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SCIENCE AND TECHNOLOGY

QUESTION:

John Anderson has been saying that this would receive very high priority in an Anderson administration. What would a Reagan administration do?

ANSWER:

- R&D essential to productivity, jobs and trade.
 - --Estimated that 30-40% of economic growth over last 30 years due to technological innovation.
- Despite great rhetoric, <u>Carter administration hasn't</u> accomplished much:
 - --Trend toward lower research spending has continued. From 3% of GNP in 1964, down to 2% GNP today. (A good chunk of decline due to shrinking defense R&D.)
 - --Carter has stressed high technology research at expense of basic research (many US universities hurting as result)
 - --Deterioration of U.S. economy has encouraged many industries to invest in short-term, quickie payoffs shifting out of basic R&D.
- Principal role for R&D must continue to rest with private sector (business and universities).
- But effective President could also make a significant difference:
 - -- Create economic environment that encourages R&D.
 - -- Reduce regulatory and paperwork barriers.
 - -- Assist basic research
 - --Should also look at special incentives (e.g., permit pooled research under anti-trust laws and special tax incentives).

SCIENCE & TECHNOLOGY: FACTS

- Under Carter, for first time more applications for US patents from foreigners than Americans.
- US has lowest rate of productivity growth among major Western nations; and last 6 quarters show 1.5% decline in productivity (output/hour) compared with increases during Ford years. Biggest productivity losers (73-78) include coal mining, steel and auto manufacturers; biggest winners include telecommunications, brewers and soft drink bottlers, copper mining and synthetic manufacturers.
 - --Business has allowed capital equipment to deteriorate due to uncertainty, inflation, declining real profits and changing management emphasis (from productivity to financial management).
- In 76 debate, Carter stressed channelling R&D funds into "areas that will provide large numbers of jobs." But:
 - --Government funding of basic research from which future jobs might come (proper Government function stressed by Carter) has declined in real terms since 79 statement.
 - --Carter administration has treated R&D, technology with considerable fanfare, but 1979 program not inspiring.
- Space shuttle, according to NASA official, "overweight, over budget and overdue".

SMALL BUSINESS

QUESTION

Why can small business expect a better deal from a Reagan administration than the Carter administration?

ANSWER

- RR administration would recognize that economy will grow only if small business grows:
 - -- SBs provide 66% of new jobs in U.S.
 - -- More than half of major technological advances in this century have come from individual inventors and SBs.
- Carter false friend of SB, breaking his promise of 1976:
 - -- Carter inflation has put SBs at great disadvantage: must pay more for raw materials and supplies, but risk loss of business if they increase prices.
 - -- Costs of regulation have continued upward. Now costs SBs an estimated \$15-20 billion a year to handle paperwork alone.
 - -- Carter-imposed credit crunch in fall, 1979 also hurt.
 - -- Result: Estimated that 660,000 SBs will fail in 1980. Better than 50% higher than usual.
- What RR would do differently:
 - rates (See Economy O+As)
 - -- Cut taxes to increase growth. (Big item for SBs)
 - -- Accelerate depreciation.
 - -- Strong regulatory relief.
 - -- Incentives to spur R&D.
 - -- Repeal sections of Credit Control Act permitting President to impose credit restriction.

SMALL BUSINESS: FACTS

- 97% of 10 million businesses in US are small.
- SBs provide 43% of GNP, employ 55% of workforce.
- Ordinarily, about 400,000 SBs a year fail. Estimated that this year, because of Carter policies, some 660,000 will fail. (Washington Post 5/15/80)
- 5 million small businesses have average burden of \$3,000 in federal government paperwork.
- Has also been estimated that Carter economic policies (especially his credit controls of fall, 1979) will cost 3.2 million small business jobs and \$228 billion in sales in 1980. (W. Post, 5/15/80)
- White House Conference on Small Business: Held this past January. Top priority was to obtain tax relief.
 Payroll taxes are 52% of SB tax bill. Other conference priorities:
 - -- More graduated corporate and individual tax scales.
 - -- Simplified depreciation schedules.
 - -- Lower estate taxes.
 - -- Balance budget, reduce spending.
 - -- Sunset laws, regulatory impact statements, Congressional veto of new regulations.
- Ridiculous affirmative action horror story

Drexel Hill, Pennsylvania construction contractor (no office, no secretary, and only four employees) ran afoul of Labor Department regulation that 5% of its employees be female. For him, this meant he had to employ two-tenths of a woman. Unable to do so, Labor Department imposed on him 43 separate compliance and paperwork requirements, including posting of notices of all parties and picnics, separate "his" and "her" toilets, and paperwork to prove he had done these things.

TRANSPORTATION

Question:

What are your general plans for strengthening U.S. transportation?

Answer:

- U.S. has best transportation system in the world, but it is suffering from too much regulation and too little serious attempts to improve.
- One of most serious problems of Carter administration is way it is letting highways deteriorate.
 - -- Nation's highways deteriorating twice as fast as they are being repaired or improved.
 - -- 9,000 bridges are closed or restricted to light traffic; another 30,000 bridges obsolete.
 - -- Carter inflation has sent the cost of highway construction soaring at time when federal & state highway revenues declining.

Reagan Agenda -- comprehensive attack to improve national transportation

- 1. Remove burden of governmental regulation.
 - -- Airline deregulation, arted by Ford and pushed thru Congress by Kennedy, a good start --- shows what can be done. Truck deregulation, recently enacted, may also prove beneficial.
 - -- Now must move on to rail deregulation. Rail system in generally poor shape.
 - -- Must recognize, however, that removing decades of overregulation with stroke of pen can hurt smaller communities that lose services and hurt consumers with large price increases. Dereg program must be fair to industry and consumer.
- 2. Strong commitment to highway & bridge repair
 - -- Highway Trust Fund has grown from \$8.9 billion to \$11.9 billion under Carter; must see whether better use can be made of funds.

3. Mass transit

-- Vital to health of many cities, environmentally desirable and energy efficient.

-- But no two towns alike; decisions on spending should be be made at local level. Therefore, RR would explore (a) converting categorical programs --- with all their red tape --- into block grants; and (b) transferring some mass transit programs --- slong with resources to pay for them --- back to state and local govts.

TRANSPORTATON -- FACTS

Deregulation:

- -- Ford administration began efforts to deregulate air, rail, & truck transportation. Once Carter came in, Kennedy helped to push thru airline deregulation; agencies themselves have also been working to lighten regulatory burden.
- -- So far, airline & truck are only breakthru. Rail still stuck in Congress.
- -- Deregulation makes good sense:

-- 90% of U.S. transportation owned and operated by private citizens;

-- Railroads, which carry 70% of nation's coal, 60% of its grain, are the most over-regulated business in U.S. (W Post, March 1980). Result: rails have not earned as much as 4% return on inventment since 1950s. Are starved for capital; equipment old.

Amtrack:

-- Private system subsidized by the government (2/3 paid by taxpayers)

-- Every Amtrak route loses money, and probably always will, no matter how much capital spent to improve service.

-- Yet railroads are important, especially on routes where traffic on highways and airways already full or in danger of being clogged. Trains also energy efficient.

-- Recommendation for RR if it comes up: Would look very hard at Amtrak budget before deciding to give more tax dollars.

(Might out back inefficient routes.)

Transbus:

-- Example of way increased federal control over mass transportation can produce more problems, not more answers.

-- Under Carter administration, the Urban Mass Transit Authority (UMTA) required all buses purchased with any federal funds to be built to complex specifications so that handicapped and elderly could ride.

-- The new "trans-bus" is so complex that no bus mft in world even submitted a bid on it. Would have been cheaper to provide handicapped & elderly with limousines. A debacle. New Trans. Sec. Goldschmidt has backed away from program.

-- Sensitive issue, however, because it involves right of elderly & handicapped to use public transportation. Worthwhile alternative RR might mention: publicly subsidized van service for handicapped, elderly.

VETERANS

QUESTION

What would RR do to help veterans?

ANSWER

- America owes its veterans honor, care for those disabled and assistance in adjusting to civilian life.
 - -- RR proud of vet. support; VFW endorsement a first in their 80 year history.
- Veterans know Carter has turned back on them:

-- Cut VA budget \$322 million for FY 81 (mostly for medical program).

-- Over past 3 years, number of beds in VA hospitals reduced by over 8,500 while vet population is 30 million and growing older.

-- Vetoed bill that would provide 15 centers of geriatric care, research, education in VA hospitals.

-- Slow to provide open national cemeteries.

-- Very important: acted as if Vietnam veterans should be ashamed of their service there.

RR agenda for veterans:

-- Maintain VA integrity as independent agency;

Expand health programs of 172 hospitals, 230 outpatient clinics.

-- Continue rehabilitation and job training for disabled vets.

-- Adequately fund GI Bill

- -- Provide timely, adequate adjustments in compensation for disabled vets.
- -- Put country back to work so that every veteran of Vietnam can find a job.

-- Invertigate harm caused by Agent Orange & compensate those harmed.

FACTS

-- VA now 2nd largest agency in govt.

-- Carter's policies vulnerable -- but don't attack his VA chief, Max Cleland, a legless Vietnam veteran.

- -- Benefits provided to veteran:
 - Education
 - Housing loans
 - Disability compensation
 - Medical insurance
- -- Unemployment rate among Vietnam veterans running slightly higher then non-veterans.

FYI. Use only if have to:

-- Some have criticized RR's "noble cause" remark, but in 1976, Carter said Vietnam was a "racist war".



SUMMARY DEFENSE PAPER

• Our purpose is peace. The first priority of a President is to ensure that the safety of our people can never be threatened by a hostile power.

We are not a warlike people. Quite the opposite. We always seek to live in peace. But four times in my lifetime, America has gone to war, bleeding the lives of its young men into the sands of beachheads, the fields of Europe, the jungles and rice paddies of Asia. We know that war comes not when forces of freedom are strong, but when they are weak. That is when tyrants are tempted.

- Today, that peace is in jeopardy. The margin of safety enjoyed for more than 30 years has eroded, as Soviets have engaged in most massive military buildup in history. Examples of what's happened:
 - -- In Central Europe, Warsaw Pact outnumbers NATO 3-1 in tanks, 3-1 in artillery, 2-1 in aircraft.
 - -- We now have a 1½ ocean Navy for a 3-ocean world.
 - -- Our military readiness is shocking: recent Pentagon report showed that of 10 U.S. army divisions, 6 are not combat-ready.
- Carter administration bears prime responsibility. Ford was seeking to reverse U.S. decline, but Carter -- fulfilling campaign pledges -- sought to gut Ford program.
 - -- Since taking office, has cut \$38 billion from projected Ford budget.
 - -- Has cancelled or delayed many key systems: B-1, TRIDENT, naval buildup, Minuteman III, etc.
 - -- Carter now talking tougher, but after last 4 years, can't afford any more "trust me" govt.
- A Reagan administration will seek to restore the margin of safety -- to put U.S. in a new peace posture that will ensure world stability.
 - -- Would make volunteer force more attractive, more respected.
 - -- Would restore fleet to 600 ships.
 - -- Would build a new, modernized bomber.
 - -- Would ensure that weapons system are best available.
 - -- In short, would put into place a plan that would convince our adversaries they dare not seek conflict with us.
- With that plan underway, can then turn to larger task: negotiating for arms control. Can achieve peace only when strong. As John F. Kennedy said in his inaugural address, "Let us never negotiate out of fear. But let us never fear to negotiate."

THEMES

- Carter defense record weak and contradictory; he has compromised US security
 - -- Soviets take advantage: in Afghanistan, their brigade remains in Cuba
 - -- Allies are confused and discouraged
- US military capabilities have deteriorated across the board over four year period
 - -- USSR ahead in perhaps 75% of all measures of strategic forces
 - -- USSR will have advantage in long range theater nuclear forces by early 80s, and most US tactical nuclear weapons obsolete
 - -- US increasingly inferior in conventional forces, excepting naval forces where Soviets are rapidly catching up
 - -- US short of skilled manpower for all volunteer force and shortfalls in ammunition and spare parts mean lack of combat readiness in many areas
- Leading Democrats also highly critical Carter on defense and foreign policy
- Carter's playing politics with defense issues, a danger to national security -- Brown, Muskie, PD 59, "Stealth"
- RR would seek peace through strength; be consistent and steady; would not play politics; would bring in the best; move now to close the "window of vulnerability" with 1980 not 1990, solutions; and seek arms control measures consistent with national security.

MARGIN OF SAFETY/SUPERIORITY

- Key US objective to preserve peace, deter agression, and if aggression should occur defend itself.
- When US enjoyed military superiority, could preserve peace and thwart aggression.
- Problem is Carter Administration began by slicing defense. Carter JCS Chairman reports Soviet Union now:
 - -- "at least equal" in strategic nuclear power
 - -- has "substantial advantages" in theater nuclear and conventional forces
- RR favors restoring margin of safety through determined steady defense effort. (Carter JCS Chairman notes Ford budget for FY 78 would have maintained margin).
- Not inconsistency of Carter and reductions of Anderson.
 Carter Record has set us back.
 - -- In February 1977, Carter revised Ford FY 78 budget to reduce planned defense increased outlays by \$300 million and appropriations by \$2.7 billion (including slowing MX missile program and reduced procurement F-15s); 78 State of the Union didn't include defense as priority.
 - -- In September 1979, Carter rejected Senate call for 5% real growth defense; in December 1979 he said Soviet invasion of Afghanistan "made a more dramatic change in my opinion of what the Soviets' ultimate goals are than anything they've done in the previous time I've been in office."
 - -- In January 1980 Carter committed himself to 5.4% real increase in FY 81 defense budget (including making MX a priority, increasing F-15 procurement and developing a rapid deployment force (which Sec Def Brown had said in 1979 could be assembled from existing forces); but Business Week notes key bottlenecks in industrial capacity and \$80 billion in procurement unspent.
 - -- In March, Carter cited need for \$4.6 billion additional (increased fuel costs, inflation, Indian Ocean deployment), but asked for only \$2.9 billion (Charles Corddry, Baltimore Sun); this despite Carter's characterization of the Afghan invasion as the "most serious threat to the peace since the Second World War."

USE OF NUCLEAR WEAPONS

Question:

"Under what circumstances might you envision using nuclear weapons?"

Answer:

- Nuclear weapons are necessary to deterrence of aggression.
 This is clearly so for deterrence of nuclear attacks on the United States and its allies.
- However, for over 30 years under both Democratic and Republican administrations, it has been US policy to base deterrence of certain large scale, non-nuclear threats on the possible use of nuclear weapons by the United States. Major US allies have long based their security planning on US nuclear assurances.
 - I support this basic policy; but I do expect to reexamine the particular strategies and forces underlying that policy.
- RR advocates improved defense to make certain that nuclear weapons are never used. American strength will deter aggression and reduce the risk of war.

CONVENTIONAL FORCES AND ALL VOLUNTEER ARMY

CARTER RECORD

- Carter FY 81 budget belatedly calls for modernization and prepositioning in Europe of equipment, greater combat readiness, improved military living and working conditions, and improved capability to withstand nuclear, biological and chemical warfare..
- But over 3½ years Carter has let our conventional forces deteriorate. Current situation a scandal.
 - -- Although active duty strength may be within 2% authorized goal, Armed Services lack qualified personnel.
 - Recent Pentagon report (just became public) reports that of 10 US divisions, 6 are not combat ready.
 - Navy short 20,000 petty officers; USS CANISTEO removed from operational status.
 - Air Force short 2400 pilots; only 27 of every 100 reenlisting.
 - Army short 46,000 NCOs
 - Reserves 700,000 short. "Nifty Nugget" JCS mobilization exercise showed that for standard mobilization, we could fill only 52% infantry; 73% artillery and 28% armor positions.
 - -- Ammunition and spare parts shortages critical (acknowledged by Sec. Def. Brown 7/29/80)
 - in many categories only enough ammunition for a few days combat.
 - current ammo production cannot make up deficiencies on short notice.
 - only 50% F-14s and F-15s "fully mission capable".
 - -- Navy has been cut in half; 1½ ocean navy for 3 ocean world. Navy can't meet basic requirements, according to CNO; Ford 157 ship 5 year construction program has been slashed to 83.
 - -- Army will not be combat ready due to Carter spending cuts (Sec. Army & Army Chief of Staff)
 - -- Warsaw Pact outnumbers NATO on Central Front in Germany by 3-1 in tanks (Soviet tank armor a generation more advanced than any Western tank), 3-1 in artillery, (generally better than ours), 2-1 in aircraft.
 - -- US airborn divisions too heavy to move, too light to fight; to date rapid deployment force only 250 man staff in Florida.

All volunteer force (AVF) in trouble

- -- Carter assualt on military benefits and retirement including pay cap at half inflation rate; real purchasing power military personnel has moved back 7-20 percentage points in relation to general public.
- -- 250,000 service men qualify for public assistance.
- -- officers and skilled enlisted personnel leaving in droves.
- -- 45% new Army recruits in lowest acceptable mental category.

REAGAN AGENDA

- Critical to increase readiness and capability conventional forces
 - -- to provide alternatives to having to resort to nuclear weapons
 - -- to permit military options where required by our national security in different parts of the world.
- Make AVF more attractive. Reverse trend of reduced military compensation and work to establish comparability between military and civilian pay. Also consider selective increases in allowances and special pay and bonuses to encourage retention. Programs to attract and retain high quality men and women for Armed Services (restore GI bill) and expanded training opportunities.
- Restore fleet to 600 ships at rate equal to or exceeding Ford.
- Restore tactical aircraft development and procurement to economic levels and speed achievement 26 modernized aircraft wings.
- Accelerate procurement XM-1 main battle tank.
- Accelerate establishment rapid deployment force.
- Bring stocks ammunition, spare parts, supplies up to level that will help us sustain our forces in conflict.

NOTE: Anderson also for increasing pay military personnel, but has criticized Carter proposed 5% defense increases. Anderson not against conventional improvements.

SALT II TREATY

CARTER RECORD

The treaty is unequal

-- permits Soviets to continue one-sided arms race.

-- USSR allowed heavy missile launchers, US is not

-- 375 Soviet bombers, capable of international flight, not included in the totals

-- allows Soviets superior levels of destructive power

-- does not limit missiles or warheads; Soviets can produce and stockpile unlimited amounts, while the MX will not be operational until after SALT II has expired. The treaty allows the Soviets to deploy 6000 ICBM warheads before it expires.

The treaty is unverifiable

- -- Two major sources of verification are jeopardized: satellite (secret manual stolen 1978) and listening posts (Iran, Turkey, both in upheaval). On site inspections are out.
- -- Experts testified that there were a number of unverifiable aspects to the treaty
 (cruise missile ranges; ICBM upgrading; mobile ICBM deployment; backfire bomber potential; conversions from medium to intercontinental range missiles)

• The treaty is on hold

- -- Carter is complying with the proposed treaty but has asked Senate to postpone ratification in wake of Afghan crisis. Soviet compliance is ambiguous.
- -- Carter did not have 2/3 in the Senate needed to ratify anyway. (Senate Armed Services Committee rejected it outright; Foreign Relations Committee attached 20 conditions)

RR POSITION

- Critical to achieve balanced arms control consistent with national security. RR will try to negotiate.
- The Soviets increased their strategic position after SALT I and US failed to maintain strategic balance. Left US in bad negotiating position. Result: US gave more than it got.
- In the meantime, we should observe general limits of Vladivostok Accord (2400 vehicles, 1320 MIRVed)
- Should strengthen strategic forces
 - -- to defend ourselves
 - -- to achieve nuclear stability
 - -- to negotiate from strength

DEFENSE BUDGET

CARTER RECORD

- Carter has adopted a policy of unilateral restraint in military spending, without any countervailing Soviet restraint.
 - -- changed President Ford's policy of maintaining a position of military balance
 - -- Soviets now outspend us by 50% in overall military programs
 - -- Soviets outspend us by 75% in critical areas of research and development
 - -- Ford recognized need to maintaining balance by:
 - -- building B-1 bomber
 - -- accelerating MX missile program
 - -- accelerating Trident submarine and missile programs
 - -- increasing naval forces by 157 ships over 5 years
 - -- Carter merely requested Soviets restrain spending and then:
 - -- cancelled B-1
 - -- slowed MX missile program
 - -- slowed Trident program
 - -- cut shipbuilding in half
- Carter claims credit for increasing defense budget in real terms and was forced to reverse a one-third decline in defense spending during Nixon-Ford presidencies.
 - -- almost all reductions are due to reduction Vietnam requirements
 - -- actually averaged out to 6% increase over years 1970-77 when Vietnam drawdown is eliminated
 - -- promised in 1976 to cut defense spending from what Ford administration recommended, now takes credit for increased spending.

- Military pay is not keeping up with inflation
 - -- hourly rate is less than minimum wage to many in uniform
 - -- can make more money as cashier at McDonald's restaurant
 - -- Carter opposed increasing military benefits in Washington, but flew to USS Nimitz and promised increased benefits.

RR POSITION

- Would propose defense budget to provide a margin of safety against Soviet aggression.
 - -- assure US maintains "technical" superiority in weapons systems
 - -- secure realistic pay rate for military personnel
 - -- establish stability in issue of defense spending so our Allies would know US is dependable
 - -- defense spending is not inflationary
 - -- inflation is result of poor economic management
 - -- in 1950s defense budget was 9-11% of GNP and inflation only 3%
 - -- in 1960s defense was 7-8% of GNP, inflation was 4%

STRATEGIC BALANCE

USSR MAKING MASSIVE EFFORT SINCE 60s

- Outspending us 3 to 1
- <u>Developing</u> 5 new ICBMs (intercontinental ballistic missiles), several new SLBMs (submarine launched ballistic missiles, including Typhoon), several heavy bombers, advanced ABM (anti ballistic missile) radars and missiles, advanced interceptor aircraft, and probably laser and particle beam weapons.
- Now ahead of us in perhaps 75% all measures strategic forces and is rapidly closing the gap in the remaining areas.
- Have capability for rest of 80s to destroy US ICBM force (Sec. Def. Brown)
- Can see how Carter has gutted much of Ford program by seeing the goals each set for 1985-1986:

FORD VS. CARTER

TRIDENT SUBS 10 operational 6Deployed MX 90-100 0

Deployed MX
B-ls
Air launched
cruise missiles

6-7
0
0
Fewer than Ford

- Carter JCS chairman says "far better off" had Carter not cancelled B-1; SAC Commander Ellis says US had 3-1 advantage in 76, but 3 years later "no US edge" now or before 86.
- SAC Commander also says do not now have capabilities to carry out recently announced PD 59 strategy.
- Carter missile programs suffer from repeated design changes (not thought through)
 - -- MX missile program has been subject to __ basing system design changes.

RR AGENDA

- Support TRIAD concept (aircraft, ships, missiles).
- Support development MX missile for 90s.
- In meantime for 80s --
 - -- immediate short range program to overcome immediate missile vulnerability
 - -- longer term program to preclude Soviet Union from ever again placing our country in danger or learning to live with strategic inferiority Have directed advisors to prepare specific programs
- Will also want to review mid-term manned bomber options:
 - -- B-l penetrating
 - -- B-l variant standoff cruise missile carrier
 - -- FB 111 B/C penetrating
 - -- Re-engined B-52 cruise missile carrier

Note: STEALTH not a substitute for a new manned bomber system; manned bomber systems could be operational in 85' STEALTH not before 92, if then. STEALTH not totally invisible; can be detected at 50 miles; can'tcarry same payload as modified B-52.

ANDERSON POSITION

- Agrees with RR that "window of vulnerability" has opened.
- But considers MX unsound

 - -- enormously expensive (\$50-100 bil) for -- reason to believe Sovs can destroy far less than we can build it
 - -- consume vast energy and water resources, disrupt environment
 - -- invite Sovs to aim at thousands new targets in US
 - -- if SALT II not ratified, Sovs could overwhelm
- Anderson says can find alternative to MX, but mentions none.
- Would improve control, communications, warning, and basing systems ICBMs.
- Would move ahead with Trident.
- Continue to modernize B-52s with air launched cruise missiles.

THEATER NUCLEAR FORCES

NEUTRON BOMB

- Carter Administration mishandles neutron warhead development.
 - -- Carter convinced West Germany Chancellor Schmidt to accept deployment and convince his party to agree.
 - -- then Carter announced non-deployment of neutron warhead.
 - -- left Schmidt and other allies open to bullying by Soviet Union and attacks by members of left-wing factions in each country.
- RR favors development and deployment of neutron warhead for U.S. theater nuclear forces.
 - -- should be fitted to ballistic missiles, cruise missiles, artillery and bombs.
 - -- neutron warhead is most effective technological development to counter Soviet and Eastern Bloc forces, especially their large numbers of tank forces.
 - -- would increase deterrance against Soviet aggression and reduce prospect of war in Europe.

MODERNIZING THEATER NUCLEAR FORCES

- Carter Administration has done little to correct the imbalance in theater nuclear forces.
 - -- Soviets will probably increase their lead in 1980's unless U.S. changes policy.
 - -- Chairman of JCS acknowledges that Soviets will hold a 2-1 or 4-1 advantage in long-range theater nuclear forces by early 80's.
 - -- with one exception, all theater nuclear weapons in Europe are obsolete.
 - -- exception: B-61 nuclear bomb
 - -- Soviets have in excess of:
 - -- 100 mobile IPBM launchers
 - -- 70 Backfire bombers
 - -- 450 other IRBM launchers
 - -- U.S. and Allies oppose this with only 56 British Vulcan bombers and 76 U.S. FB-111's.
- After much pressure and criticisms, Carter Administration agreed to build and deploy Pershing II ballistic missiles and Ground Launched Cruise Missiles (GLCM's).
 - -- present Carter program will not permit full deployment of GLCM until 1990.
 - -- Lance I production in Michigan is being terminated by Carter.
 -- plant will be converted to producing Volkswagons.

RR applauds NATO countries for standing up to Soviets and would accelerate the deployment of modernized theater nuclear weapons for Europe.

-- meaningful reductions in Soviet theater nuclear arsenal will only occur when NATO is fully prepared to meet Soviet

challenge.

-- would accelerate deployment of Pershing II.

-- would speed up ground launched cruise missile development in order to make large scale procurement possible by FY83.

-- Lance I production should be continued to obtain 50% in-

crease in missiles and launchers by end of FY81.

-- 155-millimeter and 8-inch nuclear rounds should be converted to neutron warheads.

INTELLIGENCE

CARTER RECORD

- Analysis process discourages diversity in opinion on intelligence estimates.
 -- has encouraged underestimate of Soviet military buildup.
- Covert action capacity has deteriorated (Mention only if asked).
 potential for covert action must be maintained for availability on short notice.
 would have been useful in Iran.
- Much of our clandestine collection is not clandestine at all.
 -- lack of adequate cover.
- U.S. has no overall plan for counterintelligence or counterterrorism.
 - -- responsibilities have been split along jurisdictional, geographic, and disciplinary lines.

-- need central counterintelligence files.

RR POSITION

- Rebuild intelligence capabilities.
 - -- counterintelligence.
 - -- clandestine capability.
 - -- secure technical intelligence collection capability from attack.
 - -- encourage diverse opinion in analysis process by creating different teams of analysts so policymakers will have more than one opinion on critical analyses
- Ask for legislation that would concentrate Congressional oversight in House and Senate Intelligence Committees.
 - -- present system susceptible to leaks since 200 Congressional staff now have access to highly sensitive intelligence information.
- Secure legislation that would make it a crime to disclose identities of undercover intelligence personnel.
 one group has claimed to have already revealed identity
 - of 2,000 secret agents of CIA.
- Eliminate present strong political influence over analysis produced by intelligence agencies.

F. DEFENSE

Summary Defense Paper

Margin of Safety/Superiority

Use of Nuclear Weapons

Conventional Forces and All Volunteer Army

SALT II Treaty

Defense Budget

Strategic Balance

Theater Nuclear Forces

Intelligence

Politicization National Security

Nonproliferation

Vulnerabilities of Carter's Defense Record

POLITICIZATION NATIONAL SECURITY

- Carter has been recklessly politicizing our national security and defense programs:
 - -- Stealth technology leak
 - -- Policy Directive 59 (PD 59) leak on targeting of nuclear warheads
- RR decries using information of such extraordinary delicacy for political gains.
 - -- successful national security programs depend on security to stay ahead of Soviet countermeasures. Stealth gave USSR 10-year break.
 - -- the timing of public release of these new directives on nuclear strategy renew doubts about competence of present administration.
 - -- U.S. should have bipartisan foreign policy and conduct our international business in statesmanlike fashion.

FACTS

- Stealth: Low-radar-visibility aircraft.
 - -- DOD emphasized top secret nature of technology to House Intelligence Committee.
 - -- Pentagon's William Perry had already briefed Ben Schemmer, editor of Armed Forces Journal before House committee briefing. (Aviation Week)
 - -- After House briefing, Sec. Brown on 8/22/80 announced existence of Stealth technology at news conference. (Aviation Week)
 - -- Raises questions on reasons for lifting top secret classifications.
 - -- response to RR criticisms of military weakness.
 - -- Leak damages effectiveness of Stealth by giving Soviets chance to develop countermeasures even before planes are in production or technology is complete.
 - -- Sec. Brown's comments that Stealth "alters the military balance significantly" isn't true -- no bombers exist.
 - -- As George Will points out, appropriate for Carter administration to announce an invisible aircraft to go along with its invisible army and invisible navy.
- PD 59: Supposedly changes U.S. nuclear strategy to targeting of Soviet military rather than economic targets.
 - -- Leaks are attempt to show (belatedly) Carter's toughness on defense issues.
 - -- Actually, only a modest change from previous strategy --(evolving from earlier strategies). (Walter Mossberg, Wall Street Journal)

NONPROLIFERATION

- Nuclear energy important alternative to fossil fuels for the generation of electricity in many countries.
- But also need to recognize <u>risk of diversion</u> for nuclear explosives.
- To balance these competing interests, need to:
 - -- improve nuclear supply arrangements to reduce uncertainties in nuclear trade
 - -- improve nonproliferation arrangements to reduce risks of proliferation; particular caution re bomb usable material and the facilities that produce it.
- If elected President, will want to review nonproliferation policy on priority basis. Carter has failed to provide leadership and creative diplomacy essential to effective nuclear cooperation consistent with nonproliferation.
- IF ASKED: <u>Indian licenses</u> pose very sensitive issues.

 Want to continue US-Indian cooperation, but also essential to encourage India to place its peaceful nuclear activities under safeguards. Understand Congress currently considering issue.

NONPROLIFERATION: FACTS

- US, USSR, UK, France, China acknowledged nuclear weapon states.
- 1954 Eisenhower "Atoms for Peace" initiative encouraged peaceful uses nuclear energy. Beginning growth period nuclear power.
- 1968 Nonproliferation Treaty provides commitment not to develop nuclear explosives and assurance of peaceful use of nuclear energy under international safeguards. Over 100 parties; but key states of concern not members (Argentina, Brazil, India, Israel, Pakistan, South Africa).
- 1974 Indian explosion nuclear device (using Canadian origin material) brought world attention to nuclear power fuel cycle as possible source bomb usable material. Coincides with growing environmental opposition nuclear power.
- 1976. As result Ford initiative, principal suppliers nuclear material and technology (US, USSR, Canada, Western Europe, Japan) agreed to restrain spread of facilities producing bomb usable material (reprocessing for plutonium, enrichment for high enriched uranium)
 - -- French terminated reprocessing deals with Pakistan and Korea; US deferred reprocessing (Barnwell, S.C.) in part to set nonproliferation example; asked other countries to re-examine fuel cycle from nonproliferation point of view; attempted to cut off German deals with Argentina and Brazil.
- 1978 Nonproliferation Act set conditions on US exports
 which would apply after 2 year grace period regardless
 of pre-existing US supply contracts
 - -- EURATOM country supply to be cut off if conditions not accepted, subject to Presidential annual waiver (first waiver exercised in March 80)
 - -- Indian and other non-NPT party supply to be cut off if no pledge to safeguards on all peaceful nuclear activities.
- General condemnation Carter policy and 78 Act; Europeans and Japan claim it interferred with their nuclear programs which included experimentation with breeders (requiring reprocessing); developing countries claim policy breaks international agreements predating law and contrary to NPT bargain.
- Potential bomb builders (Pakistan, India) proceed largely undeterred despite fuel cycle restrictions.

- While economics/energy security do not require immediately proceeding with civil reprocessing, other countries resent US interference, unsettling beleaguered nuclear programs under attack for environmental/safety reasons.
- Allies looking for settlement in 81: issue involves conditions for reprocessing involving US origin supply and cooperation re potential bomb builders.
- Indian case (recently in news) involves two fuel license applications submitted during grace period under our law.
 - -- Carter argued for approval to keep safeguards on US material in India, maintain Indian goodwill; additional nonproliferation threat small.
 - -- Congress likely to veto Carter stand (GOP platform agrees) because India not prepared to subject all its nuclear activities to safeguards.

VULNERABILITIES OF CARTER'S DEFENSE RECORD

- Cut \$38 billion in three years from President Ford's projected defense budget.
- Delayed the MX missile by at least three years.
- Shut down our Minuteman III ICBM production line.
- Cancelled the B-1 bomber.
- Slowed down the Trident submarine and the Trident II ballistic missile programs.
- Slowed down all three cruise missile programs (air-, ground-, and sea-launched cruise missiles).
- Deferred any decision on enhanced radiation weapons (neutron bomb).
- Cut naval ship-building programs in half.
- · Vetoed a nuclear aircraft carrier.
- Allowed our armed forces to fall far below their recruitment goals and our military reserves to fall 20 percent below necessary war-time preparedness levels.
- Cancelled a fleet of Advanced Tanker Cargo Aircraft.
- Jeopardized alliance cohesion and credibility with his vacillating policy stands and his failure to meet commitments or to consult in a timely and meaningful manner.
- Promised to adhere to the terms of an unratified and inequitable strategic arms limitation treaty (SALT II).
- Asked for a 5.4% real increase in defense spending when he had turned it down four months previously in favor of a 3% increase.
- Called for an increase in military compensation (3/80), signed a bill calling for a modest increase in compensation, when he had lobbied against any increases two months previously (5/80).

SOURCE: The Carter Record, published by the RNC