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THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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4 March 1968

MEMORANDUM FOR THE PRESIDENT

You asked whether M-16 production could be put on a seven-day-a-week three shift production schedule and, if not, why not. The answer is that it can be. Furthermore, we can accelerate initiation of production by a second source. An actual increase in deliveries can, however, not be expected until September 1968.

The details are in the enclosed memorandum prepared by my staff.

General Wheeler's comments on this subject are also enclosed. The two papers are substantively in agreement.

Enclosures

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 76 8440 (#24)
By 48 NARA, Date 4-16-96

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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

3 March 1968

INSTALLATIONS AND LOGISTICS

MEMORANDUM FOR SECRETARY NITZE

SUBJECT: Expanded M-16 Rifle Production

Your memorandum of 1 March requested an analysis of "How M-16 production can be increased to a three-shift, seven-day a week basis."

Present Situation

- Prior to January, Colts Industries (the original producer) was programmed to level off at a monthly production rate of 27,500 rifles. A second source was scheduled to begin deliveries in August 1969. This schedule would have produced, in the 24 months ending December 1969, 646,500 rifles.
- In January 1968 Sec/Def instructed Secretary Resor to obtain Colts maximum production. This was determined to be a peak rate of 40,000 rifles per month, to be attained by June 1969, with a progressive build-up starting in January 1968. This is Colts current operating program. In the 24 months ending December 1969, this revised schedule will produce approximately 834,000 rifles -- or an increase of 187,500 above the original schedule. However, this production is on a three-shift, five-day per week basis (except for certain components which are produced on a seven-day per week basis).
- At Secretary McNamara's instructions last week, we began urgent exploration of ways to achieve still greater production. Two additional actions have been found feasible, as discussed below. Army and I recommend that both be adopted.

First Action: Place Colts on a three-shift, seven-day per week basis.

- Under this plan Colts can achieve a maximum production rate of 50,000 rifles per month by June 1969. However, due to lead times, it will not produce additional rifles over its current production schedule until September 1968.

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E.O. 12356, Sec. 3.4

NJ 89-80

By 92/4p NARA, Date 4/15/96

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- For the 24 months ending December 1969, the seven-day per week schedule will generate total production of 937,000 rifles -- or 103,000 more than under the current 40,000 per month schedule.
- The cost of taking this action is \$17.3 million in FY 1968 funding.

Second Action: Open 2 additional sources, instead of 1 additional source.

- Army has been proceeding to select a second source, using normal competitive methods. This second source (which is already funded in the FY 1968 budget) will be placed under contract in June 1968; but first deliveries will not be obtained until August 1969. Hence, it does not offer an early opportunity for improved deliveries. In fact, through December 1969 it will yield deliveries of only 14,000 rifles.
- Army has determined that General Motors Hydramatic Division has the capability to accept a sole source contract award immediately, under which it can begin deliveries in January 1969, and build to a production level of 25,000 rifles per month by October 1969. In the 12 months ending December 1969, it can deliver approximately 162,000 rifles.
- The cost of opening this third source in additional FY 1968 funding is \$34.8 million.

Summary

- In total, the two recommended actions will yield an additional 265,000 rifles by December 1969, if Army is authorized an immediate go-ahead.
- The additional cost in FY 1968 funding to achieve this increase is approximately \$52.1 million.

Desirability of Maximum Increase

- An analysis of M-16 requirements and assets as of 3/1/68 is as follows:

	<u>Gross Requirement</u> (Excluding re- placement of M-1s)	<u>On Hand</u>	<u>Remainder</u>	<u>Needed Urgently for Vietnam</u>
PACOM	1,568,318	534,706	1,033,612	376,796
Other World-Wide	943,639	170,559	773,080	-
	2,511,957	705,265	1,806,692	376,796

The 376,796 urgent requirement is defined as follows by the JCS:

<u>User</u>	<u>Quantity</u>	
1. USARV	91,258	Primarily for Combat Service Support Troops and Maintenance Float
2. ARVN	61,938	To complete equipping of ARVN
3. Potential Deployments		
a. Army	72,000	Packages "A & B" in Wheeler message dated 2/25/68
b. Marine Corps	36,600	
4. RF/PF Forms	115,000	1st increment of 268,000 discussed in MACV message dated 2/28/68
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	376,796	

The maximum acceleration of production (including the two actions recommended) will produce monthly deliveries as shown in the attachment.

Tom Morris

THOMAS D. MORRIS



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THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20301

CM-3081-68
3 March 1968

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Increased Production of the M16 Rifle (U)

1. (S) The President has requested me to comment on the capability of expanding the M16 rifle production to a 24-hour, 7-day a week basis.

2. (S) At the present time, Colts is the sole producer of the M16 rifle. The present rate of production is 29,000 per month. The pacing item in the manufacture of the rifle is the barrel. The Army has provided additional production tooling to Colts for the manufacture of barrels. This segment of the production line is on a 24-hour, 7-day a week basis. Production is gradually improving by about 1,000 rifles per month. Colts estimate of their maximum production, with the present equipment, is 40,000 per month which will be reached in June 1969. The Deputy Assistant Secretary of Defense (Materiel) has stated that 50,000 per month could be produced in this same time period if Colts installed additional equipment. However, in order to amortize the cost of that equipment Colts wants a contract with the Army now for additional quantities. This would involve about 400,000 rifles after maximum production is reached.

3. (S) The contract for the second source will be awarded in May or early June 1968. The companies and the Army are in process of technical review, evaluations, and proposals. The above date is the earliest time that the contract can be awarded. Production is scheduled to start in August 1969. It is anticipated that production will reach 25,000 per month by June 1970. Incentive will be in the contract to better production beginning time and rate.

4. (S) The requirement for M16 rifles for the remainder of FY 1968 is 781,016. At the present rate of production it would require over two years to produce this quantity. The total known requirement is 1,642,273 with additional follow on requirements. See the Enclosure for breakout of production and requirements. The total cost for known requirements is \$223.5 million.

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By 19, NARA, Date 5-2-92

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after 12 years

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5. (S) The combined production of Colts and the second source is estimated to be 565,006 through FY 1970 with an estimated residual rifle requirement at that time of one and a half million. Therefore, the possibilities of additional sources should be explored.

6. (S) To provide as many rifles as possible to high priority US and ARVN Forces, rifles have been redistributed from CONUS assets. Action is continuing to investigate possibilities of further redistribution on a worldwide basis. However, these assets fall far short of filling the present requirement in Vietnam.

7. (S) Recommend the Department of the Army be provided necessary funds and procurement authority to increase present production to maximum capacity, bring in production from the second source as soon as possible, and explore possibilities of additional sources.



EARLE G. WHEELER

Chairman

Joint Chiefs of Staff

Enclosure

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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

3 March 1968

INSTALLATIONS AND LOGISTICS

MEMORANDUM FOR SECRETARY NITZE

SUBJECT: Expanded M-16 Rifle Production

Your memorandum of 1 March requested an analysis of "How M-16 production can be increased to a three-shift, seven-day a week basis."

Present Situation

- Prior to January, Colts Industries (the original producer) was programmed to level off at a monthly production rate of 27,500 rifles. A second source was scheduled to begin deliveries in August 1969. This schedule would have produced, in the 24 months ending December 1969, 646,500 rifles.
- 1. In January 1968 Sec/Def instructed Secretary Resor to obtain Colts maximum production. This was determined to be a peak rate of 40,000 rifles per month, to be attained by June 1969, with a progressive build-up starting in January 1968. This is Colts current operating program. In the 24 months ending December 1969, this revised schedule will produce approximately 834,000 rifles -- or an increase of 187,500 above the original schedule. However, this production is on a three-shift, five-day per week basis (except for certain components which are produced on a seven-day per week basis).
- At Secretary McNamara's instructions last week, we began urgent exploration of ways to achieve still greater production. Two additional actions have been found feasible, as discussed below. Army and I recommend that both be adopted.

First Action: Place Colts on a three-shift, seven-day per week basis.

- Under this plan Colts can achieve a maximum production rate of 50,000 rifles per month by June 1969. However, due to lead times, it will not produce additional rifles over its current production schedule until September 1968.

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E.O. 12356, Sec. 3.4

NJ 89-80

By SP/MP NARA, Date 4/15/96

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- The cost of taking this action is \$17.3 million in FY 1968 funding.

Second Action: Open 2 additional sources, instead of 1 additional source.

- Army has been proceeding to select a second source, using normal competitive methods. This second source (which is already funded in the FY 1968 budget) will be placed under contract in June 1968; but first deliveries will not be obtained until August 1969. Hence, it does not offer an early opportunity for improved deliveries. In fact, through December 1969 it will yield deliveries of only 14,000 rifles.
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- The cost of opening this third source in additional FY 1968 funding is \$34.8 million.

Summary

- In total, the two recommended actions will yield an additional 265,000 rifles by December 1969, if Army is authorized an immediate go-ahead.
- The additional cost in FY 1968 funding to achieve this increase is approximately \$52.1 million.

Desirability of Maximum Increase

- An analysis of M-16 requirements and assets as of 3/1/68 is as follows:

	<u>Gross Requirement</u> (Excluding re- placement of M-1s)	<u>On Hand</u>	<u>Remainder</u>	<u>Needed Urgently for Vietnam</u>
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Tom Morris

THOMAS D. MORRIS

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THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20301

CM-3079-68
3 March 1968

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Fixed-Wing Aircraft Program (U)

1. (S) The President has requested me to comment on the adequacy of our programmed fixed-wing aircraft assets in satisfying approved military requirements.

2. (TS) Existing production schedules are insufficient to satisfy approved military requirements. The following is a summary of the major deficiencies and recommendations to correct these deficiencies:

a. Army. Shortage of OV-1 aircraft through FY 1970. Recommend the authorization to procure 50 additional aircraft at a cost of \$93.5 million. Deliveries of these aircraft could begin in September 1969.

b. Navy/Marine Corps Active. There is a shortage of Navy aircraft in the active structure. Increased procurement is required to restore capability to existing squadrons by bringing them to full strength and to replace aging aircraft. Some fall-out aircraft would, in turn, be assigned to reserve units as replacements for obsolete and diverted aircraft. It is recommended that approval be granted for the procurement of the following additional aircraft:

(1) Attack

(a) 75 A-4Fs (36 to modernize 3 active A-4B/C squadrons; 19 for carrier readiness air wing (CRAW) and pipeline; 20 for combat and operational attrition). The fallout of A-4C aircraft will be assigned to reserve units. (\$97.5 million)

(b) 62 A-7E (28 for transition of 2 A-4B/C squadrons to A-7; 16 CRAW and pipeline; 18 - combat and operational attrition). (\$155 million)

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Authority Group 4

By 18, NARA, Date 3-29-92

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(2) Fighter. 120 F-4J (41 - bring CONUS squadrons to full strength; 36 - modernize 3 active F-4B/F-8K squadrons; 23 - CRAW and pipeline; 20 - combat and operational attrition). The fallout of F-4B/F-8K will be assigned to reserve units. (\$336 million)

(3) Other Aircraft

(a) 24 KA-6D (24 - to replace aged KA-3 aircraft). (\$148.8 million)

(b) 12 T-2B (12 - bring training command to full strength in order to attain approved pilot training rate (PTR) of 2,750). (\$8.4 million)

(c) 8 EA-6B (8 - to achieve approved level at accelerated rate). (\$66.4 million)

(d) 12 C-2A (12 - to replace aged C-1A aircraft). (\$45.6 million)

(e) 15 KC-130 (15 - to replace older model KC-130s that will be transferred to the reserve to replace the C-119). (\$43.5 million)

(f) 14 C-130F (14 - to replace aged C-118 aircraft in active tactical support squadrons). The fallout of C-118 aircraft would be assigned to Naval Reserve transport squadrons to replace obsolete C-54s. (\$56 million)

(g) 11 RA-5C (to provide adequate pipeline for approved force level). (\$62.7 million)

(4) In addition, there is a requirement for additional funds to provide for the rework of aircraft, engines, and related components. This would provide 138 additional aircraft for deployment. (\$49 million)

c. Navy/Marine Corps Reserve. There is a limited combat capability of Naval/Marine Corps reserve squadrons due to obsolete aircraft and serious shortfalls in number of aircraft because of diversions to the active forces. The procurement of modern aircraft for active squadrons will permit fallout of aircraft to reserve squadrons to replace obsolete and diverted aircraft.

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d. Air Force Active. There is a shortage of Air Force aircraft in the active structure. Additional aircraft are required to restore capability to existing squadrons by bringing them to full strength and to provide adequate training base and pipeline, and combat/operational attrition aircraft for extension of Southeast Asia conflict through FY 1970. Additional aircraft procurement would also replace aging aircraft and aircraft with limited combat effectiveness in the active forces. These fallout aircraft would, in turn, be assigned to reserve units as replacements for obsolete aircraft. It is recommended that the following supplemental to the FY 1968 and FY 1969 budget be approved to procure additional aircraft:

(1) Fighter

(a) 259 F-4s (108 for transition of one F-105 active duty squadron and modernization of four active F-100 squadrons; 140 for training and pipeline; 11 for combat and operational attrition). The fallout of F-100 aircraft will be assigned to reserve units and be utilized for attrition replacement in active squadrons. (\$585.3 million)

(b) 173 A-37s (Aircraft to offset current and projected shortages in F-100 inventory. Provides aircraft for six squadrons, four in SEA; one for RTU; and one for CONUS reserve.) (\$63.3 million)

(2) Reconnaissance. 155 RF-4s (126 for modernization of seven RF-101 active duty squadrons; 24 for training and pipeline, five for combat and operational attrition). Fallout of RF-101s will be assigned to reserve units. (\$361 million)

(3) Tactical Airlift. 56 C-130s for combat/operational attrition and necessary resources for CCTS and RTU in C-130 training base. (\$169.1 million)

(4) FAC/ALO Aircraft. Add 250 O-2 aircraft at a cost of \$24 million. Provides for stated shortage of ALO/FAC aircraft in Southeast Asia and capability to support Korea or other contingencies.

(5) UW Aircraft. 6 specially modified C-130s for unconventional warfare. (Four for initial equipment against authorized program; two for combat/operational attrition). (\$19.2 million)

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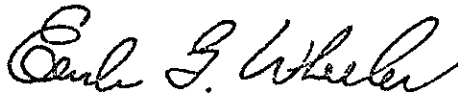
e. RTU Air Force. Active tactical air squadrons, now being used as replacement training units (RTU), have depleted their spares and equipment in support of South-east Asia and can no longer deploy as combat-capable units. To restore these RTU squadrons to combat-ready status, it is recommended that funds be provided to procure the necessary spares and equipment. (\$8.373 million)

f. B-52 Aircraft Air Force. There is an excessive degradation of the SIOP due to increased utilization of B-52 in a conventional support role and programmed phase-out. It is recommended action be taken to defer inactivation of six B-52 squadrons proposed to phase out in FY 1968 and FY 1969.

g. Air Force Reserve/Air National Guard. There is a limited combat capability of Air Force Reserve and Air National Guard squadrons due to obsolete aircraft. Procurement of modern aircraft for active squadrons will permit transfer of fallout aircraft to Ready Reserve squadrons to replace obsolete and diverted aircraft.

3. Each of the Services have outstanding requirements for the modernization of their currently assigned aircraft. These modernizations include improvements to avionics, ECM, weapons capability, survivability in combat environment and other similar improvements to counter technological advancements of the Communist Bloc.

4. (TS) It is recommended that the aircraft procurements and other actions cited in paragraph 2 above be approved. The cost of this program for all services is approximately \$2,392 million. In addition, it is recommended that authority be delegated to the Services to negotiate noncompetitive cost reimbursable contracts and that selective industrial mobilization, as required, be obtained to accomplish production of aircraft necessary to sustain a satisfactory military posture.



EARLE G. WHEELER
Chairman
Joint Chiefs of Staff

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