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THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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Authority: EO 13526

Chief, Records & Declass Div, WHS

Date:

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: FY71 Budget Strategy for Vietnam

Our Defense budget for FY71 is currently based on the assumption of a phasedown to 260,000 men in Vietnam by the end of June 1971. (This is the assumption in NSDM-27.) The question is how to present and justify the budget without revealing, directly or indirectly, our timetable for Vietnamization.

I believe it is possible to avoid revealing our timetable in the budget process. This will not, of course, solve the problem of possible leaks, but at least we can avoid confirming the leaks by the budget.

Our recommended budget strategy can be summarized as follows:

Type of Information Provided	Recommended Budget Strategy		
	Public Budget and Posture Statement, Unclassified Testimony	Classified Budget and Posture Statement	Classified Testimony -- Key Committees
End Strength of Services	Yes	Yes	Yes
Army/Marine Corps Force Structure	No	No	No a/
SEA/Non-SEA Cost Breakdown	No	No	Yes
Vietnam Strength in FY71	No	No	No

a/ If pressed, we would give this data to the key committees on a close-hold basis.

Under this plan, the only information available publicly which might give an indication of planned Vietnam reductions would be the end strength of the Services. The Army end strength is the most important number, since the Army has by far the largest share of the manpower in Vietnam.

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However, there are a large number of men in the Army whose units and missions are not easily identified to the outside observer; thus the end strength alone would not reveal the Vietnam assumption. The paper at Enclosure 1 provides more details on this and concludes that the uncertainty of an outside observer estimating June 1971 strength in Vietnam is between 174,000 to 260,000 (compared to an actual planned strength of 205,000). In summary, the end strength figure would indicate that we were assuming some Vietnam reduction, but it would not make clear how much or how fast.

As for our rationale, we would essentially stick to what we said in testimony this year — we have a Vietnamization plan and have assumed further reductions in the budget, but we are not revealing the specific timetable for the reasons stated in your November 3 speech. In addition, we would say that the budget is flexible enough to support a variable timetable, depending on your specific decisions at the time. Finally, we would point out that the end strength reductions in the budget are a result of many factors besides Vietnam reductions, including tightening up of headquarters and bases, allowances for transients and turbulence and so on.

This approach will undoubtedly generate pressure and criticism both in Congress and the public, for lack of specifics, but this problem has been within manageable proportions until now. Furthermore, the problem tends to disappear fairly rapidly, since by March or April we will probably have announced at least Phase IV, which will bring Army Vietnam strength to within about 50,000 of the budgeted end FY71 strength.

We might have to give additional data, probably including the planned Army/Marine Corps force structure, to the key committees on a close-hold basis, without, however, giving an explicit redeployment timetable. The force structure information would give a fair idea to the committees of our approximate timetable. We would of course say that the budget assumptions were subject to change in either direction depending on circumstances. While we cannot entirely exclude the possibility of a leak from the committee, despite the classification of the information, the lack of specific figures and the ample flexibility of the end strength figures would not lend much credence to a leak of this kind.

In summary, I recommend that we base the budget on the 260,000 figure, and adopt the above strategy for presenting and justifying it.

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Enclosure