

# Ronald Reagan Presidential Library Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**Collection:** Reagan, Ronald: 1980 Campaign Papers,  
1965-80

**Folder Title:** Issues – Defense – Defense Budget

**Box:** 239

---

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library inventories visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

## MILITARY SPENDING

Sees Soviet Union increasing defense spending beyond reasonable defense requirements. Therefore, supports a reversal of U.S. policy under which defense spending decreased in real dollar terms from 1968 through 1976. Proposes for fiscal year 1981-82, defense funding authority of more than \$158 billion, an increase of 5% over the previous year.

*Carter*

Position is one of never permitting the Soviets to develop military strength superior to that of the United States. But does not believe simply in outspending Russians on military hardware. "What will count is not what we pay but what we buy." Supports spending increase of \$500 million in area of conventional weapons that would be balanced in cuts in accelerated development of MX missile and nuclear carrier.

*Kennedy*

Calls for greater spending on land-based missile systems, a stronger Navy and other arms programs. Critical of President Carter's plan for an increase in the military budget as not being enough.

*Reagan*

Advocates increasing military spending "to meet real needs" such as an increased U.S. commitment to North Atlantic Treaty Organization or to improve this country's ability to deploy troops. Opposes development of MX missile program "because it is a waste of money." Calls for examination of expenditures on such items as energy conservation, space exploration and communications to assure that defense dollars are logically spent.

Compiled by RONALD L. SOBLE, Times Staff Writer, and MARTHA GOLDSTEIN, Times Researcher; Times Photos by JOE KENNEDY (Carter) and GEORGE ROSE.

*Anderson*

## DEFENSE BUDGET AND THE ECONOMY

- Q. Ronald Reagan has maintained that the Soviets are outspending the U.S. in defense. How has the Soviet defense spending compared to that of the U.S. in recent years?
- A. The Soviet Union has clearly shown that it does not intend to conduct itself in accordance with the principles of detente. The Soviet economy is geared for war, the leadership is predatory, and the military is large and ready for combat.

The latest unclassified CIA report estimates that:

- In 1979, the Soviets outspent the U.S. on defense by 50%.
- In 1979, the Soviets outspent the U.S. on strategic forces by almost 300%.
- In 1979, the Soviets outspent the U.S. on ground forces by 250%.
- In 1979, the Soviets and the U.S. spent about the same for naval forces, even though the mission of the U.S. Navy (sea control) is much more difficult than the mission of the Soviet Navy (sea denial).
- In 1979, the Soviets spent 80% more on procurement than the U.S.
- In the decade of the 1970s, the Soviets spent 30% more than the U.S. on defense.
- In the decade of the 1970s, the Soviets spent 55% more on procurement.

As for U.S. defense spending, the following points could be made:

- President Nixon inherited the Vietnam War and the anti-defense mood of the Congress and consequently had his budgets cut by Congress even though domestic pressure had forced him to submit smaller budgets.



- President Ford achieved the first real growth in the defense budget -- following the down-turn of 1968 at the peak of the War -- in Fiscal Year 1977. He and Rumsfeld made the convincing case that "adverse trends" in the military balance were a serious problem.
- President Carter campaigned on a promise to cut defense; he kept his promise and sent over a Supplemental cut to the Fiscal Year 1978 budget.
- In his first three years of office, Carter reduced defense spending by a total of over \$38 billion from President Ford's last Five Year Defense Plan.
- The only reason the President proposed a 5% real increase (which was a phony 5% real increase since it presumed an 8-9% inflation rate) for defense in early December 1979 was to sell a flawed SALT II Treaty. After the invasion of Afghanistan in late December 1979, the President rebuffed calls to increase the FY 80-81 defense budgets by more than a 5% in real terms. Moreover, the President recently wrote a letter to a number of Congressmen in a major effort to undercut his own budget by supporting a House Budget Committee proposal for a small budget.

DEFENSE BUDGET AND THE ECONOMY #2

- Q.<sup>3</sup> Does Ronald Reagan believe that President Carter's recently proposed FY '81 defense budget provides an adequate response to the growing Soviet threat?
- A. No. There continues to be a serious disconnect between the threat -- or, for that matter, the way the Carter Administration describes the threat -- and the defense budget and programs proposed. As for the defense budget that Mr. Carter proposes:
- In outlays (funds actually spent in a fiscal year), the budget provides for only about 3% real growth. In total obligational authority (that is authority to commit funds to be spent now and in future years) there is a 4.5% real growth. But both these figures presume about a 9% inflation rate. The Consumer Price Index for 1979 was 13%. For 1980, the inflation rate will probably be higher.
  - In terms of Gross National Product, the 1981 defense budget will be a little over 5%. This is about the 1980 level and close to the level of 1977 when the Soviet threat was much more benign. In the early 1960s, we spent about 7-8% of the GNP on defense with 4% inflation. In the Eisenhower years, we spent 9-11% of the GNP on defense and had only 3% inflation.
  - As a share of the total federal outlays, the Defense Department takes about 25% in 1981. This is about the same as it has been since 1977 when Mr. Carter arrived in the White House and the Soviet threat was much less. In contrast, the spending for social and welfare programs is about 40% of the federal budget in 1981. Despite the Soviet's drive for supremacy and their direct threat to the oil lifeline of the West, Mr. Carter continues to do business as usual.
  - The defense budgets of the U.S. are always notoriously underfunded, and this has been particularly true under President Carter. His programs always show that we will buy what we need at the end of the five-year defense plan, but somehow we never get there.



DEFENSE BUDGET AND THE ECONOMY #3

Q. What should be the role of the Congress in putting together an adequate Fiscal Year 1981 defense budget?

A. The sharp contrast between President Carter's declared defense budget objectives -- which themselves are marginally adequate -- and the actual military capabilities the U.S. possess to achieve them poses serious questions that Congress must address as it considers the Fiscal Year 1981 defense budget.

The decade-long neglect of U.S. military force modernization is attributable to a number of factors; the war in Southeast Asia, escalating personnel costs, and rampant inflation. However, over the past three years in particular, the problem of modernizing the U.S. military forces to meet increased requirements has been exacerbated due to unwise program stretchouts (Trident, MX, cruise missile programs) and unilateral weapons cancellations (B-1, nuclear carrier veto) by the Administration. These decisions have directly contributed to both additional cost growth in weapons procurement and an overall decline in U.S. military readiness.

Critics have been urging since last fall that significant additions be made to the defense program of the Carter Administration to redress the growing imbalance in U.S.-Soviet military capabilities. In September 1979, during the floor debate on the Fiscal Year 1980 Second Concurrent Budget Resolution, Senator Ernest Hollings noted that even if the Senate accepted the Hollings Resolution, calling for five percent real growth in defense spending Fiscal Years 1981 and 1982, "five percent only gives us half (\$40 billion) of what the Pentagon has asked for" in the out-years of the five-year plan -- some \$80 billion. Hollings and his Democratic colleagues, Senators Henry Jackson and Sam Nunn, thereupon presented a list of suggested additions to the Carter Administration's defense program, primarily in the readiness and general purpose force category. Such an addition is a necessary first step that must be taken by Congress, as a result of 3½ years of neglect by the Carter Administration.

STATEMENT BY THE HONORABLE RONALD REAGAN  
AMERICAN LEGION NATIONAL CONVENTION  
BOSTON, MASSACHUSETTS  
AUGUST 20, 1980

The Republican platform pledges judicious application of defense spending, to critically needed requirements. This is what it means.

We must provide the defense spending and programs necessary to correct immediate and short-term vulnerabilities and deficiencies. Our nuclear deterrent forces must be made survivable as rapidly as possible to close the window of vulnerability before it opens any wider.

We must immediately reverse the deterioration of our naval strength, and provide all of the armed services with the equipment and spare parts they need.

We must restore true essential equivalence for our own security and for the political perceptions of our adversaries, our allies, and Third World countries.



## NATIONAL SECURITY

- Q. Why should the United States increase its defense spending beyond the Administration's proposed increases?
- A. Over the last decade the Soviets have outspent the United States by at least \$260 billion. Today, the Soviet defense effort is 50% greater than ours. Because of this great disparity, the Soviets are on the verge of gaining overall military superiority over the U.S. If we fail to reverse the trends in the military balance, the U.S. and its allies will be vulnerable to Soviet coercion, intimidation and blackmail. Ronald Reagan believes that a significant increase in U.S. defense spending is the key to reversing these trends, and the Administration's proposed increases will not offset the impact of inflation. Further, the Administration's budget is based on an unrealistic "business as usual" approach.