THE SECRETARY OF DEFENSE WASHINGTON D C. 20301

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Honorable Alan Greenspan Chairman Council of Economic Advisers Washington, D.C. 20506

Dear Alan:

After the presentation on the FY 1977 Defense Budget at the Cabinet meeting on February 19th, there were several requests for unclassified copies of the charts. Attached is a set of charts, with explanatory notes.

As I said in the briefing, no single chart or group of charts can be expected to tell such a complex story completely. However, they do indicate the weight of effort and the momentum of Soviet activity. The trends these charts depict--upward movement over the past decade for the Soviets relative to the U. S.--are what President Ford's FY 1977 Defense Budget is designed to arrest.

If you would like a more detailed explanation of any point, please call.

Regards,

