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TRANSCRIPT OF A NEWS CONFERENCE BY SECRETARY LAIRD WASHINGTON, D.C., THURSDAY, AUGUST 21, 1969

(Secretary Laird) (Prepared statement begins) I believe it is important that the public be informed of our preparations for cuts of up to 3 billion dollars in fiscal year 1970 defense expenditures.

The budget cutbacks which I am announcing today, and actions which will be announced subsequently are required:

- (1) By Congressional action in imposing a limitation on Federal expenditures for the fiscal year which ends June 30, 1970. This expenditure limitation, which was passed by the Congress, was agreed to by the President.
- (2) By anticipated budget cuts by the Congress, and
- (3) By the economic needs in our country.

Our problem is compounded by the fact that it now appears likely that the Defense Department budget will not be voted by the Congress before the latter part of this year -- roughly halfway into fiscal year 1970, which began on July 1, 1969. Prudence requires that we act in responsible, timely and orderly manner and we cannot wait until Congressional action.

We must respond, for example, to the Federal expenditure ceilings imposed by Congress. We are also on notice that significant budget cuts in defense expenditures are in prospect.

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As an example, my former colleague when I was in Congress, the distinguished Chairman of the House Appropriations Committee, George Mahon, has stated that his Committee will cut at least 5 billion dollars from the appropriations request now pending before Congress. The Chairman has alerted me to the fact that the current fiscal year is running and that action should be taken now to cut back defense programs.

I am taking that action. In doing this, I shall strive to insure that the cuts have the least possible impact on our defense readiness, but I want the American people to know that there will be an inevitable weakening in our worldwide military posture. The reductions now being processed are in addition to cuts of 1.1 billion dollars in expenditures and 3.1 billion dollars in appropriations requests which are reflected in the revised budget for FY 1970 which was sent up by President Nixon after taking office. Reductions being outlined today do include previously announced reductions attributable to the Cheyenne (helicopter) and MOL (manned orbiting laboratory) cancellations as well as the announced initial redeployments from South Vietnam.

We will be required, in order to make these savings, to lay up ships, reduce flying hours, close some bases, and reduce military and civilian manpower.

It is necessary that we take action now. If we were to wait until Congress completed action on the budget, a chaotic situation could develop during the last half of the fiscal year when it would be necessary, assuming a 5 billion dollar appropriations cut, to reduce defense programs at a rate of 10 billion dollars in the last two quarters of the fiscal year.

Deputy Secretary of Defense David Packard and I have been meeting with the Secretaries of the services, with General Earle G. Wheeler, Chairman of the Joint Chiefs of Staff, and with the service chiefs, to try as best we can to assure that the reductions will have the least adverse effect on our present and on our long-range requirements.

As an example of the spending cuts which are required, I have today approved new expenditure reductions which will reduce defense spending this fiscal year by more than 1.5 billion dollars. This, again, is in addition to the 1.1 billion dollar expenditure cuts previously announced. The Armed Forces fiscal year end strength will be reduced by more than 100,000 military and more than 50,000 civilian personnel. As these reductions are taken, the funds will be reserved pending Congressional action.

The proposed actions, by Service Secretaries, are as follows:

1. The Army will reduce its fiscal year 1970 non-Southeast Asia operations, maintenance and training by approximately 500 million dollars. The Army, as part of this program, has previously announced plans to inactivate the 9th Infantry Division.
2. The Navy will inactivate, beginning immediately, more than 100 ships, including the battleship USS New Jersey.
3. The Air Force will reduce its non-Southeast Asia training by 300,000 flying hours for the remainder of this fiscal year.

I am not announcing today any base-closing actions. In accordance with our normal procedures, we will give Congress appropriate notice of any base closings.

I wish it were possible for me to state that these cuts could be made without impairing our defense readiness. Regrettably, I must say that these cuts will reduce our capability to meet current commitments.

These actions come at a time when Soviet military strength is increasing. In this connection, I believe it is important that the American public be informed about stepped-up Soviet activities in the strategic offensive and defensive fields. Also, the Soviet navy, with about 125 Soviet navy ships at sea today, has more ships deployed away from the Soviet Union than ever before.

In summary, we are going to make major cuts in military spending. We will strive to alleviate to the maximum extent possible the adverse impact of these reductions. But it is clear that our defense readiness will be reduced. (Prepared statement ends)

(The Secretary) Before turning to any questions, I would like to point out that while we are initiating these actions and these reductions immediately, we do need to consult with the Congress on certain of these actions.

Some actions will not be implemented until I have discussed them fully with the National Security Council and our allies, but the 1.5 billion dollars is firm and is the first step in achieving this new 3 billion dollar goal.

I'll be glad to answer any of your questions.

(Question) Mr. Secretary, your statement that you will have to consult allies, does that imply any cuts in NATO area, either bases or manpower?

(The Secretary) In the reductions that I have outlined, there is no reduction in the combat troop strength in Europe so far as NATO is concerned -- that is, as far as fiscal year 1970 is concerned, based on these actions that I am talking about, fiscal '70, and these budget reductions.

(Question) Mr. Secretary, do you see a need for a reevaluation of our commitments abroad?

(The Secretary) Well, one of the first requests that was made of the National Security Council was to review the commitments of the United States and to price these commitments out as far as our national security expenditures were concerned. Such a study in the area of strategic offensive and defensive weapons, as well as conventional forces, is currently being made. This study of the National Security Council I believe is the most important study that the National Security Council is carrying on at the present time. The final considerations on conventional force levels in this so-called NSASM-3, will be before the National Security Council within the next few weeks.

The importance of this study in pricing these commitments out and trying to establish priorities between domestic programs and defense programs, I believe, is the most important thing that the National Security Council can do, and I can assure you that we are spending a great deal of time in this area.

(Question) Mr. Laird, it looks as if Mr. Shillito's office is looking madly for places to spend 100 million dollars on military construction now in Southeast Asia, despite a warning from the Rivers Committee that they should pull back on the funds they already have for military construction out there.

Do you think we can set up any economies in this area or do we have to spend 100 million dollars?

(The Secretary) I think we can set up economies in that area.

(Question) Mr. Secretary, will deployment of the ABM or development of the MIRV missile system be involved in any cutback you're announcing today?

(The Secretary) There is no reduction in the two programs which you outlined.

(Question) Mr. Secretary, do these reductions pose any threat to the national security in your opinion?

(The Secretary) There are risks involved with any reductions in defense expenditures. We are trying to minimize those risks to the greatest extent we possibly can.

I would like to say that the Joint Chiefs, the Service Secretaries and myself, along with Deputy Secretary David Packard have worked very closely on this review.

The Joint Chiefs and the Chairman of the Joint Chiefs understand the situation which we face as far as the expenditure limitation is concerned and as far as the attitude of the various committees of the Congress. We will minimize these risks to the greatest extent possible.

(Question) Mr. Secretary, would you say, sir, to what extent Okinawa and South Korea defenses will be affected by the cutbacks? You mentioned particularly that Southeast Asia would be an area excluded more or less. What about our troops in Korea? Are they included?

(The Secretary) As far as the 1970 budget is concerned, these cuts we are discussing today deal with 1970. There is no cutback as far as the troop commitment is concerned in Korea in the reductions that are being ordered today.

(Question) On Okinawa would you say there is a reduction there?

(The Secretary) As far as a troop commitment in Okinawa?

(Question) Missile bases.

(The Secretary) As far as combat troop commitments in Okinawa are concerned, there is no reduction. There are no (strategic) missile bases, of course, in Okinawa.

(Question) Mr. Secretary, do you agree with Dr. Foster's contention that it would be a mistake for the United States to agree with the Soviet Union on a freeze or moratorium on MIRV testing unless there is some control of the Soviet ABM system at the same time?

(The Secretary) The position that the President and the Secretary of State and I have taken on this issue is that we believe that the question of MIRV deployment is a matter that should be considered in any arms limitation discussions.

We have opposed taking action on a unilateral basis as far as the United States is concerned, but this is an item that should be very much on the agenda of any discussions or any negotiations with the Soviet Union.

I believe that it would be a mistake to outline our complete negotiating position in advance, but I can assure you that it is an item that should be negotiated.

(Question) Would you go as far as the head of the disarmament agency, Mr. Smith, and say it should be a priority item?

(The Secretary) I don't want to get into any disagreement as far as priorities in the SALT discussions with the distinguished Director of the Arms Control Agency. I certainly believe that it should be a priority item along with many other items that should receive priority attention in any discussions on arms control.

(Question) Mr. Laird, you mentioned 100,000 manpower cut in the military and 50,000 civilian. Does that imply that certainly an equivalent number of troops would be withdrawn from Vietnam in order to justify that sizable cut?

(The Secretary) No, it does not imply any cutback as far as Vietnam is concerned and I would not want to relate any future announcements by the President as far as Vietnamizing the war is concerned, to the 100,000 figure.

(Question) You seem to have left the implication that Congress may be forcing you take a dangerous gamble with the nation's security. Is that a fair inference?

(The Secretary) I would just like to say that we are not trying to take any dangerous gamble. We are going to try to apportion these cuts in as realistic a way as we possibly can. I think it's important that in making these reductions we do not do it on a piecemeal basis, that we have an over-all program to make the reductions.

I think it would be a grave error for us to go in any deeper than the Congress already has in the area of research and development, to go in any deeper in the procurement area than the Congress has in the mark up of the procurement bill. Concerning procurement dollars that are being authorized today: as you know, we expend twenty cents of the dollar, approximately in the year in which it is authorized. I am concerned about the readiness and the equipment that our forces will have in the time period of 1974-75 and beyond. We have delayed the development of many new systems during this Vietnam war period, and I believe it is important to give priority to the development of the newest systems, new equipment.

This is particularly true as far as the Navy is concerned. The ships that we are phasing out, there will be some 75 or 76 ships that I have asked them to announce tomorrow.

You will find that in that list that will be announced tomorrow, 68 percent are ships that are over 25 years old. The maintenance cost is high. I think it would be a mistake to cut back on new ship construction, because of the obsolescence of our Navy.

I think it is important to program these reductions in a very realistic way and cut back as much as we can the impact on the future defense and security of the United States, and we are doing just that.

(Question) Mr. Secretary, I have a double-headed question on troop replacements and withdrawals. First, North American Newspaper Alliance carried a story recently saying the Joint Chiefs are so disillusioned with this disastrous withdrawal policy -- this is the term they used -- that there may be a flood of resignations dropped on the President's or your desk?

Would you comment on Secretary Rogers' statement yesterday that the United States has reacted to the lull militarily in Vietnam?

(The Secretary) The first question has to do with the support of the Joint Chiefs and the Chairman of the Joint Chiefs. I can assure you that we have very close working relationships and there is no dispute between the Joint Chiefs and me as Secretary of Defense.

They have supported the actions that we have taken on Vietnamizing the war, so I would certainly feel that the story that you quote, I hate to say this among a group of newspapermen, but I believe that story is in error.

The second question had to do with the action of our troops in Vietnam.

I would just like to state that President Nixon has outlined very clearly in his May 14th speech the position that this Administration has taken in Vietnam as far as the conduct of the war is concerned. We have changed the priority in Vietnam so that the highest priority is being given to following a policy of Vietnamizing the war and turning over larger responsibilities in the combat area to the South Vietnamese forces as they face the North Vietnamese and the Viet Cong.

We have also initiated a policy of protective reaction to protect the service forces of the United States, to uncover before attack as many of the caches as we possibly can, and we have also followed the instructions of President Nixon to reduce casualties.

As far as the discussion of the lull to which you refer, we had, I believe, relatively high casualties last week in Vietnam.

The level of enemy-initiated attacks in the first six months of this year has been higher than the level of enemy-initiated attacks in the first six months of last year.

It is true during the month of July and the early part of August enemy activity was not at the same high rate that it had been during the first six months. There was considerable enemy-initiated activity in the last week and it had been concentrated, I believe, to bring up the level of American casualties and had been aimed at the American service personnel.

It may be in response to the program which we are carrying on to Vietnamize the war and to turn over larger combat responsibilities to the South Vietnamese armed forces.

(Question) Can you, Mr. Secretary, specify any changes that are different than maximum pressure and explain to us what you mean by this new term? Specifically, the commanders in Vietnam contend that it is business as usual for them and perhaps there are some directives they don't even know about. Could you amplify for us what this new strategy is that you are talking about -- protective reaction -- what does that mean? What is different about it?

(The Secretary) I think the thing that's the most different about our activities in Vietnam today is the emphasis and the momentum that we have created in Vietnamizing the war. I would like to point out as far as the orders are concerned, this has the highest priority in the orders to our commanders; to General Abrams, to the Commander in Chief of our Pacific Forces, Vietnamization has the highest priority.

As far as protective reaction to which you refer, I used that term in Saigon in March. I envision this as keeping your troops moving, as General Abrams has, and the policy that he has continued to follow in order to uncover the logistics supply bases of the enemy to prevent attacks against concentrations of American service personnel and population centers.

I believe, however, that anyone that talks to you about Vietnam or has been there lately would be less than frank if he did not tell you that there was a new emphasis as far as Vietnamization is concerned.

As far as maximum pressure is concerned, those terms are not in the orders to our commanders in Vietnam.

(Question) Is that a change since the Gore Committee appearance you made when you said it didn't still exist?

(The Secretary) I don't believe I said that in the Gore Committee testimony. The problem involved is that as far as the orders in Vietnam are concerned, maximum pressure was not in the orders issued by the Secretary of Defense or the Chairman of the Joint Chiefs. I think that was a term that was used by President Johnson.

(Question) Mr. Secretary, where do you see savings within NATO if only combat troops are excepted from your reductions?

(The Secretary) As far as savings in NATO are concerned, we don't anticipate large savings as far as troop levels are concerned in the NATO commitment. As a matter of fact, we have outlined to our NATO friends certain reductions in support personnel which have been agreed to and some of those will continue to be made.

(Question) Flying hours, too?

(The Secretary) This is not a part of the reductions that we are discussing today.

(Question) Mr. Secretary, the commanders in Vietnam are described by reporters there as being very unhappy about the orders to cut back on the size of operations and to limit casualties. They are said to feel that they were sold out more or less by the Joint Chiefs who had promised them that there would not be sizable cutbacks in combat forces.

How deep does this schism between the uniformed military and your office run?

(The Secretary) I have seen certain reports emanating from Vietnam that there have been objections to the orders as far as the Vietnamization program is concerned but I do not believe that it runs very deeply. I think there are very good working relationships between the Joint Chiefs, Admiral McCain and also General Abrams, and I would certainly discount these reports.

(Question) Mr. Secretary, Congressional critics are saying the U. S. Navy has too many capital ships, too many carriers. How would you equate that with this big Soviet naval development, the biggest ever?

(The Secretary) I am supporting the funds for the carrier in the 1970 authorization request. Whether we have a 12-carrier force or 15-carrier force does not affect the request which we have before the Congress in fiscal year 1970.

There is a great deal of talk about our not having fixed bases in various places of the world and the carrier does become a much more significant ship and a much more needed part of our security force.

I would hope that we would go forward with our modernization program of the Navy. As I said earlier, of the ships that will be released tomorrow, which covers the next three months, there will be some 75 or 76 ships that will be inactivated and decommissioned. Of those ships, 68 percent of them on that list that will be released by the Navy -- I have asked them to release it tomorrow -- will be over 25 years of age. There is high-cost maintenance for these ships and it's to our advantage and to the country's advantage to move forward on a modernized program as far as ships are concerned.

(Question) Mr. Secretary, continuing along that line, what is your assessment, your reading of the current Russian naval buildup, specifically in the Mediterranean?

(The Secretary) I believe that the Soviet Union through their actions not only in the Mediterranean but in the Caribbean and in the Indian Ocean and in other sections of the world, are moving forward to develop a very major, deep-water global force. We will see more activities and more movement of Soviet ships as this crash construction program of their's moves forward.

I have talked some before the Congress of the developing capability of the Soviets in the submarine area -- not only attack-type submarines but polaris-type submarines. They are going forward on a very large buildup program and naval construction program as part of this developing deep-water global force of the Soviet Union.

(Question) Mr. Secretary, have you changed your mind about taking the Thailand military contingency plan to Capitol Hill?

(The Secretary) Of course, I would just like to point out one thing. Mr. Rogers, Secretary of State, was up testifying on the Military Assistance Program and I followed him by one day. He had been asked about the Thai-U. S. war contingency plan in his testimony. He had alerted me to the fact that I might be asked about this plan as I appeared before the Foreign Relations Committee the next day.

I would like to inform you that I brought the plan with me to the Committee and had it in my possession. I had thought that I would be asked some questions, but not a single member of the Foreign Relations Committee made a request of me or asked me a question. I had not received a request for this plan directly from the Committee. I had talked on the telephone with Senator Fulbright and had told him that we would make available a complete and thorough briefing of this plan by General Stilwell and other members of the Joint Staff, that if this briefing was not satisfactory and did not answer all of their questions regarding this contingency plan, then I would be very happy to show them a copy of this plan. I was somewhat disappointed that I hadn't been asked any questions about it when I brought the plan with me before the Committee when I was testifying on the Military Assistance Program.

I was very well prepared that day to outline what the procedures have been regarding contingency war plans during the history of this Republic.

As you know, I am the first Secretary of Defense to ever offer to make a contingency war plan public -- not public, but available to Congressional committees that are involved. In other cases, only the President

of the United States has done this, and only then at times when he was getting ready to implement a contingency war plan.

We have all sorts of contingency military plans. These plans have not been approved by the Secretary of Defense, they have not been approved by the Secretary of State, they have not been approved by the President of the United States.

This particular plan was drawn in 1965 and as far as I am concerned does not have my approval and does not have the approval of this Administration.

Now, as far as sending plans to Capitol Hill, whether they deal with the Philippines or Korea or our NATO friends, I don't believe that this is a proper thing for us to do because these contingency plans -- and we have many contingency plans dealing with many countries and many situations -- do not have the effect or force of an agreement, a treaty, or anything else.

I have asked Senator Fulbright to come over and discuss this matter with me at his convenience, and I am sure that we will be meeting soon in regard to this.

I have discussed the matter with Senator Symington and also with the Chairman of the Armed Services Committee at some length. I am sure that we can work this out.

I was accused when I announced the fact that certain chemical weapons had been supplied in Okinawa in 1962 that this was unfair to announce the date. The reason that I announced the date and gave the information out was because I felt that we should release this information.

As far as this 1965 contingency military plan is concerned, I don't want to get into any disagreement over this plan. I don't agree with the plan, I don't agree with using American troops without proper consultation and advice of the Congress of the United States, and I can assure you that this Administration would follow the procedures that were outlined by the Secretary of State yesterday.

(Question) Mr. Laird, do you want to clear up any public confusion about the Green Beret Case?

(The Secretary) I don't know whether I can clear up any of the public confusion over the Green Beret Case or not. As you know, that investigation is coming to an end today. The investigating officer will make his report, and this is much the same as grand jury proceedings. I would just like to say that I think we ought to wait for the report of the investigating officer before those of us that are in a position of being reviewing authorities comment on the case.

I can assure you that this investigating report which will be made shortly will be gone over very thoroughly, and I believe that we have to wait for the report before, in my position as Secretary of Defense, I comment on it. I think that's only fair and just, not only to the investigating officer but to the individuals that are being accused.

(Question) Mr. Secretary, in view of the public and Congressional concern over the shipments of poison gas, why does Defense continue to approve such shipments?

(The Secretary) We have not approved any shipments. We have a procedure which we have set up as far as any Defense Department shipments are concerned. We do have a procedure set up and we are now working on the shipment of some Defense Department stocks, but those stocks will not be moved unless the movement has been approved not only by our scientific review board but also by the Surgeon General of the United States, and we are getting into those questions now.

There have been some commercial movements but there have been no Defense Department movements as such in this area.

(The Press) Thank you very much, Mr. Secretary.

(The Secretary) Thank you, ladies and gentlemen.
