

THE WHITE HOUSE
WASHINGTON

MR. RUMSFELD

The attached is what you talked
about with Latimer this morning.
The response to NEW YORK
TIMES.

DR HAS SEEN



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FROM: MR. LATIMER OFFICE DESK: SPEC ASST PHONE NR: X54321

SUBJECT: DRAFT MEMO TO PRESS CORPS

TO:

- WHITE HOUSE MR. RUMSFELD
ATTENTION: BRENDA
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OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

19 November 1975

MEMORANDUM FOR Donald H. Rumsfeld

FROM: Thomas K. Latimer *TJ*

Attached is a draft proposed memo to our DoD Press Corps from ASD/PA Joe Laitin regarding the observation in the Finney article regarding your view on the budget cuts. Joe recommends against the release of this memo on the grounds that it will tend to unnecessarily alienate the DoD Press Corps and focus attention to passing reference in a Finney story which otherwise will be ignored. Joe suggests that your position would receive page one attention when you make your first speech.

Personally, I think you ought to nail this one and issue the memo.

Attachment



November 19, 1975

MEMORANDUM FOR CORRESPONDENTS

FROM: Assistant Secretary of Defense (Public Affairs) Joseph Laitin

A news story of the Senate action yesterday on the FY 76 Defense Appropriations Bill included an observation that Secretary-Designate Rumsfeld had "indicated in his confirmation hearings that he was prepared to accept the reductions."

This observation does not accurately characterize Mr. Rumsfeld's view and is not supported in his testimony before the Senate Armed Services Committee.

Following are pertinent excerpts from Mr. Rumsfeld's testimony:

On FY 1976 Budget

Senator Goldwater: ... Let me ask you this question: Last week the Senate Appropriations Committee approved a budget for fiscal year 1976 of \$90.8 billion, which was about a half a billion higher than the House, but about \$7.1 billion less than requested. Secretary Schlesinger had indicated that House figure was far too low, and had requested that about \$2.6 billion be restored by the Senate.

However, that did not happen. What are your views on the adequacy of the Department of Defense budget amount, as it is now shaping up?

Mr. Rumsfeld: Recognizing that I have not been a participant in this budget process, I have been able to review the President's thoughts on this as well as Secretary Schlesinger's and to review the letter which Secretary Schlesinger sent to Senator McClellan with specific reference to the figures you are mentioning. And insofar as I have an informed view, it would certainly correspond with the thoughts that Secretary Schlesinger put forward to Senator McClellan, and that the items he was concerned about involving something in the neighborhood of \$2.5 billion, as I recall, are needed by the Department. (pg. 21)

Senator Bartlett: Mr. Rumsfeld, the Senate Appropriations Committee will be bringing up a bill before the Senate, perhaps today, or in the next day or so, with \$90.78 billion in appropriations, including R&D operations and manpower. Do you consider this amount adequate to meet the defense needs of this Nation?



MORE.

Mr. Runsfeld: Senator, yesterday I indicated my views on that subject by saying that I had read and agree with the letter that Secretary Schlesinger sent to Senator McClellan. I don't have that with me, and I forget the date of it. But you are familiar with the letter, of course. In view of my involvement in this hearing, I have not been able to follow in detail the progress of the conference and the work of the Senate on that bill. And I therefore would like to stick with what I indicated, that as I recall, it was a \$2.55 billion request over that preliminary action, which Secretary Schlesinger indicated he felt was necessary and desirable. That would be my view. (pg. 91)

On FY 1977 Budget

Senator Goldwater: ...Thank you. In spite of what we hear, we are spending a smaller percentage of the total budget year after year on defense, and in spite of what we hear we are now spending on defense the lowest percentage of the gross national product that we have ever spent. In fact, Washington spent more on his budget than we are spending today as a percentage of the total gross national product.

With all of this in mind, the fact that we are spending less each year on defense, do you believe the defense budget should increase annually in real buying power, rather than increasing only to accommodate inflation and pay raises?

Mr. Runsfeld: I am familiar with the statistics that have been put forward that comment on defense expenditures as a percentage of the Federal budget, and defense expenditures as a percentage of gross national product, both in isolation and in relationship to the Soviet Union's comparable statistics.

It seems to me that they are interesting and they are useful in a discussion of the subject. But the bedrock on which U.S. budgets should be built has to be our capabilities relative to potentially opposing capabilities. It is for the latter reason that I would certainly agree that, given the trends we have seen in terms of the interest on the part of the Soviet Union with respect to various capabilities, the U.S. Government should, in fact, provide real increases in the defense budget. And this is true not only because of the phraseology that I used, and that you used, it is true not only because, as you point out, of inflation, but also, as you suggest, the mix of our total defense budget that now goes toward pay as a result of our attempt to see that people who are involved in our Armed Forces receive something more closely approximating a competitive pay level with those who are not serving in the Armed Forces. (pg. 21)

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