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LAIRD PROJECTS BIG RISE IN COST OF VIETNAM WAR

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He Tells Congress That New Arms Accords Will Allow Only Modest Savings

McGOVERN IS ACCUSED NYTimes

Secretary Charges Plan for Large Defense Cuts Would Be 'Flag of Surrender'

By JOHN W. FINNEY

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WASHINGTON, June 5—Secretary of Defense Melvin R. Laird told Congress today that the expanded military activity in Vietnam could add \$3-billion to \$5-billion to the defense budget in the coming fiscal year, virtually doubling the projected annual cost of the war.

He maintained that the recently concluded arms-limitation agreements with the Soviet Union would not permit a reduction in spending on offensive strategic missiles and, at most, would afford a \$550-million budgetary saving on defensive weapons in the current fiscal year.

In a day-long testimony before the Senate and House Appropriations Committees, Mr. Laird also set off political fireworks by accusing Senator George McGovern of "running up the white flag of surrender" in suggesting that the defense budget could be cut by \$20-billion over the next five years.

Something of a Surprise

Mr. Laird's projections obviously came as a surprise to members of the House Appropriations Committee, including its chairman, Representative George Mahon, Democrat of Texas.

Mr. Mahon, a fiscal conservative who has tended to support Nixon Administration policies, observed that it was apparent that the arms race would continue despite the agreements and expressed surprise that spending in Vietnam would be rising in view of the Administration's claims for the success of Vietnamization.

In his testimony before the Senate committee in support of the Military Assistance Program, Mr. Laird reported that the annual cost of the war had been reduced from about \$22-billion under the Johnson Administration to about \$7-billion in the current fiscal year.

More Help for Saigon

When he appeared before the House group, however, he disclosed that the air and naval activities ordered to counter the current North Vietnamese offensive would add \$3-billion to \$5-billion in the coming fiscal year.

Much of the increased cost would go to pay for munitions used in the intensive bombardment of North Vietnam as well as to replace equipment, an aide to Mr. Laird said. In two and a half months, he added, more than \$400-million has been expended on munitions.

From the estimates supplied by Mr. Laird and his aides, it was apparent that the quarterly cost of the Vietnam war had

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would go to accelerated development of a missile-launching submarine called Trident and \$445-million to proceed with engineering of the B-1 supersonic bomber to replace the B-52.

While acknowledging that the arms agreements had put "some brakes" on the Soviet strategic build-up, Mr. Laird said: "If we take unilateral disarmament action before agreement is reached, there is no chance for an agreement."

As a result, he explained, agreements would lead to no savings in the \$8.8-billion strategic budget for the coming fiscal year. The only savings, he said, will come on defensive strategic missiles.

The ABM treaty, he estimated, would lead to a saving of \$650-million in the coming fiscal year, largely because of the cancellation of an incomplete Safeguard ABM site at a Minuteman intercontinental missile base in Montana. But of the \$650-million, he explained, \$100-million would be used for improvement and modernization "in the strategic area to insure maintenance of a realistic strategic deterrent."

Over the next five years, Mr. Laird estimated, the ABM treaty could save as much as \$5-billion since the United States would build only two instead of 12 sites originally planned for the Safeguard ABM system. The savings estimate was based on the premise that a 12-site system would have been built in the absence of the treaty. Congress has thus far approved only two sites, and it was unlikely to approve more—a situation admitted by Mr. Laird.

He observed that the main reason he supported the ABM treaty was not because it meant that neither side could acquire a first-strike capability—the main justification advanced by arms-control experts—but because the two sites appeared to be all that Congress would approve.

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increased by \$1.5-billion since North Vietnam began its offensive at the end of March.

The United States, Mr. Laird disclosed, also plans a \$400-million increase in military aid to South Vietnam to replace equipment.

The Administration has not made public the cost of the war projected before the invasion, but according to Mr. Laird's aides it was less than the \$7-billion for the current fiscal year, which ends June 30.

The Administration has requested \$83.4-billion in defense appropriations for the coming fiscal year.

The testimony by Mr. Laird and Adm. Thomas H. Moorer, Chairman of the Joint Chiefs of Staff, suggested that the Defense Department's acceptance of the arms-control agreements might depend on the Administration's approval of modernization of the offensive strategic forces.

One of the agreements, in the form of treaty, would limit the two nations to two antiballistic missile sites—one at each national capital, the other protecting an intercontinental missile base. The other agreement, an executive one, provides for a five-year limitation on the number of land-based and submarine-launched missiles that each side may deploy.

Need for an Incentive

The Secretary argued that the United States must proceed with modernization of offensive strategic forces to provide an incentive for the Soviet Union to negotiate in the next phase of the talks on Strategic Arms as well as to provide a "hedge" if the negotiations failed. The next phase, expected to begin this fall, will deal with a treaty limiting and perhaps reducing offensive weapons.

In the budget for the coming fiscal year, the Administration has proposed a \$1.2-billion increase for offensive strategic weapons. Of this \$942-million



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Defense Secretary Melvin R. Laird testifying at Senate Appropriations Committee hearing. With him is Adm. Thomas H. Moorer, Chairman of the Joint Chiefs of Staff.