

# Military-Industrial Complex Opposes Defense Reductions

WASHINGTON -- How big should the nation's defense budget be, once the Vietnam War is over?

Some well-informed experts have suggested--the military-industrial complex being what it is--that it will be difficult.

If not impossible, to jar the Pentagon loose from its comfortably big budget, now at the \$60 billion level.

FORMER BUDGET Director Charles L. Schulze, thinks that because it will be difficult to shrink military spending, laws will have to be raised to provide the "large additional resources (necessary) to meet our social problems."

But Schulze's boss at the Brookings Institution disagrees with him. In a memo to Vice President Hubert Humphrey dated June 14, 1968, Research Director Joseph Pechman questions Schulze's assumptions, and adds:

"It would be unwise to accede to demands for a permanently higher level of defense spending to finance expensive new projects without evaluating the consequences in relation to our foreign and domestic policy goals."

Pechman takes Mr. Humphrey through an arithmetic exercise which leaves a post-Vietnam Pentagon \$60 billion a year (virtually the same as the pre-Vietnam \$50 billion,

adjusted for price changes) allowing \$22.5 billion to be re-directed from Vietnam to non-defense programs. "If some decisions already taken will be reversed."

How does this square with the way the Pentagon sees it? The first thing to report after interviews at the Defense Dept. is that the massive outpouring of funds for Vietnam (now put at \$27.5 billion annually) can't be immediately turned off like a spigot.

The Pentagon's jargon for termination of hostilities is "T Day." And for the day when troops begin to go back home to be deployed, the designation is "R-Day".

BETWEEN T-day and R-day, a key official says, there will be a minimum of six months "while we see if the enemy really intends to keep his promise."

And from R-day to a replacement of a peace-time level of

spending, it will take a full two years, "on the most favorable assumptions possible." Any suspensions of renewed enemy activity, or indications that peace agreements were not being kept would obviously lengthen this minimum transition period of 2 1/2 years from the cessation of the actual hostilities.

Defense manufacturers have been assured privately that their contracts would not be canceled with the end of the war, but phased out, allowing inventories to be built back to a projected "cold base"... the level necessary to assure minimum-strength security in the country after the factories have been shut down.

Once the transition period is over (and it clearly will last longer than either Schulze or Pechman would opt for), the question becomes:

What will be the new level of spending? At the Pentagon, they concede that \$20 billion, or so

can be saved out of the Vietnam budget. They're willing to knock off \$15 billion from the operating costs of the Vietnam War--pay, consumables, food, oil, etc) and \$5 billion for ammunition. Another \$5 billion representing procurement of aircraft, helicopters, and a variety of other hardware, they say, must continue, to be added to \$14 billion worth of non-southeast Asia procurement.

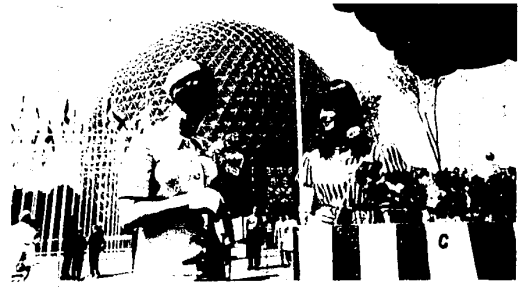
And where the Pentagon goes from there is a policy question for the future. In a sense, the \$60 billion is a starting feature, an opening bid.

FOR EXAMPLE, there is at the moment \$1.1 billion in the fiscal 1969 budget for the Sentinel anti-ballistic missile program. As originally envisioned the total program was to be \$5 billion. But there are some advocates of an unrestrained ABM program that would carry expenditures over the years to \$40 billion.

On the other side of the coin, there are considerable pressures to limit our other commitments around the world. There is a substantial congressional bloc, for example, that would limit our forces in Europe.

A great deal, of course, will depend on presidential initiative and the kind of civilian leadership available to run the Defense Dept. What we do know right now from Defense sources is that at the end of the first year after re-employment begins, the annual rate of spending could be dropped to \$61 billion in 1968 prices--and then to \$56 billion at R-day plus 24 months. In 1970 or 1971 prices, that would be something like \$60 billion.

But that allows nothing for an expanded ABM system, nor a beefed-up F-111 aircraft program. It allows nothing for other demands that one can predict--with certainty--will come up in this uncertain world.



MONTREAL -- One of the official Man and His World hostesses in uniform purchases flowers from a concessionaire near the Biosphere at Montreal's Expo 67. Hundreds of boutiques and restaurants catering to cosmopolitan tastes cover the site of the fair. The

Biosphere, former U.S. pavilion, now features an indoor parkland unaffected by outside climate conditions. The translucent geodesic dome rises 20 stories in height and has a spherical diameter of 250 feet. Man and His World is open through October 14.

## Tips Cited On Drainage From Roofs

SANTA ANA, Calif.--"Here's the World War I Sopwith Camel selling for \$40,000 -- good grief!"

Snoopy, famed ace of Peanuts comic strip, probably would have voiced his surprise in such words had he seen his purchased little pursuit plane sell for such a price--particularly when the camel cost but \$8,000 in 1918.

The British fighter brought top money at a unique auction of vintage and warplane aircraft that collected \$286,620 in spirited bidding not only for planes, but everything from machine guns (rondel-harrier) to a World War I field ambulance.

About 500 persons, present by invitation, packed the Movie-land of the Air Museum at Orange County Airport for the auction conducted by Parke-Bernet Galleries of New York City.

THE CAMEL was purchased by an unidentified New York

collector who had entered a precaution bid of \$35,000 and then upped his offer by \$5,000 at the last minute in a worried telephone call.

As it was, he almost lost the plane to the representative of a New Jersey museum group who bid \$37,500 for the camel, one of the few World War I aircraft he missed among those he sought to purchase.

In all, Gustave Hulckow, bidding for the Aeroflex Museum, now being organized by the Aeroflex Foundation, bought six aircraft for \$66,500, plus various aeronautical accessories also up for auction.

They included a 1914 Maurice Farman pusher biplane, \$20,000; a 1918 German Pfalz pursuit, \$16,000; a 1918 Dehavilland D14 biplane, \$15,000; a 1918 French Spad pursuit, \$16,000; a German Fokker D-VII pursuit, \$20,000; and a British SE-5A pursuit, \$9,500.

IN ADDITION to missing the

camel he lost out on a sleek little French Nieuport 28 pursuit that went to race driver Jim Hall for \$14,500.

Hall, delighted with his prize, said he intends to fix up the rotary engine Nieuport and fly it himself "just for fun."

One of the bidders at the auction was clouded somewhat by a title dispute that remains to be settled.

It involved the Golden Curtiss Gullhawk once flown by Maj. Al Williams, one of America's most famed stunt pilots.

Dolph Overton of Mullins, S.C., bought the Gullhawk for \$20,500 to include in his collection of some 40 planes for museum display, but he thinks he may never get possession of the plane. The dispute over the ship arose, he said, when the Smithsonian Institution claimed rights to the aircraft under an agreement alleged to have been made with the institution by Williams.

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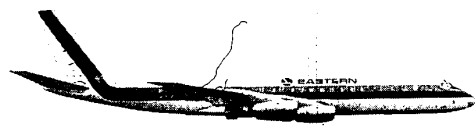
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