784,299 and an end strength of 785,000 in FY 1976 and 789,444 and 793,000, respectively, for the Transition Period. Additionally, the Army requests that we be authorized a 793,000 end strength for the period ending 30 September 1977. These are the strengths required to man our force.

BUDGET REQUEST

General MOORE. Mr. Chairman and members of the committee, it is indeed a pleasure for me to appear before you today to present the Army's military personnel request for fiscal year 1976 and the transition period. I will also briefly discuss our fiscal year 1977 requirements.

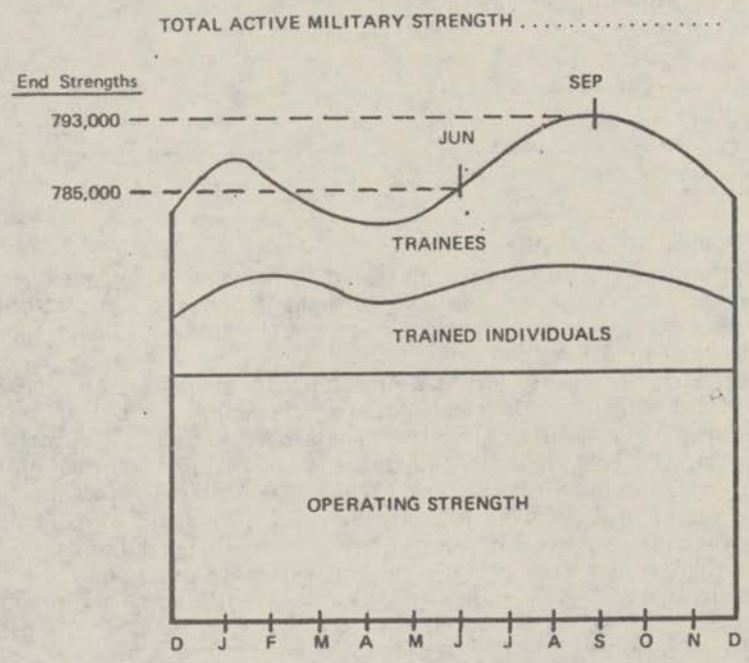
There has been considerable testimony by previous witnesses before this committee concerning the shape of the Army that is required to support our national objectives over the next few years—that is what has become commonly known as the 16-division force.

ARMY PERSONNEL REQUIREMENTS

Our increased combat capability is being achieved without an increase in the Army's end strength. During testimony last year, Army witnesses made a plea for stability in manpower authorizations. We again make the same plea. Stability offers the advantage of determining force composition within known parameters, the ability to identify more readily those internal economies that can be used to improve the force, and makes it possible to reduce personnel turbulence to routine requirements. The 785,000 strength on June 30 continues to be a minimum requirement if the Army is to accomplish its mission effectively and is again requested for fiscal year 1976.

Although a stable end strength has been requested for fiscal year 1975 and 1976, the change in the accountability date for the new fiscal period ending on September 30 each year coincides with a cyclical peak in total strength. There will be little change in the aggregate of manpower in units that make up the Active Army force. However, as can be seen on the following chart, because of seasonal variations in the individuals' accounts, about 8,000 more people will be in the Army in September than in June. The preponderance of these individuals are newly accessed trainees recruited from the pool of recent high school graduates. Additionally, seasonal starts of civil and military schools cause an increase in both the student account and the number of military academy cadets.

[The chart follows:]



General MOORE. This means that the September 30 end strength for the transition period and beyond should be 793,000 in order to provide a constant level of manpower in units. June total strength will continue to be about 785,000.

RECRUITING

I would now like to discuss our recruiting efforts.

Accession requirements to man the force in fiscal year 1976 no longer cause the concern and doubt that were evident last year. We are now confident of our ability to meet our fiscal year 1975 recruiting objectives. This means that total accession requirements in fiscal year 1976 will decline to 187,400 versus, 214,100 in fiscal year 1975. The fiscal year 1976 total includes 18,000 prior service, 152,200 male and 17,200 female nonprior service accessions. All are considered within capabilities in view of our success in fiscal year 1974 and fiscal year 1975 to date.

However, getting the required numbers is only a part of our recruiting story. To properly shape the Army for the future, we have been focusing our recruiting efforts toward upgrading the quality of our new soldiers and to achieve better representation. These goals, in addition to maintaining recruiting momentum, are requiring the total dedication and full effectiveness of our recruiting force.

Measured in terms of high school graduation and mental category IV accessions, our recruiting success during the past year is shown in the following table.

This table says that the high school graduates in the first half of 1974 were 53.6 percent and it went up to 60.6 percent in fiscal year 1975.

Mental category IV went down during the same 2 periods from 19.4 percent to 13.9 percent.

[The table follows:]

QUALITY OF ACCESSIONS

[In percent]

	1st half fiscal year	
	1974	1975
High school graduate	53.6	60.6
Mental category IV	19.4	13.9

General MOORE. We are taking steps which will allow us to meet our quantitative and representational improvements by means other than increasing the size of the recruiting force. We are reallocating our recruiting resources on the basis of density of population meeting enlistment qualifications.

With all the successes that we have had in recruiting this year, we have had difficulties in combat arms recruiting. I want to be very candid with you in this regard because we need the Congress full support. We believe that combat arms recruiting is improving and that any shortfall in fiscal year 1975 will be minimal. No shortfall is anticipated in fiscal year 1976 and beyond, providing we continue to receive your support for the combat arms enlistment bonus.

Chairman MCCLELLAN. General, we will have to suspend for a few moments. We have a rollcall vote but we will return as quickly as possible.

[Brief recess.]

Chairman MCCLELLAN. We will proceed.

Senator Young has to attend another committee meeting so he will not be returning. You may proceed.

General MOORE. Mr. Chairman, in the field of enlisted personnel management, one of the most encouraging indicators of the cumulative success of our personnel programs is in the area of first-term soldier reenlistments. Nearly 10,000 more first-term soldiers reenlisted during the first 6 months of fiscal year 1975 than during the same period of fiscal year 1974. We believe the reason for this increase is the changing composition of the first-term population from one of draftees and draft-motivated enlistees to a volunteer force. The following table portrays a comparison of first term and career reenlistments during the first half of fiscal years 1974 and 1975.

[The table follows:]

REENLISTMENT RESULTS

	1st half fiscal year 1974		1st half fiscal year 1975	
	Accomplishments	Reenlistment rate	Accomplishments	Reenlistment rate
1st term	7,767	20.4	17,550	25.7
RA	7,632	22.9	17,036	35.7
AUS	135	2.9	514	2.5
Career	16,786	70.3	17,682	72.8
Total	24,553	NA	35,232	NA

General MOORE. In fiscal year 1976 our objective is to obtain 25,100 first term and 36,100 career reenlistments or a total of 61,200 immediate reenlistments.

The top six enlisted grade content is projected to be 62.3 percent of the enlisted force by end fiscal year 1976. This reflects a downward trend from earlier fiscal year requests and a modest increase from the 59.6 percent top six man-years funded in fiscal year 1975. It is consistent with the long-range goals of the enlisted force management plan.

The E–4 and E–5 shortages that we have experienced over the past several years have been of major concern.

Chairman McClellan. You have reenlistment shortages in those pay grades?

General Moore. No, sir, these are shortages in those grades. It does not necessarily mean that there were reenlistment shortages.

Chairman McClellan. What are those grades?

General Moore. The grade of E–4 is a corporal or a specialist who, for example, can be a cook, or he can be a man in the rifle squad or a tank crew. The E–5 can be a specialist with the same types of duties but with additional responsibilities or he can be a sergeant with three stripes on his sleeve. If he is a sergeant he is in a leadership position.

Chairman McClellan. Do they get a higher rate of pay when they are rated as a specialist?

General Moore. No, sir, they do not. Specialists and sergeants of the same grade, such as E–5, receive equal pay.

Chairman McClellan. Well, a cook gets more pay than an enlisted private?

General Moore. Yes, sir, provided the cook is a specialist fourth-class.

Chairman McClellan. That is a higher grade.

General Moore. Yes; that is true.

Chairman McClellan. These grades mean higher pay as well as a higher rating?

General Moore. Yes, Mr. Chairman.

Chairman McClellan. But the field or specialty may vary within a grade?

General Moore. Yes, sir.

Chairman McClellan. And he is given a higher rating which carries with it higher pay, because he is a specialist.

General Moore. The E–5 gets more pay than an E–4.

Chairman McClellan. He gets a higher pay than the grade below him, but this does signify a skill for which he is getting paid, as well as for his tenure in the service?

General Moore. That is right.

We think it is reasonable to expect that ongoing integrated programs will enable us to achieve our goals by end fiscal year 1976.

In our continuing search for qualitative improvement of our force, we are using several innovative ways to attract better quality and to separate marginal soldiers who do not meet our standards or lack motivation for effective service.

VOLUNTARY RELEASE OPTION TEST

The voluntary release option test permits enlistees to request discharge after completion of basic combat training. This concept is designed to attract quality enlistees and is currently being tested at

several installations. In the units conducting the test, enlistees are given the option to request discharge from the service but not the right to a discharge. The purpose of the test is to determine whether such a program is feasible when related to losses, recruiting capability, training, and other costs.

Chairman McCLELLAN. How much time will he be in the service?

General MOORE. He would be in the service less than 8 weeks, Mr. Chairman.

Chairman McCLELLAN. That seems to be an awfully short period of time for a man to know much about the service.

General MOORE. I would like to correct that statement.

He would be permitted to request this discharge after he completes basic combat training which is 8 weeks, so he would be in the service 8 weeks.

Chairman McCLELLAN. He would have been in at least 8 weeks.

General MOORE. And completed basic combat training.

Chairman McCLELLAN. And he has a right to make a request at that time?

General MOORE. Yes, sir.

Chairman McCLELLAN. What is your experience with that? Are you just starting this program?

General MOORE. We are just experimenting with this. This is a test, and it is being conducted at Fort Jackson, Fort Polk, and Fort Knox. We had a previous test along these same lines and the results indicated that the main reasons soldiers wanted to get out after basic combat training was that they were homesick, they wanted to go on leave, they had personal or family problems, they were dissatisfied with their MOS or duty station, or they had an inability to adapt to military service. They expressed dislike for discipline or regimentation. We took the results of these first tests and we are conducting a new test. We hope that we can learn a considerable amount about how to motivate soldiers better, based on the results of the first test.

This has now been completed, in fact, on the 28th of March, 1,300 enlistees were involved. We are getting the results of those tests now.

Chairman McCLELLAN. You don't know what percentage will stay?

General WROTH. Approximately 18 percent requested discharge in the initial tests and we feel that by analyzing the reasons that they requested discharge we can better determine what we should do to make the Army a better place for a soldier and, as General Moore mentioned, how to better motivate a soldier to be a successful soldier.

Chairman McCLELLAN. Well, 18 percent would be a pretty high percent if you discharged all of them.

General WROTH. For this reason we do not feel that this should be continued beyond a test at this time.

Chairman McCLELLAN. A number of those might well change their mind when they get the true perspective of what lies ahead. And it does give you an opportunity to have pretty well-satisfied personnel. I would think some could be persuaded to stay. If they are homesick you could give them a week's furlough and they might decide to return. You might eliminate some of that.

If, after 8 weeks, you have someone who definitely says, "I don't want to be a soldier," you may have somebody who will give you

problems for the rest of his enlistment. At the same time, it is going to be costly.

General MOORE. Yes; and these are limited tests. We had approximately 1,300 men involved in the test which was just completed, and the preliminary results show that about 9 percent requested discharge of this last test group.

Chairman MCCLELLAN. I thought that it was 18 percent?

General MOORE. That was the first test, Mr. Chairman, and rather than terminate the option, the Secretary of the Army directed that we conduct an additional test an make a very, very careful analysis of the results of the first test possibly to determine where we were soft in many of our procedures where we could provide better training and motivation.

Chairman MCCLELLAN. When you solicit the enlistment do you tell them they can make a decision later, or have you been telling them at the end of their basic training?

General WROTH. This has been varied among different test groups to determine which would work the best and what the effects would be. The first group that were tested were not told at the time that they enlisted that they could request discharge. One of the subsequent groups was told upon entry into BCT that they could request discharge. These were merely techniques of administering the test.

Chairman MCCLELLAN. This is a part of the experiment?

General WROTH. Yes.

Chairman MCCLELLAN. Overall, you are not doing that?

General WROTH. No.

Chairman MCCLELLAN. That is good. If you always told them before their enlistment, I think anyone would try it 60 days. You wouldn't have stability in your recruiting and you wouldn't know what to rely on.

General MOORE. I would like to say that this is only a test and it involves a limited number of people.

Chairman MCCLELLAN. I think that these experiments are very worthwhile. If you have any reasonable basis to begin with, I think they are good.

General MOORE. We are planning a further test with approximately 600 enlistees who score high on the entrance tests. This test will be restricted to those individuals with 2 or more years of college and will be limited to certain designated skills. The option will be offered prior to enlistment and will be a part of the enlistment contract.

This portion of the test will go beyond basic training. The enlistees participating in the test may request discharge after 4 weeks of Advanced Individual Training or 130 days active duty if no advanced training is required. From this test we hope to learn whether an option of this type is an effective recruiting incentive.

TRAINEE DISCHARGE PROGRAM

This program, initiated in September 1973, provides for the continuing evaluation of all enlistees during the initial training period with honorable discharge of those who demonstrate they cannot adapt to Army life or meet our minimum standards of performance. In-

dividuals separated under this program must be discharged prior to completion of 180 days of service.

Chairman McCLELLAN. Do you initiate this or is it done at the request of the enlistee? Do you just tell him at the end of 180 days that you don't think he'll make a good soldier; that he is to be given an honorable discharge? Or does he know in the beginning that he is being judged accordingly?

Is that one of the conditions of his enlistment?

General MOORE. He does indeed know this when he begins his training.

Chairman McCLELLAN. When he enlists or when he begins his training?

General WROTH. I believe it is when he enlists and I can't swear whether this is brought to the attention of each potential enlistee before he raises his hand, but it is the option of the Army and not the option of the individual to select discharge under this program. It is essentially an evaluation of the trainer, who is the drill sergeant conducting his basic training to say:

"Soldier, you are not going to be a satisfactory soldier, there is no sense in you wasting your time or us wasting our time by keeping you any longer."

Chairman McCLELLAN. That doesn't apply to all enlistees?

General WROTH. That does apply to all enlistees.

Chairman McCLELLAN. Does each enlistee understand that at any time within his training period he can be discharged without cause except, that in your judgment, he just won't make a good soldier?

General WROTH. Yes, sir.

Chairman McCLELLAN. They all understand that?

General WROTH. Yes, sir. These types of men are identified by the sergeants of course. The rate during fiscal 1975 so far, sir, is 10.7 percent. Perhaps I should mention that the majority of men separated out of this program are separated very early in their training, with about 70 percent being separated in the first 7 weeks of training.

Chairman McCLELLAN. All right, proceed.

General MOORE. The commanders responsible for implementing this program are particularly alert to insure that it is carried out as intended and not used as a substitute for good leadership. It is not our intent to eliminate the slow learner who, given reasonable time and good leadership, will make a productive soldier. Losses appear to be closely related to civilian education level and mental category. Rates are comparable for men and women and for Caucasians and Blacks. Trainers and commanders alike unanimously support the program, trainers because it insures that only quality personnel are sent to units, commanders because they receive a more qualified, better motivated soldier from the training base.

EXPEDITIOUS DISCHARGE PROGRAM

Since October 1973 the expeditious discharge program has been successfully tested in Europe. The program was designed to permit commanders to identify and separate quickly those individuals who are unable to adjust to military life and who are unable to perform duties commensurate with the standards expected of the average soldier.

The program has proved to be highly effective in meeting its objectives of identification and rapid separation of substandard, nonproductive soldiers who are considered to be unqualified for further service.

The program is applicable to enlisted members with at least 6 but not more than 36 months continuous active duty. Members discharged under the program may receive an honorable or general discharge, depending upon their military record.

MOS MISMATCH

To assure proper personnel utilization, the Army took a critical look at all our enlisted personnel programs and found that many improvements could be made. In December 1973 a special office was formed to examine the problem of enlisted personnel malutilization or skill mismatch. The initial examination determined that in June 1972 there were 78,000 soldiers or 16 percent of the enlisted force which were skill mismatched. This was reduced to 39,700 soldiers or 8.0 percent of the enlisted force by December 1974. March 1975 data reflects a further reduction to 39,500 or 7.3 percent of the enlisted force.

The long range outlook for further reducing MOS mismatch is good. As the 16 Division Force develops, there probably will be a temporary increase in the mismatch rate until personnel are reclassified, retrained and reassigned to meet this new requirement. Thereafter, we expect utilization to continue to improve and the mismatch rate to continue to decrease.

The problem will never be completely eliminated because of personnel distribution problems such as tour stabilization and the changing of authorizations to implement new requirements.

FOUR-MONTH TRAINING REQUIREMENTS

Before leaving my discussion on enlisted personnel, I would like to bring to your attention an area where Congress can help us.

We believe that action should be taken to amend the laws that require an individual to have 4 months training before assignment outside the United States, its territories, and possessions. Also, action should be taken to amend the law that requires Reserve component personnel to have a minimum of 4 months initial active duty for training.

It is both costly in dollars and wasteful of individual talent to restrict the assignment or release from active duty for training of personnel because of these statutory limitations.

Proposed legislation to accomplish the change desired by the services was submitted to the 93d Congress but was not enacted. We are resubmitting this proposed legislation for consideration by the 94th Congress.

OFFICER PERSONNEL

Let me now discuss officer personnel.

Reductions in the officer force are continuing both in absolute numbers and as a percentage of the total force as shown in the following table.

[The table follows:]

[Fiscal years]

	1972	1973	1974	1975	1976	1977
Force	811.0	801.0	783.0	785.0	785.0	793.0
Officers	121.0	115.8	105.6	102.5	98.1	98.1
Percent officers	14.9	14.5	13.5	13.1	12.5	12.4

General MOORE. Officer reductions have been achieved by a combination of reducing procurement and involuntary Reduction in Force (RIF). We have involuntarily released 10,000 Reserve officers since 1972. The 2,200-officer RIF programed for fiscal year 1975 has been delayed to fiscal year 1976 in order to permit use of recently enacted Regular Army RIF legislation.

GRADE STRUCTURE

At the same time we are reducing the size of the officer force, we are continuing in our effort to reduce senior officer content. You will note in the table below that our programed grade levels are below the fiscal year 1964 pre-Vietnam levels in each grade. The numbers exclude personnel on active duty who are paid from civil functions, Reserve and National Guard appropriations.

[The table follows:]

[Fiscal years]

	1964	1974	1975	1976	197T	(1964–76)
Generals	494	466	439	439	439	(−55)
Colonels	5,119	5,052	4,900	4,771	4,771	(−348)
Lieutenant colonels	12,363	11,379	11,178	11,107	11,078	(−1,256)
Majors	17,105	17,656	16,937	16,776	16,805	(−329)

General MOORE. To provide a logical basis for eliminating jobs to match these reductions, the Army is conducting a complete review of officer requirements.

The objectives of this review are;

To determine the minimum number of officers and the leanest grade structure required to man and support a 16-division force.

To make every job in the Army a meaningful job with a grade commensurate with its responsibilities.

To identify the officer positions which can be eliminated to bring the officer structure down to the 98,100-level projected for end fiscal year 1976. This requires a 6,300 reduction of officer positions from that authorized at end fiscal year 1974.

Major Army commands, HQDA, Defense activities and joint activities are conducting the review. In addition, four teams, each headed by a general officer, have been organized to conduct onsite analysis of officer requirements worldwide.

The review to date has resulted in the identification of about 3,000 officer positions that can be eliminated and about 1,300 positions that can be downgraded. These, of course, are applied against the 6,300 position reduction needed to get down to end fiscal year 1976 budgeted levels.

Paralleling this review we are examining alternatives to reduce our senior officer numbers. It is most desirable that we should continue on active duty, through a qualitative screening process, only those officers that we consider to be the most productive. Our entire effort toward reducing senior officer content could ultimately be counterproductive if the result is a freezing of promotion opportunity while attrition takes care of the senior officer reductions.

OFFICER PROCUREMENT

Officer procurement has been reduced to the lowest level since before World War II in order to reduce officer strength without unnecessary RIF. In order to provide desired year group distribution with a most favorable projection of officer retention, we should be procuring approximately 12,000 officers each year. Current plans call for 9,400 in fiscal year 1975 and 9,100 in fiscal year 1976.

PERMANENT CHANGE OF STATION (PCS)

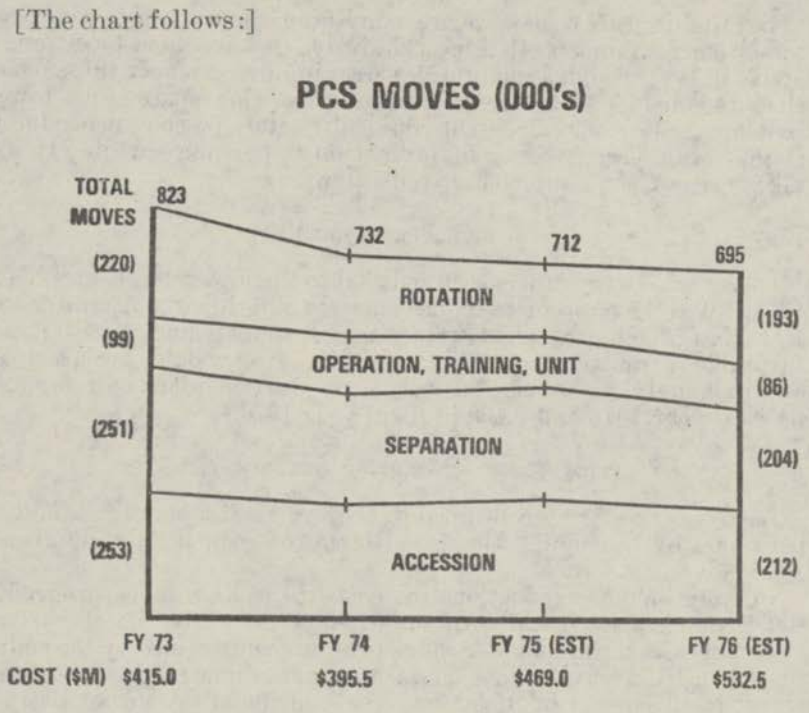
Last year the Army continued to achieve greater stabilization of its personnel by continuing the recent trend of reducing the number of PCS moves.

In spite of move reductions the cost of the PCS move program is steadily increasing because of inflationary pressures. The fiscal year 1975 moves as shown depict a move program constrained by the ceiling placed on PCS travel. The overseas tour extensions reduced rotational travel requirements by 16,000 moves. Additionally, rotational travel in fiscal year 1976 includes 13,900 moves related to the proposed 24-month tour for first term enlisted personnel.

This next chart shows the reductions made in the number of PCS moves since fiscal year 1973.

The total number of moves appears high when compared to the average strength of the Army, however, approximately 60 percent of the total moves are a result of gains and losses.

[The chart follows:]

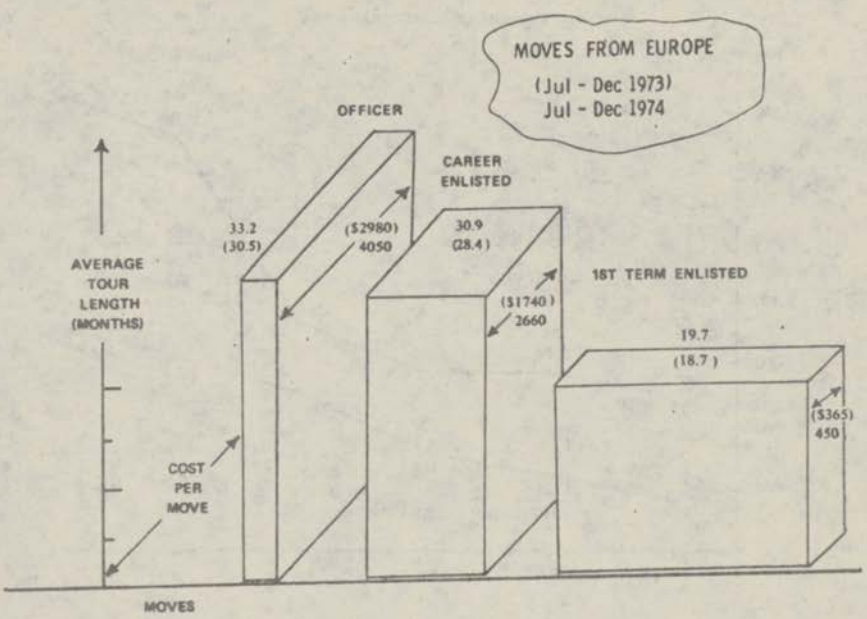


General MOORE. Even though the 12-month cumulative average enlisted tour length has leveled at 24 months this chart shows that continued improvement is occurring in the high-cost, career force moves.

The first term enlisted average tour length remains low, however, the bulk of the cost of rotational travel is connected with career force moves because of the difference in average costs.

This chart is really self-explanatory.

[The chart follows:]

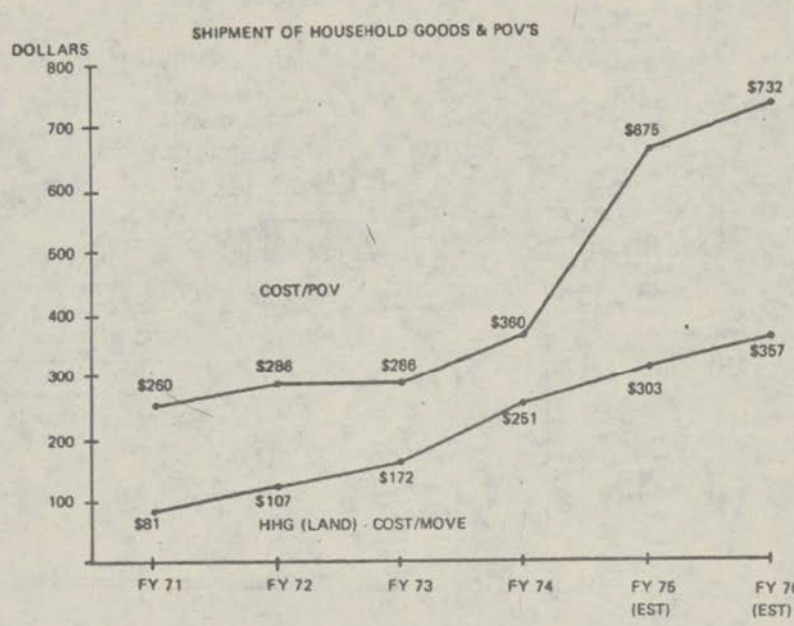


(Figures in parenthesis reflect data for period Jul-Dec 1973)

General MOORE. As I pointed out earlier, despite the reduction in the number of PCS moves, the PCS costs have increased significantly. This is due primarily to rapidly rising price levels in the transportation industry. The following chart shows how rate increases have affected the costs of shipping household goods and privately owned vehicles.

As you can see, the average estimated land cost for shipment of household goods in fiscal year 1976 has increased by fourfold since fiscal year 1971 while the cost of shipping a POV has almost tripled.

[The chart follows:]



General Moore. Before closing I would like to point out that over the years this budget addresses, military manpower is comparatively a good buy. MPA dollars per military man-year will increase by approximately 10.9 percent from fiscal year 1974 to fiscal year 1976 (including the proposed October 1975 pay increase of 5 percent). The increase over the same time frame in pay rates alone is 16.7 percent. Therefore the overall cost of military manpower is increasing less rapidly than military pay rates.

This concludes my presentation of the fiscal year 1976 Military Personnel, Army request. We seek your support for the resources required to execute it. The program presented today will cost $8,264 million in fiscal year 1976 and $2,100 million in the transition period. These funds will fully support an average military personnel strength of 784,299 and an end strength of 285,000 in fiscal year 1976 and 789,444 and 793,000, respectively, for the transition period.

Additionally, the Army requests that we be authorized a 793,000 end strength for the period ending September 30 1977. These are the strengths required to man our force.

Thank you, Mr. Chairman.

QUESTIONS SUBMITTED BY CHAIRMAN M'CLELLAN

Chairman McClellan. Thank you very much. I do have additional questions for you to answer for the record.

[The questions and answers follow:]

Sixteen-Division Structure

Chairman McClellan. Your request indicates a 16 Division Force and an end-strength of 785,000 to be the minimum requirements necessary to effectively accomplish the Army's mission. Aside from questions of personnel stability, is your requested end-strength a prerequisite for the 16-division structure?

General Moore. Yes. The Army has been able to program 16 active divisions because of the environment created by a stabilized end-strength. During the imme-

diate post-Vietnam period, the Army end-strength was reduced 49% in five years. In contrast to this turbulent situation, with a stabilized 785,000 end-strength, the Army can fully devote its attention to developing the maximum deterrent conventional force that is even more important in this era of nuclear parity. The importance of this stability in producing a well organized, well balanced, well trained and ready Army cannot be overestimated. The 16 division active force, and the 785,000 end-strength necessary to achieve it, will represent a major improvement in the deterrent value of the nation's armed strength by providing a "prudent" risk force rather than a "high risk force."

Redirection of Personnel

Chairman McClellan. How many personnel have been redirected from support to combat functions in this force structuring? From what specific areas have the assets come? Of this number, how many are associated with the three new divisions, and how many are associated with "rounding out" the existing force?

General Moore. During FY 75 and FY 76, approximately 42,000 military support spaces have been or will be reduced from the force structure. Specific support areas being reduced and the number of spaces (in thousands) gained from each area is as indicated below:

[Fiscal years]

Support area	1975 reduction	1976 reduction	Total reduction
Training establishment	3.5	4.8	8.3
Support functions—Pacific	5.4	1.8	7.2
Support functions—Europe	3.0	7.8	10.8
Logistics	.4	1.8	2.2
Communications	.6	.3	.9
Headquarters and related activities	4.2	1.2	5.4
Tactical support	2.4	1.2	3.6
Intelligence	.5	1.8	2.3
Medical support	1.1		1.1
Total reductions	21.1	20.7	41.8

Approximately 26,000 of the 42,000 spaces are the newly required spaces associated with the three new divisions. Each of the three divisions is programed to have two brigades by end FY 1976. Two existing brigades will become brigades of two of the new divisions, but will remain at their current stations. The 197th Infantry Brigade at Fort Benning, Georgia, already a fully capable combat unit will become the 2d Brigade of the 24th Infantry Division. The 194th School Troops Brigade, currently austerely tailored to support the Armor School at Fort Knox, Kentucky, will be augmented with additional combat and tactical support units and be reorganized as the 2d Brigade of the 5th Infantry Division (Mech). This brigade, when reorganized, will have a dual mission—a combat ready deployable unit (primary) and support of the Armor School (secondary). In the event this unit is required to deploy in time of crisis, a reserve unit will be required to assume its school support mission.

The remaining 16,000 spaces have been reprogramed to reconstitute combat units deploying in a TDY status to Europe, to increase manning of existing combat units, and to create non-divisional combat units such as cavalry squadrons, ranger battalions, engineer battalions, field artillery battalions, and air defense artillery battalions.

Fiscal Year 75 Recruiting Objectives

Chairman McClellan. You indicate confidence in meeting FY 75 recruiting objectives, and accessions appear to be on the increase both quantitatively and qualitatively. To what extent has the present economic and employment climate been an influence? Are reenlistments up as well?

General Moore. The current economic and employment situation is having a beneficial effect on the Army's recruiting effort, particularly in raising quality in the 17–20 year old group. The attempts to quantify the impact using statistical techniques have been inconclusive and contain a great deal of uncertainty. Preliminary analysis performed by the General Research Corporation (GRC) indicates that an increase in FY 75 over FY 74 of about 7,900 diploma high school graduates, Mental Category I, II and III accessions can be directly attributed to unemployment. Army analysts feel that this number should be around 1,300 to

2,600. The difficulty in making a precise analysis stems from other variables that are impacting on the recruiting environment. Among these other variables is the fact that the recruiting force is operating at full strength during FY 75 whereas they were understrength about 1,000 recruiters for the first half of FY 74. Another factor is the recruiter emphasis and direction to recruit higher quality accessions. Other influencers are the improvements in the enlistment options and programs, more effective advertising, increased proficiency in the recruiting force, and an improved image of the Army among the civilian populace.

It should have also be remembered that the Army was meeting its quantitative recruiting goals before recession and unemployment reached present levels. The most valid conclusion that we can make from all of the analysis is that while the present circumstances may have helped recruiting numerically, the really significant impact has been in our ability to repeatedly raise our enlistment quality standards. This means a better quality Army with fewer problems of discipline and academic failure.

As with enlistments, the present economic situation is also having a favorable effect on increasing the number of soldiers who desire to reenlist. However, as with enlistments, a precise numerical evaluation is complicated by other than economic considerations. Primary among these other factors is the changing nature of the first term population of soldiers from that of a group composed primarily of draft and draft-motivated soldiers who presumably had little desire to be a soldier to a group of true volunteers. As expected, this group has shown a greater propensity to reenlist. Since October 1974, the month that those soldiers who enlisted after the last draft call first became eligible to reenlist, the first term Regular Army unadjusted reenlistment rate has significantly increased. Whereas this rate at the end of FY 74 was 33.2 percent, it averaged 46.1 percent in the months between October 1974 and March 1975. Career reenlistments have recently increased also, but not to the degree of increase in first term reenlistments. The career reenlistment increase from the FY 74 rate of 74.5 percent to an average of 80.5 percent between October 1974 and March 1975 can most likely be attributed to the economic situation.

Recruiting Process

Chairman McClellan. How many personnel are currently engaged in the recruiting process as opposed to a year ago, and what is the outlook for FY 1976?

General Moore. As of 9 May, there were 6701 personnel assigned to the recruiting force assisted by 400 canvassers. In May 1974, there were 7208 personnel assigned to the force assisted by 1600 canvassers. The projection for FY 1976 is a force of 6420 recruiters assisted by 300 canvassers.

Recruitment Advertising

Chairman McClellan. You indicate that advertising plays a major role in recruiting success.

How much is programmed for the various categories of advertising in fiscal years 1974, 1975 and 1976?

General Moore. Tabulated below is a breakout of the Active Army recruiting advertising budget for FY 1974 through FY 1976 in millions of dollars:

	Fiscal year—		
	1974	1975	1976
Media totals	$16.7	$15.5	$16.5
Magazines	6.7	7.7	7.2
Newspapers	2.2	1.4	1.6
Yellow pages	.2	.2	.2
Direct mail	2.3	3.0	3.5
Outdoor	5.3	2.6	3.0
Radio/TV		.6	[1] 1.0
Production	3.3	4.4	4.4
Films	.7	2.0	2.6
Field representatives	2.9	2.4	3.0
Recruiting promotion	5.6	9.1	7.7
Advertising agency research	.5	.3	.3
Local advertising	4.0	4.1	4.8
TAG printing	1.6	3.4	3.5
Miscellaneous	2.9	2.0	3.0
Total	[2] $38.3	[2] $43.1	[2] $45.8

[1] Estimate of cost for Army participation in DOD electronic media test program.
[2] Will not add to rounding.

Specialty Requirements

Chairman McClellan. While recruiting has been successful numerically, has there been any difficulty in meeting specialty requirements, other than in Combat Arms?

General Moore. With the help of the Combat Arms Bonus, Infantry, Armor and Field Artillery enlistments have greatly increased during the past year and we are currently filling all of our requirements with volunteers for this training. We have, however, experienced difficulty in attracting enlistees for some other skills. Our primary problem has been with missile crewmen and cooks. These skills have been historically unpopular but we have been more successful recently with the missile crewmen due primarily to the enlistment bonus. We hope to increase enlistments for the food service field through increased recruiting emphasis and advertising.

Representative Accessions

Chairman McClellan. Would you explain the process by which you are attempting to obtain accessions which are racially and geographically representative of our society?

General Moore. Ideally, the Army wants to attract to its ranks individuals that are representative of all segments of the country so that no one segment of the American people carries a disproportionate burden of any war.

As a result, we are attempting to recruit equally throughout the country, allocating recruiters and recruiting resources based on the number of qualified military availables.

Under no circumstances will our efforts or recruiting processes discriminate or limit individuals in terms of race, social class or geographic origin to the opportunities to enlist in the Army.

The opportunities to enlist have not been reduced in any area. The Army has not closed or reduced in size any recruiting stations on the basis of minority considerations. Stations have been closed where the total available market has diminished in order to enable the Army to use its limited recruiting resources to tap new markets of potential quality applicants. Limited personnel shifts have been made to more equitably provide recruiting opportunities to qualified applicants.

Voluntary Release Option Test

Chairman McClellan. Do you have any results on the Voluntary Release Option Test?

General Moore. In the initial test completed in October 1974 about 18 percent of the 1,100 trainees were discharged under the option. The main reasons they indicated were: homesick, wanted leave, had personal or family problems, dissatisfied with MOS or duty station, inability to adjust or adapt to military service and dislike for discipline or regimentation.

Another test was conducted during the period 7 Feb to 28 March 75 to learn more about how to motivate soldiers better. During this test leave was offered to trainees who indicated that they had personal problems and changes in MOS to trainees who indicated dissatisfaction with their MOS. Of the 1,213 recruits who participated in the test and completed Basic Combat Training, 129 (10.6%) initially requested discharge under the option. Fourteen changed their option and accepted leave or a change in occupational specialty. Nine and one-half (9.5) percent were discharged under the option.

Trainee Discharge and Expeditious Discharge Program

Chairman McClellan. How many separations in FY 1974 and FY 1975 are attributable to the Trainee Discharge and Expeditious Discharge Program? What is this as a percent of total separations? Do you assume a specific number of FY 1976?

General Wroth. Separations in FY 74–76 for the Trainee Discharge Program (TDP) and the Expeditious Discharge Program (EDP) and the percent of separations of these discharges are as follows (in thousands):

	Fiscal year—		
	1974 actual	1975 estimate	1976 projected
TDP	13.6	21.4	19.3
EDP	2.6	13.8	18.0
Total	16.2	35.2	37.3
Total separations	215.6	208.7	180.8
Percent of separations	7.5	16.9	20.6

Although the percent of separations for these two programs is increasing, the separation which require substantial administrative processing (unsuitability, unfitness, misconduct, discharge for the goods of the service) are decreasing. This trade-off results in a substantial savings in the administrative burden of Army units. Further, the use of TDP has been shown to be cost effective in that the individual is discharged while in training, thus saving training costs that would have been expended on the same individual had he completed training, only to be discharged thereafter for adverse reasons.

Training Prior to Overseas Assignments

Chairman McClellan. Assuming favorable congressional action on your proposal to eliminate the legal requirement for four months' training prior to overseas assignment, what would be the FY 1975 and FY 1976 dollar value of the almost 500,000 man-days saved?

General Moore. If the restriction had been lifted prior to the beginning of FY 1975 manpower savings for active Army personnel would have equated to approximately $4.5 million for FY 1975 and to approximately $3.8 million for FY 1976. However, rather than resulting in monetary savings, it will enable us to use these saved manpower spaces for combat forces. We could provide and maintain another combat battalion for the 16 Division force from the approximate 700 manyears/end strength saving.

For Reserve component personnel, elimination of the mandatory training period would have resulted in savings of approximately $2.5 million for FY 1975 and will result in savings of approximately $3.9 million in FY 1976.

Chairman McClellan. Would this change in procedure (elimination of legal requirement for four months' training prior to overseas assignment) have an impact on the Permanent Change of Station Travel program as it is now budgeted?

General Wroth. No, sir. If this change were implemented in FY 1976, the impact of increased overseas average tour lengths would not be felt until FY 1979 when the first group of enlisted personnel who had arrived overseas with reduced training would be scheduled to return to CONUS. Furthermore, the magnitude of the change in overseas tour length would be very small.

Permanent Change of Station

Chairman McClellan. Although PCS moves in total decline about 17,000 in FY 1976, rotational moves increase by almost 26,000, and unit moves are also up. What is the major reason for this?

General Wroth. The rotational move increase is caused by two factors: (1) An increase of 13,900 enlisted moves associated with a tour length reduction for single, first term enlisted personnel in Europe from a prescribed 36 months to 24 months (actually 39 months to 27 months with consideration of the current 3 month extension) and (2) the involuntary oversea tour extension policy that was required in FY 1975 because of budgetary constraints caused a one-time reduction in rotational travel in FY 1975 of 16,000 moves below normal requirements. The increase of 1600 unit moves is caused by an increase in the number of units being relocated within USAREUR as a result of the Nunn Amendment and Brigade 76 to Europe.

Creation of New Divisions

Chairman McClellan. Within the proposed FY 1976 program, approximately how many moves by category would you say are associated with the creation of three new Divisions?

General Wroth. In FY 1976, the following moves are associated with the creation of the three new Divisions:

Category of travel	Officer	Enlisted
Accession	133	9,863
Training	134	193
Operational	234	632
Rotational	1,169	6,629
Total	1,670	17,317

It should be noted that the accession, training and rotational moves shown above (95% of the total moves) are not additional moves caused by the creation of the three new divisions. The same number of moves in these three categories would occur in FY 1976 even without the three new divisions providing the Army strength is maintained at 785,000. To the maximum extent possible the new divisions are being filled with new accessions, personnel returning from overseas and personnel departing from a PCS school in order to reduce the number of operational moves required.

Personnel Oriented Programs

Chairman McClellan. How much is budgeted in fiscal years 1974, 1975, and 1976 for personnel-oriented programs, including Race Relations, Equal Opportunity and Drug and Alcohol Abuse efforts?

Mr. Scharstein. Race relations—equal opportunity program (RR–EO): There are no funds in the Army budget specifically identified to support this program. However, estimated direct and indirect OMA outlays in support of RR–EO programs are as follows:

[In millions of dollars]

	Fiscal year—		
	1974	1975	1976
Estimated direct and indirect OMA outlays	18.0	22.0	22.0

ALCOHOL AND DRUG ABUSE PREVENTION AND CONTROL PROGRAM FUNDING

[In millions of dollars]

	OMA	OP	RDT & E	MPA	Total
Fiscal year:					
1974	22.3	0.5	4.5	12.9	40.2
1975	23.9	.5	4.4	14.8	43.6
1976	27.6	.2	3.6	15.2	46.6

Progress in These Areas

Chairman McClellan. What has been your progress in these several areas? What portions of the Drug and Alcohol program are directed toward prevention as opposed to treatment and correction?

General Moore. Race relations and equal opportunity.—Progress has been realized in this area as evidenced by increased participation of minorities in key assignments, significant increase in minority participaton in ROTC, increased minority officer procurement, increased minority attendance at the Senior Service Colleges, a better distribution of minorities across the officer and enlisted grade structure, and increased awareness of the Army's Race Relations Program at troop level.

Alcohol and drug abuse prevention and control.—The incidence of actual drug and alcohol abuse is difficult to assess since much of it is occasional and in private while off-duty. However, the following data are indicative of the trends. Data are for the period July 1973–September 1974.

a. Identification

(1) Alcohol—self referrals. Generally stable; 34% of program gains for 1st Quarter, FY 75.

(2) Other drugs—self referrals. Generally stable; 24% of program gains for 1st Quarter, FY 75.

b. Treatment/Rehabilitation

(1) Alcohol—end of month caseload. Gradually decreasing. 5,441 personnel in treatment/rehabilitation programs Army-wide at the end of Sep 1974, as compared with 5,548 in July 1973, and 6,314 in July 1974.

(2) Other drugs—end of month caseload. Progressively decreasing. 8,825 personnel in treatment/rehabilitation programs Army-wide at the end of Sep 1974, as compared with 12,147 in July 1973, and 10,188 in July 1974.

c. Separations

(1) Alcoholism—FY 73 monthly average of 14 increased to monthly average of 24 in FY 74, and monthly average of 25 thru 1st Quarter, FY 75.

(2) Drug Abuse—FY 73 monthly average of 112 increased to monthly average of 258 in FY 74, and decreased to monthly average of 214 thru 1st Quarter, FY 75.

PORTIONS OF THE DRUG AND ALCOHOL PROGRAM DIRECTED TOWARD PREVENTION AS OPPOSED TO TREATMENT AND CORRECTIONS

The program is developed along the following functional lines: Identification; treatment and rehabilitation; education and information; training; research; evaluation; and management, planning, administration, and coordination. Several of these categories are involved in the prevention effort. However, the program is not designed to recapture specific "prevention" costs as opposed to other category levels of effort.

SIXTEEN-DIVISION FORCE

Chairman MCCLELLAN. Please identify the specific areas reduced in FY 1975 and 1976 that have generated personnel assets toward force initiatives. Indicate the numbers in each area which resulted in the creation of 48 new battalions.

General MOORE. The following areas have generated manpower assets during FY 1975 and FY 1976:

	Thousands
End strength increase fiscal year 1974 to fiscal year 1975	3.4
Disestablish Army Air Defense Command	3.9
Training establishment	7.2
Support spaces in Europe	12.2
Army management headquarters	2.5
Concise (base closures/realignments)	2.2
Army Communications Command reorganization	0.6
Support reductions (Western Pacific)	5.1
Special Forces Asia (Okinawa)	1.1
Support reduction (Thailand)	1.0
Individuals	1.6
Trainees	1.0
Officer reductions (army wide)	1.9
Miscellaneous (army wide)	2.8
Total manpower spaces	46.5

The added 48 Battalions (including the division bases and brigade headquarters for the new units) require 39.9 thousand of the above spaces. The remaining 6.6 thousand are being used for increased level of manning (ALO) in existing combat units plus adding some smaller than battalion size units.

Chairman MCCLELLAN. To what extent has the skill balance of these assets met the needs for the newly-created three Divisions? That is, have you had to early-release or involuntarily separate personnel and then recruit through special inducement in other skill areas?

General MOORE. It has not been necessary for the Army to involuntarily separate or early release any officers or enlisted personnel in order to meet the skill requirements for the 16 Division Force. The shift in skill balances has been achieved through normal attrition, and new procurement/recruitment. Limited retraining of enlisted personnel may be necessary. The involuntary separations (RIF) of approximately 10,000 officers since FY 72 and approximately 2,200 more in FY 76 have been necessary to meet decreasing officer endstrength.

TOTAL PERSONNEL NUMBERS

Chairman MCCLELLAN. What is the total number of personnel associated with each of the new Divisions?

General MOORE. The total authorized active duty strength planned for the 7th Infantry Division (Ft Ord, CA) at this time is approximately 10,900 military spaces. The two remaining new divisions will have one active duty brigade located away from the parent unit. Currently, plans call for the 24th Infantry Division to be authorized a total of 15,300 spaces. Of this total number, 11,300 will be authorized for the division at Fort Stewart/Hunter, Georgia. The remaining

spaces, approximately 4,000, will be authorized to an active duty brigade located at Fort Benning, Georgia. The total active duty authorized strength planned for the 5th Infantry Division (Mechanized) is approximately 14,100. That portion of the division located at Fort Polk, Louisiana will be authorized approximately 10,500 and a brigade located at Fort Knox, Kentucky will be authorized approximately 3,600.

Chairman McCLELLAN. How many personnel are associated with the 20 battalions not related to the three Divisions; why is this reinforcement capability to the total Army required?

General MOORE. There are approximately 13,000 military spaces associated with the 20 combat battalions. Of this number, approximately 5,000 spaces are associated with the reconstitution, in CONUS, of units which will deploy to Europe as a part of the Army's response to provisions of the Nunn Amendment. Reconstitution of these units is required to provide the divisions adequate organic combat power to permit possible deployment to an area other than Europe in a nonmobilization contingency. The majority of the remaining 8,000 spaces are associated with nondivisional combat battalions. These units are associated with the requirement to provide divisions in the Field Army with adequate area combat support.

REIMBURSABLE PROGRAM

Chairman McCLELLAN. The Army's reimbursable program grows steadily between FY 1974 and FY 1977, from 258 to over 1,700 end-strength. To what is this growth attributable? Briefly explain TAFT team support.

General MOORE. The reimbursable program at the end of FY 1974 did not include Technical Assistance Field Team (TAFT) support to Iran, budgeted at 391 military spaces by the end of FY 197T. Beginning 1 July 1976, all military personnel assigned to Military Assistance Advisory Groups (MAAG), Military Missions and similar organizations will become reimbursables (1121 budgeted spaces). The Foreign Assistance Act of 1974 provides for assumption of funding responsibility by the Military Assistance Program for these organizations. These two programs account for the major portion of the increase in the reimbursables program. Numbers of personnel programmed for other reimbursable activities are actually declining.

Technical Assistance Field Teams provide technical assistance, training and guidance pertaining to military equipment and systems to selected foreign countries engaged in modernizing their Armed Forces. Currently Iran is the only country receiving such assistance from the Army.

SUBSISTENCE REIMBURSEMENT

Chairman McCLELLAN. A large dollar increase, FY 1974/1975, is projected for subsistence reimbursement from other federal agencies, and reimbursement from Army National Guard increases throughout the budget period. Are these reflections of new policies directed at recouping the full cost of such manpower? Please explain.

General MOORE. The reimbursement reflected on these lines are: (1) estimates provided by the National Guard Bureau of the value of prepared food to be consumed by National Guard personnel in Army dining facilities for which reimbursement must be made. (2) Bulk subsistence procured for others, which is reimbursed.

The increase in National Guard consumption of $4.6 million between FY 1974 and 1975 is attributable to a rate increase of $0.4 million and increased numbers in Reserve Enlisted Program and school training of $4.2 million. The increase of $2.8 million FY 1975 to FY 1976 is comprised of $0.7 million in rate changes and $2.1 million for strength increases in Reserve Enlisted Program and school training.

The increase in the line "Other Federal Agencies" reflects primarily the anticipated increase from the new Defense Assistance, Vietnam appropriation administered by the Defense Security Assistance Agency. In FY 1974 and earlier years this requirement was reflected as a direct obligational requirement rather than as a reimbursement.

These are not recoupments for manpower costs involved in feeding of personnel. This is reflected under the "Other Non-Strength" caption below, entitled "Surcharge".

Chairman McClellan. You note commissary store sales among reimbursement sources. Are all military personnel detailed at stores reimbursed from sales, or is there some sort of subsidy arrangement as in the case of civilians?

General Moore. Military personnel assigned to commissary stores are not reimbursed from store sales proceeds. Military personnel as well as civilian employees assigned to the commissary store are paid from appropriated funds.

The commissary store sales reflect activity for FY 1974 for two commissary stores operated in Vietnam and in Thailand. These two stores inventories were funded with Military Personnel, Army Funds, hence sales from the stores are reimbursed to this appropriation. Effective July 1974, the Navy took over operation of the commissary in Vietnam and it is anticipated that they will assume the operation of the Thailand store in FY 1976.

Recruitment of Women

Chairman McClellan. In a recent (26 March) New York Times article on the successful recruiting of women into military service, Army recruiting spokesmen indicated that various factors have "forced" them to use delayed entry programs. Examples were cited of current recruiting for induction as late as next October. How large a "pool" does the Army now have in its delayed entry program (all recruits), and for how far in the future? Do you foresee this as a contribution towards stability of the force, or are there skill imbalances?

General Moore. The purpose of the Army's delayed entry program is to permit Army applicants to enter active duty when more convenient to the applicant, allow applicants to select training in a specific skill of choice, and to more efficiently fill Army training requirements with qualified applicants. Depending upon the popularity of the skill, applicants may find that enlistment in the delayed entry program is necessary to be guaranteed training in a skill. Due to lower monthly requirements for WAC enlistees, when compared to males, WAC applicants may also find it necessary to first enter the delayed entry program prior to entering active duty. If the male applicant's primary motivation is to enter the Army, and if the applicant meets required entrance standards, ample school training opportunities exist to permit enlistment in the Regular Army without first entering the delayed entry program. Provided below is a portrayal of the delayed entry pool as of 28 March 1975.

Month	Male	WAC	Total
March	687	151	838
April	4,357	787	5,144
May	3,465	917	4,382
June	6,371	386	7,762
July	3,195	934	4,129
August	2,111	643	2,754
September	1,187	372	1,559
October	366	244	610
November	82	67	149
December	12	5	17
Total	21,839	5,505	27,344

While the delayed entry program does not directly contribute to stabilizing the force, there is a greater assurance of filling Army training requirements with qualified enlistees through the use of the program. The result of the program assists in reducing skill requirements months in advance of the actual need.

Reserve Officers' Training Corps

Chairman McClellan. Has any consideration been given toward establishing a single, centrally-administered ROTC program for all services? What would be the major objections to such an approach?

General Moore. The Department of the Army does not support establishment of a single, centrally-administered ROTC program for all services. The major objection to such an approach would be the requirement to establish a common core ROTC curriculum which would provide for the needs of each service. Compatible service programs, such as the Flight Instruction Program (FIP), collocated at jointly hosted ROTC institutions are centrally administered. The Army, in conjunction with the DOD Inter-Service Training Review Board, will

continue to examine other common service programs which can be jointly administered with a view toward insuring cost effectiveness.

Personnel Strengths

Chairman McClellan. In FY 1975, the Army is almost 4,000 over strength plan as of February 1975. What has been the major cause and what is the outlook for the rest of the fiscal year?

General Moore. The strength projected for February 1975 in the President's Budget was 775,089, versus an actual strength of 779,035. The primary reasons stem from higher rates of retention of qualified soldiers than expected, evidenced by increased reenlistments; increases in soldiers returning to duty from "dropped from rolls" status; and fewer losses due to adverse causes. These have all contributed to a lowering in general loss rates from those expected.

The Army plans to achieve its specified end strength of 785,000 by June 30, 1975, within the monetary limitations established. To meet the assigned end strength, recruiting objectives for the remainder of the fiscal year have been reduced from those included in the President's Budget.

Chairman McClellan. With improved recruiting and retention and the higher overall quality of today's recruit, why does attrition increase as a percent of total enlisted losses during the FY 1974–1976 time frame?

General Moore. The increase in attrition as a percent of total enlisted losses in FY 74–76 is more a function of increased reenlistments and decreased ETS losses (loss of individuals at the completion of their term of service) than a function of quality. Due to the end of the draft in FY 73, the number of 2 year enlistees in FY 74 was decreased. This results in decreased ETS losses in FY 76 which causes total losses also to be smaller. Attrition (including Attrition and Other categories), however, decreases steadily as a function of the total enlisted strength during the period, from 12.9% in FY 74 to 12.4% in FY 76. As the quality accessions currently entering the force become a larger proportion of the force, this loss rate for attrition is expected to decrease further.

Special Pay and Entitlements

Chaiman McClellan. The Comptroller General has expressed the opinion that legal entitlement to the full Selective Reenlistement Bonus accrues upon completion of reenlistment procedures, rather than on an incremental basis as now budgeted. What is the current status of this ruling, and what would be the FY 1976 dollar impact if this view prevails?

General Moore. GAO has raised questions concerning the obligating procedure for reenlistment bonuses but has not yet made a detemination in the matter. GAO has questioned whether an obligation for the entire amount of the bonus should be recorded at the time of reenlistment or obligated each year when the annual incremental payment is made. The Department of Defense's position is that obligation at the time of the annual payment is proper. If, however, the Congress requires that the total committed expenditures for Selective Reenlistment Bonuses be recorded as an obligation in the year in which such bonuses become payable, the FY 1976 obligational authority for Military Personnel, Army would have to be increased by $63.5 million. A copy of the Department's response to the GAO on this matter follows:

February 7, 1975.

Mr. James E. Masterson,
U.S. General Accounting Office, Office of General Counsel,
Washington, D.C.

Dear Mr. Masterson: This is in response to your letter of January 23, 1975, (B–115398, B–183041) to the Secretary of Defense, concerning the rephasing of the payment of military reenlistment bonuses by converting from lump-sum payments upon reenlistment to annual payments over the entire enlistment period, as set forth in the President's message to the Congress dated November 26, 1974 (H. Doc. No. 93–308).

In particular, you raise questions concerning the proper method of obligating funds for reenlistment bonuses paid on incremental basis. Relying on the decision in 45 Comp. Gen. 379, you state that in terms of general principles governing the application of and accounting for appropriated funds, it would ordinarily follow that the full amount of selective reenlistment bonuses should be recorded as obligations even if paid incrementally. Recognizing that Congress has provided funds based on outlays rather than obligations, you nevertheless con-

cluded that it could be argued that, at least insofar as amounts are provided for lump-sum payments, the obligation approach should be followed.

From at least the inception of the selective reenlistment bonus the Department of Defense has considered that the requirements of section 1311 (31 U.S.C. 200) have been met by recording obligations for such bonuses in the month when they become payable. This policy, reflected in Department of Defense regulations, is consistent with the general accounting principles governing obligations for personnel services and benefits contained in both OMB Circular A–34 and Department of Defense regulations. For reenlistment bonuses in particular, this policy has the advantages of minimizing appropriations, avoiding the carry over of large obligated balances, and permitting a more simple and economical accounting system. It would be more expensive, and in the long run serve no useful purpose, to develop a system that matched current expenditures with the period of time in which the reenlistment occurred. Ultimately, the result would be bookkeeping for bookkeeping's sake.

The decision in 45 Comp. Gen. 381 and your statement of the general principles governing the application of and accounting for appropriated funds, with which we do not disagree, do not compel a different result. Both logic and experience with section 1311 have shown that notwithstanding broad general principles each type of transaction must be examined individually in the context of the relevant circumstances before a determination can be made as to whether and when obligations must be recorded. For example, in 45 Comp. Gen. 584, at 586 it is stated:

"Because of the unique character of obligations arising out of the statutory requirement for severance pay, we hesitate to lay down a rule at this time which would, in effect, require that funds be budgeted in a specific manner at the expense, perhaps, *of generating inherent inefficiences in the budget and accounting process.* Rather, we believe it would be more appropriate for this office to await resolution of the matter by the Bureau of the Budget *and to be guided by such action which the Congress may take with regard to the budget procedures ultimately developed.*" (Emphasis added.)

As your letter indicates, appropriations for the selective reenlistment bonus and the variable reenlistment bonus have been sought and appropriated on the basis of annual outlays. In addition to recent citations contained in your letter, testimony during the FY 1968 hearings shows that as early as FY 1966 funds were sought and appropriated on this basis. See, e.g., Hearings before a Subcommittee of the House Committee on Appropriations, 90th Congress, 1st session, on Department of Defense Appropriations for 1968, Part 1, 37–40.

We believe, that the policy and practice of the Department of Defense of obligating funds in the month when they become payable constitutes a long standing administrative interpretation of section 1311 known to and concurred in by the Congress. Therefore, in the absence of action by the Congress requiring a contrary result, as a matter of law this is a proper interpretation upon which the Department of Defense can rely. We call your attention especially to *Kay* v. *Federal Communications Commission*, 443 F. 2d 638, 646 (1970):

"Congress, of course, is not required to act each time a statute is interpreted erroneously and legislative silence in the face of such interpretation is not necessarily equivalent to legislative approval. However, a consistent administrative interpretation of a statute, shown clearly to have been brought to the attention of Congress and not changed by it, is almost conclusive evidence that the interpretation has congressional approval."

See also, *Brennan* v. *General Telephone Company of Florida*, 488 F. 2d 157 (3rd Cir. 1973); *United States* v. *Kennedy*, 278 F. 2d 121 (9th Cir. 1960); *Power Reactor Development Co.* v. *International Union of Electrical, Radio and Machine Workers*, 367 U.S.C. 396, 81 S. Ct. 1529 (1961).

In our view the administrative rephasing of the payment of reenlistment bonuses that has taken place since November 1974, does not change the legality of Department of Defense accounting principles. We believe it is legal and proper to continue to obligate funds for the balance of FY 1975 on the same basis as we have in the past. If, the relevant accounting principles of the Department of Defense have been a proper interpretation of section 1311, then in the absence of congressional action requiring a contrary result, they are as valid after November 1974 as they were before. We do not believe that an accounting policy that constitutes a legal administrative interpretation of section 1311 becomes illegal solely as the result of the Department of Defense further exercis-

ing its statutory authority to incrementally pay bonuses as specifically authorized by 37 U.S.C. 308(b).

While the current rephasing is indeed a major one, to a much lesser extent rephasings have probably occurred to meet program needs in early years. It is instructive to note the impact on prior years of the argument you suggest, i.e., "at least insofar as amounts are provided for lump-sum payments, the obligation approach should be followed." Funds requested for the variable reenlistment bonus consisted of three specified elements, namely, anniversary payments for previously funded incremental bonuses, new lump-sum payments, and new initial incremental payments. The amounts requested for each of these elements were of course estimates, and the amounts obligated and expended for new lump-sum and incremental payments could and probably did vary from the estimates and the amounts provided by Congress. Taken literally your suggested minimal argument would have required in past years that if small amounts of the funds provided for lump-sum payments were used to fund incremental payments then incremental bonuses so funded would have to be accounted for differently than incremental bonuses funded from funds requested incrementally. While we do not believe you would reach such a result, which would be an accounting nightmare, particularly in a lump-sum appropriation, we do believe that the foregoing illustrates that the Department of Defense's accounting principle resulting from its interpretation should be consistently applied.

This same difficulty would occur in FY 1975 if obligations for incremental bonuses funded that way could be recorded as in the past, but incremental bonuses for which funds were "reprogrammed" from other sources were required to be recorded on a different basis. Indeed, as a result of the change in the substantive laws, the FY 1975 situation is more complex. At the time of the President's submission of the FY 1975 budget, the selective reenlistment bonus had not yet been enacted. Therefore funds were requested for the variable reenlistment bonus with estimates for each of the three elements described above. Congress was subsequently advised by the Department of Defense that the selective reenlistment bonus would cost no more, i.e., no more obligational authority was needed than for the variable reenlistment bonus. Funds were apparently appropriated in the lump-sum military personnel accounts in the total amount requested for bonuses. In view of the differences in the bonuses, it may not be possible to determine how much was provided for lump-sum payments and how much for new incremental payments. However, just as with the old bonus, the new bonus was to be administered by paying them both on a lump-sum and incremental basis. The rephasing was intended to make all bonuses rather than most bonuses incremental.

Under these circumstances, we believe it is fair to say that if obligations were required to be recorded in the full amount of the bonus for all incremental bonuses, then this would be inconsistent with the congressional action in providing obligational authority for incremental bonuses on an outlay basis. On the other hand, putting aside the difficulty if not impossibility of determining how much funds were provided for new incremental bonuses and how much for lump-sum payments, if the recording of obligations for incremental bonuses was dependent on how the funds were provided, there would be two inconsistent accounting standards and an accounting nightmare.

Finally, the FY 1976 budget request just submitted to the Congress is based on the need for obligational availability consistent with past Department of Defense accounting practice regarding incrementally paid bonuses. If obligations must be recorded in the total amount of the bonuses, then there would need to be a substantial additional request and a larger appropriation in order to fund the reenlistment program. Similarly, if there is any change in recording requirements the FY 1975 supplemental request for pay increases, which has been offset to some extent by some of the savings in obligational authority, would need to be increased.

We appreciate the opportunity you have afforded us to comment on this matter.

Sincerely,

MANUEL BRISKIN,
Assistant General Counsel (Fiscal matters).

SPECIAL PAY AND ENTITLEMENTS

Chairman MCCLELLAN. What are the total FY 1974, 1975 and 1976 costs, by category, paid to families of servicemen who are Missing-in-action?

General MOORE. The FY 1974, 1975 and 1976 cost by categories for Missing-In-Action are:

[Fiscal years]

Officer	1974	1975	1976
Base pay	$1,250,768	$1,321,697	$1,339,211
BAS	58,653	61,081	61,891
Flight pay	129,177	129,177	129,177
Noncrew	2,640	2,640	2,640
Parachute	16,830	16,830	16,830
BAQ with dependents	122,633	127,710	129,402
HFP	79,495	79,495	79,495
FSA	16,680	17,371	17,601
BAQ without dependents	90,352	94,093	95,339
Total	$1,767,228	$1,850,094	$1,871,586

[Fiscal years]

Enlisted	1974	1975	1976
Base pay	$1,782,468	$1,896,576	$1,919,018
Duty in certain location	51,953	51,953	51,953
Pro pay	15,950	15,950	15,950
Noncrew	6,600	6,600	6,600
Parachute	45,155	45,155	45,155
BAQ with dependents	160,958	167,622	169,843
HFP	168,675	168,675	168,675
FSA	27,540	28,680	29,060
BAQ without dependents	149,500	155,689	157,752
Total	$2,408,799	$2,536,900	$2,564,006

Chairman MCCLELLAN. What steps are being taken to reduce the amounts? What is the legal status of these individuals, and what is the Department's intention regarding ultimate resolution?

General MOORE. Army regulations based on Federal court action currently restricts the modification of the status of MIA's unless next of kin currently receiving governmental financial benefits that could be terminated by a status review are given notice of a status review; afforded a reasonable opportunity to attend a hearing, with a lawyer if they so choose; reasonable access to the information upon which the status review will be based; and permission to present any information which they consider relevent to the proceeding.

The Army is conducting all aspects of casualty matters with full respect for the rights of the Missing Member and compassion for his family. All status reviews are in strict accordance with existing law. The member is carried in a Missing status until his final disposition is resolved, i.e., returned to military control, deceased or presumed dead. The Army acting under statutory authority continues to credit full pay and allowance to the accounts of servicemen who remain in a missing status.

Chairman MCCLELLAN. For officers and enlisted lump-sum terminal leave, indicate for the FY 1974–197T period the average number of unused leave days accrued prior to separation?

General MOORE.

[Fiscal years]

Grade	1974	1975–7T
General	48.0	45.5
Colonel	53.1	50.6
Lieutenant colonel	47.8	45.3
Major	35.3	32.5
Captain	39.9	37.4
1st lieutenant	36.2	33.4
2d lieutenant	24.7	22.2
WO–W4	54.1	51.6
WO–W3	47.9	45.4
WO–W2	35.0	32.5
WO–W1	18.4	15.9
E–9	58.8	56.3
E–8	45.8	43.3
E–7	43.8	41.3
E–6	40.1	37.6
E–5	29.6	27.1
E–4	22.8	20.3
E–3	21.0	18.5
E–2	15.9	13.5
E–1	9.3	6.8

Chairman McCLELLAN. In a 27 August 1974 report, the General Accounting Office recommended termination of hazardous duty pay for parachute jumping when a member is reassigned to a non-parachute-jump position, and it appears that policy guidance to this effect has been issued from the Office of the Secretary of Defense. What steps have been taken in implementing this policy, and why are reductions not apparent in the FY 1976 budget?

General MOORE. The policy has been implemented based on the GTO report in addition to our own assessment. DOD provided the joint service policy to insure uniformity with respect to parachute jump pay entitlement during the period between permanent changes of station. This policy has been incorporated into the DOD Military Pay and Allowance Entitlements Manual for the administration of this hazardous duty pay. Also, our personnel and finance procedures have been revised to implement this policy. Presently, the regulations relative to the revised policy on incentive pay for hazardous duty involving parachute jumping are being changed to include the revised policy. We have also incorporated another feature in the policy change to conform with Congressional intent regarding advance notification prior to involuntary termination of hazardous duty and the resulting pay entitlement. We now give 60 to 120 days advance notification.

The GAO Report came at the time we were making internal improvements in the parachute duty area to better utilize our personnel dollars. As a result of actions internal to the Army such as deactivations, reorganizations, and airborne position reviews, in addition to the GAO recommendations, we were able to achieve a significant savings. In the FY 75 Budget we programed for 3,060 officer man-years and 24,440 enlisted man-years at a cost of $20,169,000. In the FY 76 Budget, this dropped to 2,889 officer man-years and 23,616 enlisted man-years programed at $19,400,000; a reduction of over three-quarters of a million dollars.

"DO-IT-YOURSELF" MOVING PLAN

Chairman McCLELLAN. Has a "do-it-yourself" plan for military personnel been initiated?

General MOORE. On 1 January 1975 the Army began a test on a limited basis of the "Do-It-Yourself" personal property moving program. The test will terminate on 30 June 1975. The "Do-It-Yourself" program is patterned after the program used by the Navy.

Chairman McCLELLAN. What are the basic ground rules of the program and what has been its usage to date?

General MOORE. The concept allows a soldier on a voluntary basis to use a rental truck to move his household goods instead of having the Government arrange to move with a commercial household goods carrier. A Blanket Purchase Agreement is executed by the installation with a rental service contractor. The contractor provides the vehicle, packing material and a vehicle operating allowance for intercity moves. The member loads and operates the vehicle. Usage factors have not been developed since it is a test; however, degree of usage is one of the test evaluation criteria.

Chairman McCLELLAN. Is the program available to members of all commands?

General MOORE. The program is being tested at six Continental United States (CONUS) installations and the program is available to servicemen moving from those installations.

Chairman McCLELLAN. Why cannot it be expanded further?

General MOORE. If the test is successful the "Do-It-Yourself" moving option will be expanded CONUS-wide. This will be determined subsequent to the test termination on 30 June 1975.

QUESTIONS SUBMITTED BY SENATOR YOUNG

Chairman McCLELLAN. Senator Young, do you have any further questions?

Senator YOUNG. Yes; Mr. Chairman, I do. But I would like to submit them for the record, if possible.

Chairman McCLELLAN. Without objection, those questions & responses will be printed in the record at this point.

[The questions and answers follow:]

Recruiting Objectives

Senator Young. Is the Army able to attain its recruiting objectives for officer and enlisted personnel?

General Moore. During fiscal years (FY) 1974 and 1975 the active Army met its budgeted officer procurement objectives with volunteer officers and we expect to meet our objectives in FY 1976. However, it should be pointed out that officer procurement at this time is at the minimum acceptable level to sustain he career force and it will be necessary to increase procurement in FY 77. We do believe that continued funding of programs such as the ROTC Scholarship Program and the Variable Incentive Pay Program for physicians is essential if the Army is to meet its officer procurement goals with volunteers. As you know, we met our enlisted recruiting objectives in FY 74; and we expect to meet our objectives in FY 75 and FY 76 while improving the quality of our accessions. Improving the quality of accessions will help to reduce losses and will therefore reduce long term recruiting and training costs. The only problem area in enlisted recruiting that we may have is in combat arms recruiting. Although we have taken numerous actions to insure the attractiveness of combat arms, we will continue to need Congressional support for the combat arms bonus. Without the bonus we do not believe that we can meet our combat arms recruiting requirements with the quality personnel that we need.

Senator Young. Has the Army been able to recruit enlisted personnel with the ability to be trained in the more technical skills?

General Moore. Our more technical skills are generally in the fields of medical services and electronics maintenance. We are having no difficulty recruiting personnel who possess the qualifications for training in these technical skills.

Reenlistments

Senator Young. What percentage of first term soldiers reenlist? What is the Army's objective for first term reenlistments?

General Moore. During the first three quarters of FY 75, 27,626 first term Regular Army (RA) soldiers have reenlisted. This equates to an adjusted reenlistment rate of 34.2 percent. The rate, although useful for measuring the long term career attractiveness of the Army, masks the substantial increase in reenlistment rates which have occurred since October 1974. During the period October 1974 to March 1975 the unadjusted first term RA reenlistment rate has been 46.1 percent. The objective as established in the Enlisted Force Management Plan is to reenlist 25,100 first termers each year to sustain the objective force. This equates to a reenlistment rate of about 37 percent.

Training Prior to Overseas Assignments

Senator Young. What is the historical background of the law that requires four months training before a man may be assigned outside of the U.S.?

General Moore. The four-month training requirement prior to assignment outside the United States was imposed during the Korean War by the 1951 amendments to the Universal Military Training and Service Act (Pub. L. 82–51 (65 Stat. 75)). This provision of the legislation was apparently for the purpose of insuuring that soldiers were adequately trained and to preclude the repetition of alleged incidents in which young soldiers were killed in a combat area without being properly trained in the firing of their weapons.

Drug Abuse

Senator Young. What is the Army's experience this last year in the area of drug abuse?

General Moore. Drug abuse continues to pose a problem for the Army. During 1974, Army-wide accessions to the drug program averaged 2200 per month. The incidence of actual drug abuse is difficult to assess, since so much drug abuse is occasional, and occurs off-duty and in private. From March 1974 until June 1974, the months immediately preceding the suspension of urine testing, Army-wide laboratory positive findings of test-detectable drugs measured by random urinalysis declined from 2.7% to 2.1%. The (test-detectable) drugs include opiates, amphetamines and barbiturates. From July 1974 until 1 March 75, no objective measure of hard drug use was available. Such data are again being developed with the resumption of urine testing on 1 March 1975. The Army has no objective

measure to determine the extent of marijuana use; however, subjective data collected in a semi-annual Army survey indicates no appreciable increase or decrease in the use of marijuana or hashish. Army members in treatment, rehabilitation and follow-up as of 31 December 1974: Alcohol—6302; other drugs—8342.

Senator YOUNG. How are drug abusers detected?

General MOORE. Drug abusers are detected by voluntary self-referral supported by the exemption policy and through the urine testing program. Identification and referral are also made by command, law enforcement, and medical personnel.

Senator YOUNG. Are involuntary urine tests employed to identify drug abusers?

General MOORE. Yes. Test detectable drugs include opiates, amphetamines, and barbiturates.

DISCIPLINARY AND AWOL/DESERTER RATE

Senator YOUNG. What is the Army's disciplinary rate and AWOL/deserter rate?

General MOORE. Worldwide quarterly rates per 1,000 for the major indiscipline indicators since the start of the all volunteer Army, 1 July 1973, are:

Quarter/calendar year	AWOL	Desertion	Crimes of violence	Crimes against property	Drugs and marihuana offenses	Courts-martial
3/1973	42.9	14.4	1.99	23.27	8.19	7.42
4/1973	28.8	9.0	2.01	22.78	8.79	6.88
1/1974	30.1	8.8	2.04	21.70	10.84	6.85
2/1974	28.1	8.9	1.90	22.21	10.02	6.50
3/1974	28.0	8.3	2.21	22.45	9.71	6.02
4/1974	21.8	6.8	2.10	23.50	[1] 10.16	5.25

[1] Marihuana use and possession accounted for 80 percent of these offenses.

MENTAL CATEGORY IV RECRUITS

Senator YOUNG. What percentage of Mental Category IV recruits complete recruit training? How many complete their first enlistment and how many remain in the career force?

General MOORE. Between 85 and 90% complete recruit training and around 60% complete their first enlistment. At present the career force contains about 16% of Category IV personnel.

RECRUITMENT ADVERTISING

Senator YOUNG. If the Army pays for advertising to recruit personnel, what happens to the free public service advertising previously offered to the Armed Services?

General MOORE. Although stations are not required by law to offer or donate public service time, the FCC at license renewal time asks each station its policy toward public service. Few stations have offered the Armed Services public service time. The Armed Forces normally compete and solicit for public service time available. Our past experience, as supported by several studies and surveys, indicates that Army recruiting enjoys a station priority below the cutoff point where stations meet any FCC requirements. Additionally, a recent analysis done by Vitt Media International in April 1975 for the Office of the Secretary of Defense indicated the following about active Service recruiting public service broadcasts:

(a) It appears randomly scheduled.
(b) Generally run in low commercial-value time.
(c) Use actively dispersed throughout the year.

The findings of this study also concluded that public service support by stations to the Armed Forces could increase as the services entered into a paid electronic media program.

Despite this disappointing PSA support record, the Army will exert every effort to continue to improve their PSA placement record.

QUESTIONS SUBMITTED BY SENATOR THURMOND

Chairman MCCLELLAN. Senator Thurmond has also submitted questions for inclusion in the record.

[The questions and answers follow:]

SAVINGS RESULTING FROM MANPOWER STABILIZATION

Senator THURMOND. General Moore, have any savings resulted from the fact that Army manpower has stabilized at the 785,000 level?

General MOORE. There are no identifiable dollar savings in the MPA appropriation. However, there have been economies in support personnel, headquarters reductions on such manpower savings that would be more difficult to achieve in an environment of changing strengths. Also, personnel management becomes more efficient with stable strength. A stable end strength precludes abrupt changes to recruiting objectives, provides for better training base utilization and allows for programming the total force with the best mix of units. It has been a major factor in reducing personnel turbulence and improving the match of people to jobs.

POSSIBLE CONGRESSIONAL CUT

Senator THURMOND. How would a Congressional cut of 5,000 personnel impact on the Army

General MOORE. A reduction of 5,0000 personnel from the Army's end strength would result in the removal of the equivalent of a brigade sized force from the 16 division force, reducing combat strength and decreasing capacity for sustained action. Efforts to minimize turbulence would be frustrated and recent incentives to achieve internal economies would be negated by the perception of continuing end strength cuts in successive years. Personnel management would be complicated by the measures taken to achieve the end strength cut. For officers, the reduction in force now programmed almost certainly would have to be expanded, a demoralizing prospect to an already severely pruned junior officer career force. Enlisted strength would be reduced by lowering accessions, upsetting recruiting and the efficient programming of the training base. Retraining requirements would increase so that personnel with skills no longer needed could be used elsewhere, increasing costs for both training and movement. Beyond the confines of the Army itself, the greatest impact would be on the nation if our allies and adversaries alike perceive a weakening of national resolve to meet the requirements of national security.

SUPPORT DEFICIENCIES

Senator THURMOND. Describe the Support Deficiencies Caused by the Shift from Support to Combat?

General MOORE. Our analysis, both as the result of subjective military judgement and objective evaluation, indicates that the Army in Europe will be deficient in support at the end of fiscal year 76. By that time we will have fully complied with the requirements of the Nunn Amendment. Deficiencies will exist in the areas of [deleted].

ELIMINATION OF SUPPORT UNITS

Senator THURMOND. What type support units have been eliminated?

General MOORE. Generally speaking, the support units which we currently have in Europe are essential to the successful conduct of warfare. Although a few units are eliminated in their entirety, we will comply with the requirements of the Nunn Amendment primarily by reducing the size of many elements. By so doing, we do not totally eliminate any essential support capability. This also facilitates the enlargement of the support base during contingencies. The Nunn Amendment reductions fall into the following categories: Food service, maintenance, supply, medical, headquarters, finance, postal, ordnance, NATO support, transportation and administration.

Senator THURMOND. What type will have to be reconstituted first in the event of emergency?

General MOORE. In the event of emergency [deleted].

TIMETABLE FOR ESTABLISHING NEW DIVISIONS

Senator THURMOND. What is the timetable for establishment of the three divisions? At what point in time does the Army expect to get them combat ready?

General MOORE. The Army is using the three separate brigades that were authorized by Congress in FY 75 as building blocks upon which the remainder of the three divisions will be built.

The 7th Infantry Division at Ft. Ord, California, now consists of one previously authorized brigade and a Division Headquarters. It is planned that a second brigade will be added in FY 76. The third brigade of the division will be a Reserve Component brigade, which will also join the division in FY 76.

The proposed 5th Infantry Division (Mech) at Ft. Polk, Louisiana, currently consists of only the previously authorized brigade. The Division Headquarters will be activated in FY 76, and the currently existing 194th Armor Brigade at Ft. Knox, Kentucky, will be reorganized and redesignated the 2d Brigade of the Division. It will remain at Ft. Knox. Also in FY 76, the division will be rounded out by an Army National Guard brigade from Louisiana. It is planned that the third active Army brigade will join the division in FY 77. The proposed 24th Infantry Division at Ft. Stewart/Hunter Army Airfield, Georgia, currently consists of one brigade. The Division Headquarters will be activated in FY 76, and the currently existing 196th Infantry Brigade at Ft. Benning will be redesignated as the 2d Brigade of the division. It will remain at Ft. Benning. In FY 76 also, the division will be rounded out by an Army National Guard brigade from Georgia. It is planned that the third active Army brigade will join the division in FY 77.

Based on personnel and logistics analyses the three new divisions can be combat ready in late FY 77.

Combat Training

Senator Thurmond. What is the current requirement of training before a man can be sent to combat?

General Moore. The law requires that draftees have a minimum of four months military training before they can be assigned for duty to any installation located on land outside the United States, its territories and possessions (including the Canal Zone). Enlistees are required to have a minimum of four months of basic training or the equivalent.

Reserve Training

Senator Thurmond. What is the current active duty training period for a person going into the Reserve?

General Moore. Reserve component enlistees are required to perform an initial period of active duty for training of not less than four months.

Senator Thurmond. Could it be shortened to three months so as not to interfere with his education?

General Moore. The initial period of active duty for training could be reduced to a period sufficient to complete basic training and training in a military specialty as is prescribed by the Secretary of the Service concerned. In some instances, this period of training would be three months or less. The length of training in his military specialty would be the determining factor. A proposal to accomplish this change in section 511(d) of title 10, United States Code has been submitted to the Congress.

Prepared Statement and Justification

Chairman McClellan. I have before me a statement by Maj. Gen. Eugene D'Ambrosio, Director of Supply and Maintenance for the Army. Without objection General D'Ambrosio's statement, as well as the justification for the Army Stock Fund, will be inserted in the record.

[The statement and justification follow:]

STATEMENT OF MAJOR GENERAL EUGENE J. D'AMBROSIO

Mr. Chairman and Members of the Committee:

I am Major General Eugene J. D'Ambrosio, Director of Supply and Maintenance, Office of the Deputy Chief of Staff for Logistics, Department of the Army. I am representing the program director for both the supply and financial aspects of the Army Stock Fund.

The stock fund is designed as a financial and supply management system to provide interim financing for the procurement of consumable supplies, repair parts, and minor items of equipment, and to hold them in inventory, until sold to authorized customers.

Our stock fund encompasses both a wholesale and retail operation. The wholesale segment is organized as six individual National Inventory Control Points under the direction of the Army Materiel Command. Their mission is to procure Army managed secondary items from commercial suppliers and governmental manufacturing arsenals.

These stocks are ultimately sold to the seven Army retail stock fund divisions, to the other military departments, and to International Logistics customers. Our retail divisions also purchase supplies from other wholesale suppliers such as the Defense Supply Agency, the General Services Administration and the other Military Departments' stock funds. Sales from the retail stock

fund divisions are reimbursed from appropriated funds and cash dollars from sales through commissaries or military clothing sales stores.

During FY 1975, in consonance with an Army reorganization, Headquarters U. S. Army Pacific, U. S. Army, Alaska and U. S. Army Southern Command retail Army Stock fund divisions were abolished. Continued support to these geographical areas is provided by two new stock fund divisions chartered under U. S. Army, Japan, U. S. Army, Eight in Korea and the existing FORSCOM Division. U. S. Army Hawaii, Alaska and the Southern Command stock fund activities are structured as branch offices under the control of Forces Command stock fund division headquartered at Ft. McPherson located at Atlanta, Georgia.

The goal of the Army Stock Fund is to provide the required level of expense type materiel support to our operating forces with the minimum inventory investment.

My discussion will outline the more significant aspects of the operation of the fund through the budget year. The primary program elements are as follows:

TABLE
ARMY STOCK FUND
($ Millions)

	FY 1974 ACTUAL	FY 1975 ESTIMATE	FY 1976 ESTIMATE
Customer Demands	3,184	3,563	3,644
Sales	2,892	3,341	3,530
Original Cash Estimate	101	93	284
Revised Cash Estimate	101	50	180
Obligations	3,203	3,502	3,523
Year End Inventory	2,429	2,498	2,313

The continuing decline in the disparity between customer demands and sales, as displayed above, depicts our ongoing efforts to more promptly respond to customer requirements.

This projected improvement is to be attained by placing greater emphasis on accelerated delivery of materiel from supply sources, as well as improved procurement and supply management practices. These program indicators clearly demonstrate that while customer requirements are increasing, without a commensurate rise in obligations for new procurement, increased application of available inventories should result in a decline in on the shelf inventory investment during FY 76.

By its very nature the Army Stock Fund operating program is established at a level necessary to support the buying power of its customer accounts as known at the time the program is developed. Therefore, the rather significant inflationary trend experienced over the last several years is not readily apparent from the dollar values shown in the preceding table. Since 1973 inflationary stock fund price increases have averaged 12 percent per year across the complete range of commodities, with some items increasing in price by nearly 200 percent in one fiscal year. Therefore, if the customer account is not allowed to project inflation, and is held at a relatively constant level, the dollar value of its purchasing power, represented by stock fund sales projections, will remain constant. However, the quantities of items

involved in the sales transaction will decrease commensurate with the price increase. Thus, there will ultimately be a cash drain and an adverse impact on operations and the readiness posture of the Army.

The cash picture is already changing. Originally it was estimated that balances of $93 million in FY 75 and $284 million in FY 76 would be available at year end. However, recent reports of activity through January show an actual balance of only $54 million. A revised budget analysis indicates that FY 75 cash will remain in the $50 million range. The revised FY 76 estimate is $180 million, which includes the $94 million appropriation request to finance deliveries of War Reserve stocks. These revised estimates represent bare minimum cash balances which are being intensively managed.

Obligation estimates are sufficient to support projected sales, required stockage levels and include $94 million in FY 76 for procurement of War Reserve stocks. Investment of requested funding will go toward reducing valid worldwide prepositioned war reserve shortages designed to sustain United States forces in combat until resupply is accomplished. Items are combat essential and represent the entire spectrum of commodities (from air, combat/automotive to clothing and medical materiel categories). This budget requests a new appropriation of this amount for the War Reserve procurement. Also included in the obligation estimates are $55 million in FY 75 and $98 million in FY 76 in support of the active Army 16 division force expansion program.

The Army continues to make progress in streamlining supply support procedures and reducing stockage requirements below the continental U. S. Army Depot System. The Direct Support System, which was developed in 1970, provides for filling requisitions by shipment from U. S. Army Materiel Command depots in the United States direct to the using units in the field, thus bypassing the intermediate storage points in the oversea theaters and CONUS posts, camps and stations. Savings are realized by the elimination of the intermediate stockage levels and materiel handling at these points. This system is fully operational in the oversea theaters and present plans provide for extension to all CONUS stations prior to December 1975.

Mr. Chairman, this concludes my prepared presentation. Army representatives responsible for the day-to-day operation of the stock fund are available to assist with further discussion, if desired.

Justification

ARMY STOCK FUND

(WAR RESERVE MATERIEL PROCUREMENT)

(U) For the procurement of stock funded War Reserve Materiel (WRM) required to achieve a materiel support posture to provide war reserve asset levels, inventory objectives, and war reserve build up programs for combat critical items of stock consisting of consumable supplies and repair parts to support major end items in use. $94,000,000.

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-40-4991-0-4-051	1974 ACT	1975 EST	1976 EST
PROGRAM BY ACTIVITIES:			
COSTS BY MATERIAL CATEGORY:			
GROUND EQUIPMENT PARTS AND SUPPLIES	13,133	63,300	51,500
AERONAUTICAL SUPPLIES	118,410	176,400	190,200
MISSILE PARTS	13,919	38,700	60,600
TANK AND AUTOMOTIVE SUPPLIES	181,819	280,100	299,800
JAPAN AREA SUPPLIES	.....	104,200	70,100
KOREA AREA SUPPLIES	.....	98,800	96,500
ELECTRONICS SUPPLIES	31,535	69,100	76,100
RETAIL, MAP, AND RESERVES	78,016	107,800	158,800
DEFENSE SUPPLY SERVICE	3,242	5,800	6,800
OTHER CONTINENTAL U.S. SUPPLIES	311,527	386,900	402,100
EUROPEAN AREA SUPPLIES	402,648	467,300	450,500
PACIFIC AREA SUPPLIES	240,099	.....	.....
ALASKA AREA SUPPLIES	35,846	.....	.....
SOUTHERN AREA SUPPLIES	24,582	.....	.....
WEAPONS, SPECIAL WEAPONS, CHEMICAL AND FIRE CONTROL SUPPLIES	69,841	135,700	159,900
FORCES COMMAND SUPPLIES	540,590	701,700	777,300
TRAINING AND DOCTRINE COMMAND SUPPLIES	629,825	706,300	730,100
TOTAL OPERATING COSTS, FUNDED	2,735,012	3,341,100	3,529,500
CHANGE IN SELECTED RESOURCES	481,271	183,140	-94,376
ADJUSTMENT IN SELECTED RESOURCES, INVENTORY CAPITALIZED OR DECAPITALIZED (-)	-13,137	-22,740	87,476
10 TOTAL PROGAM (OBLIGATIONS)	3,203,146	3,501,500	3,522,600
FINANCING:			
RECEIPTS AND REIMBURSEMENTS FROM:			
SALE OF GOODS:			
GROUND EQUIPMENT PARTS AND SUPPLIES	-16,733	-63,300	-51,500
AERONAUTICAL SUPPLIES	-156,523	-176,400	-190,200
MISSILE PARTS	-35,617	-38,700	-60,600
TANK AND AUTOMOTIVE SUPPLIES	-193,329	-280,100	-299,800
JAPAN AREA SUPPLIES	.....	-104,200	-70,100
KOREA AREA SUPPLIES	.....	-98,800	-96,500
ELECTRONICS SUPPLIES	-47,151	-69,100	-76,100
RETAIL, MAP, AND RESERVES	-96,969	-107,800	-158,800
DEFENSE SUPPLY SERVICE	-3,439	-5,800	-6,800
OTHER CONTINENTAL U.S. SUPPLIES	-323,143	-386,900	-402,100
EUROPEAN AREA SUPPLIES	-419,177	-467,300	-450,500
PACIFIC AREA SUPPLIES	-269,476	.....	.....
ALASKA AREA SUPPLIES	-35,106	.....	.....
SOUTHERN AREA SUPPLIES	-24,649	.....	.....
WEAPONS, SPECIAL WEAPONS, CHEMICAL AND FIRE CONTROL SUPPLIES	-93,653	-135,700	-159,900
FORCES COMMAND SUPPLIES	-555,788	-701,700	-777,300
TRAINING AND DOCTRINE COMMAND SUPPLIES	-640,925	-706,300	-730,100
OTHER	18,531	.....	.....
TOTAL SALE OF GOODS	-2,892,186	-3,141,100	-3,529,500
11 FEDERAL FUNDS	(-1,803,910)	(-2,071,482)	(-2,229,874)
13 TRUST FUNDS	(-45,780)	(-46,822)	(-48,494)
14 NON-FEDERAL SOURCES	(-1,042,496)	(-1,202,796)	(-1,231,272)
11 INCREASE OR DECREASE IN UNFILLED CUSTOMER ORDERS, FEDERAL	-135,129	-160,400	100,900
21 UNOBLIGATED BALANCE AVAILABLE, START OF YEAR	-41,313	.....	.....
23 UNOBLIGATED BALANCE TRANSFERRED TO OTHER ACCOUNTS	125,000	.....	.....
25 UNOBLIGATED BALANCE LAPSING	-256,518	.....	.....

	BUDGET AUTHORITY	.....	.....	94,000
	RELATION OF OBLIGATIONS TO OUTLAYS:			
71	OBLIGATIONS INCURRED, NET	174,831	.....	94,000
	OBLIGATED BALANCE, START OF YEAR			
72.49	CONTRACT AUTHORITY	.....	256,518	256,518
72.98	FUND BALANCE	213,743	101,153	92,953
	OBLIGATED BALANCE, END OF YEAR			
74.49	CONTRACT AUTHORITY	-256,518	-256,518	-256,518
74.98	FUND BALANCE	-101,153	-92,953	-283,753
90	OUTLAYS	30,903	8,200	-96,800

PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-40-4991-0-4-051				TRANSITION
PROGRAM BY ACTIVITIES:				
COSTS BY MATERIAL CATEGORY:				
GROUND EQUIPMENT PARTS AND SUPPLIES				13,200
AERONAUTICAL SUPPLIES				48,100
MISSILE PARTS				14,400
TANK AND AUTOMOTIVE SUPPLIES				71,400
JAPAN AREA SUPPLIES				16,000
KOREA AREA SUPPLIES				23,500
ELECTRONICS SUPPLIES				17,900
RETAIL, MAP, AND RESERVES				46,200
DEFENSE SUPPLY SERVICE				1,500
OTHER CONTINENTAL U.S. SUPPLIES				100,300
EUROPEAN AREA SUPPLIES				111,700
WEAPONS, SPECIAL WEAPONS, CHEMICAL AND FIRE CONTROL SUPPLIES				34,500
FORCES COMMAND SUPPLIES				200,800
TRAINING AND DOCTRINE COMMAND SUPPLIES				196,200
TOTAL OPERATING COSTS, FUNDED				845,700
CHANGE IN SELECTED RESOURCES				-37,800
10 TOTAL PROGAM (OBLIGATIONS)				847,900
FINANCING:				
RECEIPTS AND REIMBURSEMENTS FROM:				
SALE OF GOODS:				
GROUND EQUIPMENT PARTS AND SUPPLIES				-13,200
AERONAUTICAL SUPPLIES				-48,100
MISSILE PARTS				-14,400
TANK AND AUTOMOTIVE SUPPLIES				-71,400
JAPAN AREA SUPPLIES				-16,000
KOREA AREA SUPPLIES				-23,500
ELECTRONICS SUPPLIES				-17,900
RETAIL, MAP, AND RESERVES				-46,200
DEFENSE SUPPLY SERVICE				-1,500
OTHER CONTINENTAL U.S. SUPPLIES				-100,300
EUROPEAN AREA SUPPLIES				-111,700
WEAPONS, SPECIAL WEAPONS, CHEMICAL AND FIRE CONTROL SUPPLIES				-34,500
FORCES COMMAND SUPPLIES				-200,800
TRAINING AND DOCTRINE COMMAND SUPPLIES				-196,200
TOTAL SALE OF GOODS				-845,700
11 FEDERAL FUNDS	(			((-559,500)
13 TRUST FUNDS	(			((-16,800)
14 NON-FEDERAL SOURCES	(			((-309,400)
11 INCREASE OR DECREASE IN UNFILLED CUSTOMER ORDERS, FEDERAL				37,800
BUDGET AUTHORITY				.....
RELATION OF OBLIGATIONS TO OUTLAYS:				
OBLIGATED BALANCE, START OF YEAR				
72.98 FUND BALANCE				540,271
OBLIGATED BALANCE, END OF YEAR				
74.98 FUND BALANCE				-540,271

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

IDENTIFICATION CODE 07-40-4991-0-4-051		1974 ACT	1975 EST	1976 EST
22.0	TRANSPORTATION OF THINGS	20,884	35,180	35,836
25.0	OTHER SERVICES	63,645	70,360	71,673
26.0	SUPPLIES AND MATERIALS	2,959,500	3,220,059	3,235,910
31.0	EQUIPMENT	159,113	175,901	179,181
99.0	TOTAL OBLIGATIONS	3,203,146	3,501,500	3,522,600

IDENTIFICATION CODE 07-40-4991-0-4-051		TRANSITION
22.0	TRANSPORTATION OF THINGS	8,303
25.0	OTHER SERVICES	16,605
26.0	SUPPLIES AND MATERIALS	781,478
31.0	EQUIPMENT	41,514
99.0	TOTAL OBLIGATIONS	847,900

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DEFENSE STOCK FUND

Department of the Army

($ in Thousands)

Program Requirements-FY 75	-0-
Program Requirements-FY 76	$94,000
Program Requirements-FY 7T	-0-

PART I - ARMY STOCK FUND REQUIREMENT, ASSETS AND DEFICIENCIES

($ in Thousands)

Materiel Category	Requirements	Assets	Deficiencies	Budget
Spec Wpns, Wpns, Fire Control & Chemical	335,800	78,500	257,300	28,500
Air	285,600	129,100	156,500	14,700
Electronics	37,700	14,500	23,200	3,300
Missile	3,300	2,400	900	400
Tank Auto	125,900	41,000	84,900	7,300
Ground Forces Support	26,300	9,200	17,100	1,300
Medical	139,400	94,600	44,800	8,000
General Supplies	14,900	11,200	3,700	800
Clothing Textiles	304,100	192,700	111,400	16,900
Ground Forces Support	20,500	11,900	8,600	1,700
Subsistence	103,800	88,400	15,400	6,200
Industrial	4,800	3,000	1,800	400
POL	39,200	29,500	9,700	4,500
TOTAL	1,441,300	706,000	735,300	94,000

Department of the Army

($ in Thousands)

Program Requirements-FY 75	-0-
Program Requirements-FY 76	$94,000
Program Requirements-FY 7T	-0-

PART II - PURPOSE AND SCOPE

War Reserve stocks of materiel are acquired in peacetime to meet increased military requirements consequent to an outbreak of war. These reserves are intended to provide support to sustain operations until resupply can be accomplished. The Army Stock Fund procures not only repair parts in support of weapons systems but also secondary items in support of the individual soldier. Requirements are computed consistent with Secretary of Defense guidance which envisions certain conditions based on current intelligence as to enemy threats and capabilities throughout the world. To counter these threats, operational projects are established for specific situations/contingencies and with Department of the Army approval are prepositioned strategically. Also, inventory levels are increased for certain secondary items consistent with wartime consumption and force structures currently in JCS strategic war plans. War reserves therefore are in oversea commands as part of their levels to support initial combat consumption until resupply is accomplished and as approved Department of the Army operational projects which include Prepositioned Materiel Configured to Unit Sets (POMCUS) to re-equip specific TO&E type units upon initial deployment. War reserves in CONUS are a portion held for a specific force or area either in levels of inventory or approved operational projects, a portion held for General War Reserve stock not identified to a specific force or area, a portion of prepositioned medical materiel, and a portion to support POMCUS. Validation of war reserve requirements is a continuing process in CONUS and oversea commands. As strategic plans change, appropriate changes to war reserve stocks are also made and any excesses so generated are sold for peacetime requirements. Funds realized from these sales are reinvested into war reserve requirements thereby protecting all funds invested into war reserve stocks. While funds used for the investment in war reserve items have traditionally come from cash generated in the Army Stock Fund from the drawdown of long stocks, this situation no longer exists, which precludes Army's ability to invest further funds into war reserve requirements. Fiscal Year 1974 was the last time when Army was authorized to invest $68 million in war reserve requirements. Satisfaction of war reserve deficiencies is currently phased from Fiscal Year 1976 through 1980 per current OSD guidance. Specifically, procurement of deficiencies to stock fund prepositioned war reserve requirements will be phased out by the end of Fiscal Year 1977.

Department of the Army

	($ in Thousands)
Program Requirements-FY 75	-0-
Program Requirements-FY 76	$94,000
Program Requirements-FY 7T	-0-

PART III - JUSTIFICATION

To insure implementation of The Secretary of Defense Planning and Program Guidance in eliminating prepositioned war reserve stock fund items by Fiscal Year 1977 and consistent with the established priorities for funding certain prepositioned shortages, the $94 million will accommodate slightly over 23% of currently reported shortages. These requested funds will be invested in items to support United States Forces. The remaining deficiencies to Prepositioned War Reserve Stocks are planned to be satisfied in Fiscal Year 1977 while deficiencies to Other War Reserve Stocks are planned for satisfaction during Fiscal Years 1978 through 1981. Some representative items in which requested funds will be invested are: gun tubes, barrels, filters, parachutes, slings, rotor blades, drive shafts, tank tracks, batteries, tires, alternators, power generating and lighting equipment, at the CONUS level, and bayonets, airframe structural components, fuel kits and cable assemblies, relay box, aircraft landing light, tentage, footwear, personnel armor, chain joists, shackles, combat rations, bearings, bolts, rings and shims at oversea command levels.

BIOGRAPHY AND PREPARED STATEMENT

Chairman McCLELLAN. I also have before me a statement by Col. Jack Rollinger, Director of Civilian Marksmanship, Department of the Army. Without objection, his biography and statement on appropriation for the National Board for the Promotion of Rifle Practice will be inserted in the record.

[The biography and statement follow:]

BIOGRAPHICAL SKETCH OF COL. JACK R. ROLLINGER

Colonel Jack R. Rollinger was born April 7, 1931 in Akron, Ohio. He attended the Kentucky Military Institute and Ball State Teachers College before graduating from Indiana University with a Bachelor of Science degree. As a Distinguished Military Graduate, Colonel Rollinger received a Regular Army commission and entered the service as a Second Lieutenant in August 1953. Since then he has served with eight different Army divisions, commanding infantry and aviation units in addition to duty in various staff assignments. Colonel Rollinger attended the US Army Command and General Staff College in 1968, served two tours of duty in Viet Nam and has twice been assigned on the Department of Army staff before becoming the Director of Civilian Marksmanship in June 1974.

STATEMENT OF COL. JACK R. ROLLINGER

Mr. Chairman and members of the Committee, it is my privilege to appear before this committee to discuss the Civilian Marksmanship Program and to present the request for funds to support this program in fiscal year 1976.

During the past year the National Board for the Promotion of Rifle Practice has taken several actions to improve our stewardship for the civilian rifle clubs and those members we serve. I am pleased to report that young ladies now receive equal support with the male members to our junior clubs and are encouraged to join the marksmanship program. Also, we solicit senior rifle clubs to sponsor junior divisions in return for the limited support we can provide. While we do not provide free ammunition and targets for senior clubs as we do for our juniors, we do make available target rifles for the use of senior members on an indefinite loan basis. Additionally, a program has been initiated wherein our rifle clubs are visited annually by members of active, reserve and national guard units, for the purpose of providing closer ties between the Director of Civilian Marksmanship and the clubs we support. Through this program we can also better manage government equipment on loan to those clubs and assist the clubs by replacing worn out rifles, issuing additional equipment and providing guidance and advice as appropriate.

There are approximately 2,600 club with 142,000 members participating in the Civilian Marksmanship Program. This year our support included 28 million rounds of caliber .22 ammunition which was provided by PEMA funding for $280,000. We also provided approximately 23,000 awards for various types of marksmanship achievement. The National Matches were again conducted for the Army in 1974 by the National Rifle Association. Army support for the National Matches consisted of approximately 200 members of reserve units on active duty for training during the summer. This support was provided by military police, medical, firefighting, signal, engineer, and administrative personnel to operate and manage the Camp Perry installation. The Director of Civilian Marksmanship also provided supplies and equipment to reserve units, the National Rifle Association and individual shooters who participated in the National Matches, on a loan and/or reimbursable basis. More than 1,400 individuals and 67 teams entered the NBPRP National Trophy Matches for Service Pistol and Service Rifle. This represented an increase of approximately 10 percent over the 1973 matches.

This year our budget request is for $233,000 which is an increase of $50,000 over fiscal year 1975. The additional funds will increase the staff of the Director of Civilian Marksmanship by one administrative clerk and will provide for regular salary increases for the other 11 members of the organization. The proposed funding also provides for increased costs which have been experienced in procurement of the medals and targets we provide for our junior shooters.

SUBCOMMITTEE RECESS

Chairman McClellan. We will stand in recess until 10:30 tomorrow morning in room 1223.

[Whereupon, at 3:55 p.m., Tuesday, May 13, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, May 14.]

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