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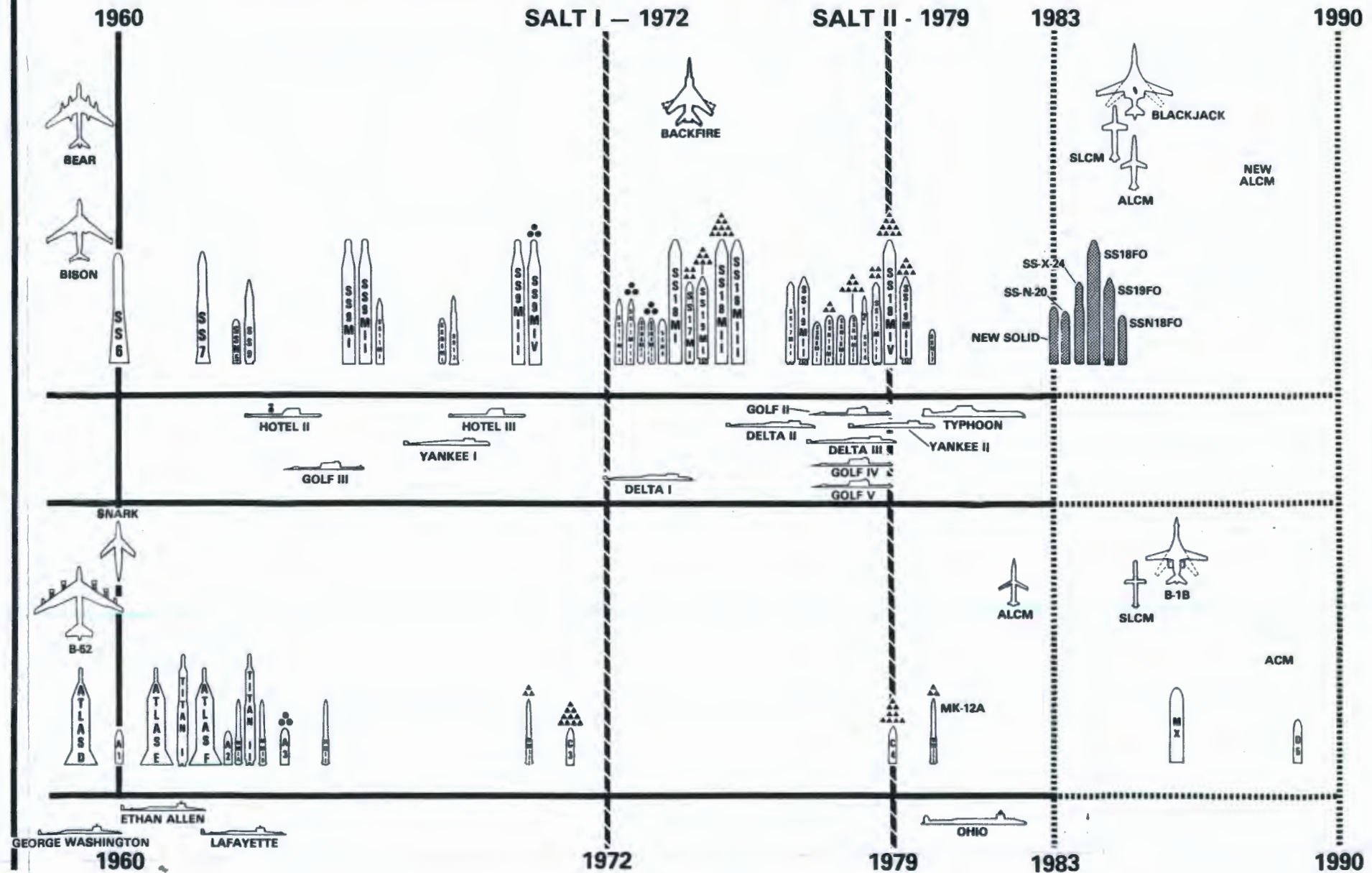
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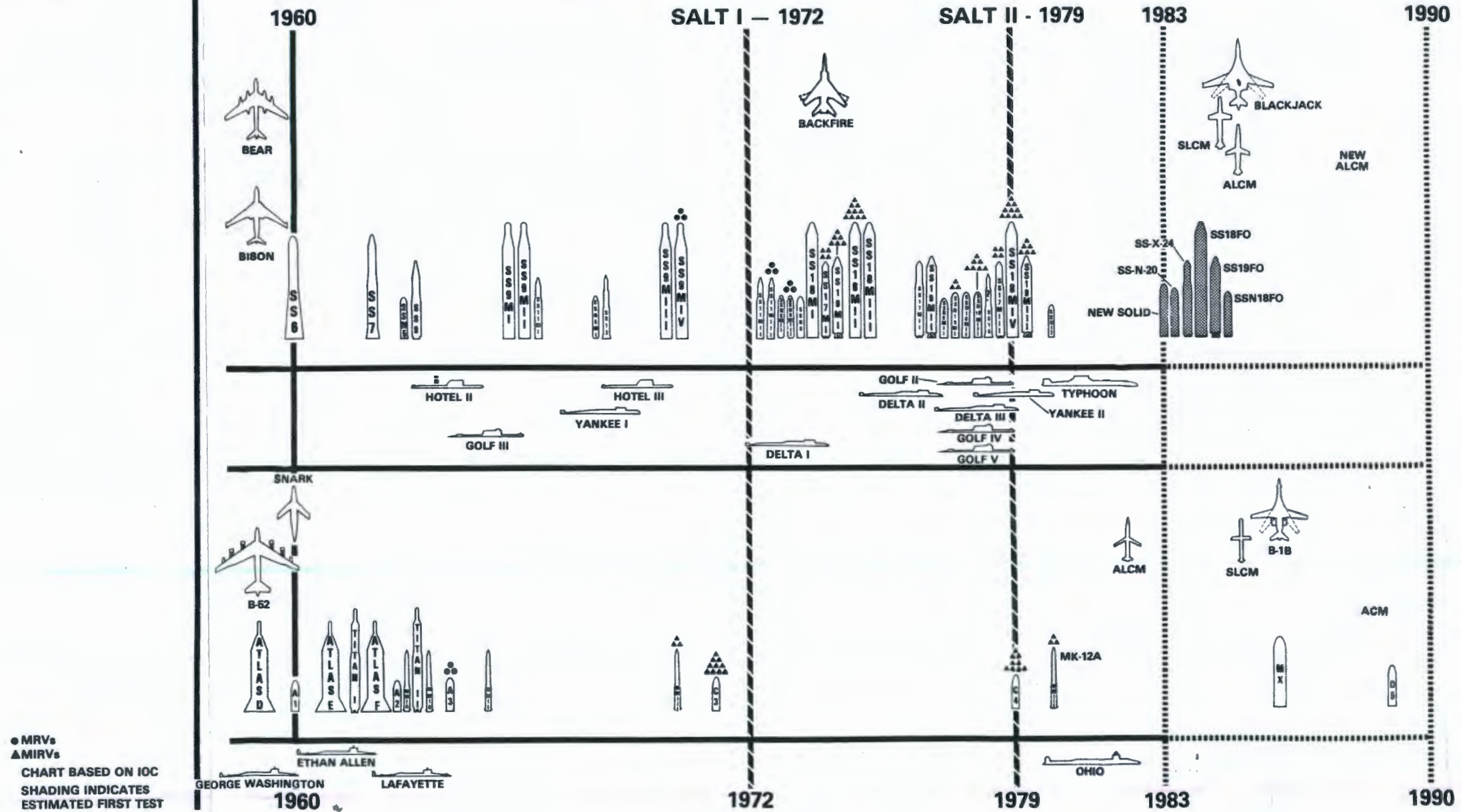
JULY 1983

THE STRATEGIC NUCLEAR ARMS "RACE"



JULY 1983

THE STRATEGIC NUCLEAR ARMS "RACE"



THE WHITE HOUSE

WASHINGTON

June 21, 1983

MEMORANDUM TO: FAITH RYAN WHITTLESEY

THROUGH: Jonathan Vipond, II

FROM: Morton C. Blackwell *MCB*

SUBJECT: Briefing by Constantine Menges

Monday afternoon I had an exceptionally rewarding conversation with Dr. Constantine Menges of the CIA. He demonstrated to me that we are at a very crucial point with respect to Central America. If certain steps are not taken now, we will be faced with the unpleasant alternatives of sending in U.S. combat units or acquiescing to a Marxist-Leninist takeover of most of the countries of the region.

I strongly suggest that you schedule a 20 minute briefing by Constantine as soon as possible. His number is: 351-5972.

MCB:jet

THE WHITE HOUSE

WASHINGTON

May 27, 1983

Ms. Judy Shreve,
Director
COMMUNICATIONS AND ELECTRONICS ASSOCIATION
5641 Burke Centre Parkway
Burke, Virginia 22015

Dear Judy:

Frank has requested that we add you to our list of people for appropriate meetings and mailings. I am happy to do so.

We do not send out regular mailings from our office. From time to time, however, we do send out mailings, primarily Presidential documents. We do have briefings from time to time, and I will be sure you are included in appropriate ones.

Cordially,



MORTON C. BLACKWELL
Special Assisant to the President
for Public Liaison

MCB:jet

cc: The Honorable Frank R. Wolf, M.C.
The Honorable John F. Scruggs

*Add to defense
mailing list*

THE WHITE HOUSE

WASHINGTON

May 16, 1983

MEMORANDUM FOR: MORTON BLACKWELL

FROM: JOHN F. SCRUGGS *JFS*
SPECIAL ASSISTANT TO THE PRESIDENT
FOR LEGISLATIVE AFFAIRS

SUBJECT: Attached request from Congressman
Frank Wolf (R-VA)

I am taking the liberty of forwarding Congressman Frank Wolf's request for his constituent, Ms. Judy Shreve, to be placed on your mailing list for those individuals working in the defense field. My staff assistant, Anne Chesser, recently spoke with Ed Crowell of your office regarding the request -- at which time he advised that such requests are considered individually. This being the case, I would appreciate it if your office could notify me when a decision has been reached on whether or not Ms. Shreve should be included in your distribution list. ~~Congressman Wolf has also contacted me personally in Ms. Shreve's behalf, and she would like a written confirmation of any action regarding her request.~~

Thank you for your attention in this matter, and if you have further questions, please phone my office on extension 7030.

FRANK R. WOLF
10TH DISTRICT, VIRGINIA

WASHINGTON OFFICE:
130 CANNON BUILDING
WASHINGTON, D.C. 20515
(202) 225-5136

CONSTITUENT SERVICES OFFICES:

1651 OLD MEADOW RD.
SUITE 115
MCLEAN, VIRGINIA 22102
(703) 734-1500

19 E. MARKET ST.
ROOM 4B
LEESBURG, VIRGINIA 22075
(703) 777-4422

Congress of the United States
House of Representatives
Washington, D.C. 20515

May 20, 1983

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SUBCOMMITTEES:
CIVIL SERVICE
POSTAL PERSONNEL
AND MODERNIZATION
SELECT COMMITTEE
ON CHILDREN, YOUTH
AND FAMILIES

Mr. John F. Scruggs
Special Assistant to the President
for Legislative Affairs
The White House
Washington, D.C. 20500

Dear John:

This is to follow up on my letter of May 11 to you on behalf of Ms. Judy Shreve, a friend and constituent, who is Director, Communications and Electronics Association (AFCEA), 5641 Burke Centre Parkway, Burke, Virginia 22015.

The address cited in my May 11 letter to you was incorrect, and I would appreciate your assistance in making this address change.

AFCEA serves as the government, military and industry bridge for command, control, communications and intelligence, and Ms. Shreve would very much like to be placed on an appropriate list to be notified of White House briefings by DoD and others on matters related to defense communications.

Thank you for your help in channeling this request in the proper direction as I want to be of every possible assistance to Ms. Shreve.

Sincerely,



Frank R. Wolf
Member of Congress

FRW:rap

FRANK R. WOLF
4TH DISTRICT, VIRGINIA

WASHINGTON OFFICE:
130 CANNON BUILDING
WASHINGTON, D.C. 20515
(202) 225-5136

CONSTITUENT SERVICES OFFICES:

1651 OLD MEADOW RD.
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19 E. MARKET ST.
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LEESBURG, VIRGINIA 22075
(703) 777-4422

Congress of the United States
House of Representatives
Washington, D.C. 20515

May 11, 1983

COMMITTEES:
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CIVIL SERVICE
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AND MODERNIZATION
SELECT COMMITTEE
ON CHILDREN, YOUTH
AND FAMILIES

Mr. John F. Scruggs
Special Assistant to the President
for Legislative Affairs
The White House
Washington, D.C. 20500

Dear John:

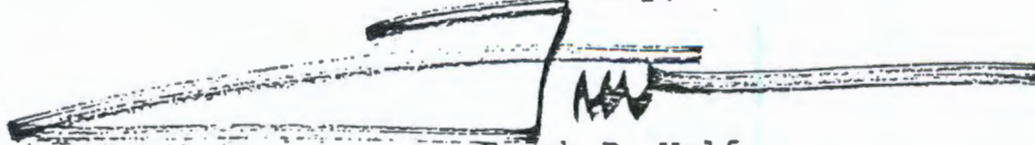
I am writing on behalf of Ms. Judy Shreve, a friend and constituent, who is Director, Publications and Public Relations for the Armed Forces Communications and Electronics Association (AFCEA), 5205 Leesburg Pike, Falls Church 22041 (telephone 425-8578).

AFCEA serves as the government, military and industry bridge for command, control, communications and intelligence, and Ms. Shreve would very much like to be placed on an appropriate list to be notified of White House briefings by DoD and others on matters related to defense communications.

I would very much appreciate your channeling this request in the proper direction as I want to be of every possible assistance to Ms. Shreve.

Thank you for your kind attention to this matter.

Sincerely,



Frank R. Wolf
Member of Congress

FRW:rap

THE WHITE HOUSE
WASHINGTON

March 21, 1983

MEMORANDUM FOR: FAITH WHITTLESEY
THRU: M. B. OGLESBY, JR.
FROM: JOHN F. SCRUGGS *JFS*
SUBJECT: Addition to Distribution List

Congressman Frank Wolf (R-VA) has requested that the following association be put on your list of recipients for material distributed from your office, as well as possible invitees to attend future briefings regarding Administration policy developments:

Ms. Judy Shreve
Armed Forces Communication
and Electronics Association
5641 Burke Center Parkway
Burke, Virginia 20015

425-8578

Thank you for your assistance.



*file
Defense
Department*

↓

DEPARTMENT OF DEFENSE

STATEMENT
BEFORE THE
SENATE ARMED SERVICES COMMITTEE

FEBRUARY 1, 1983

RELEASED

CASPAR W. WEINBERGER
SECRETARY OF DEFENSE

Not for Publication Until Released
by the Committee

STATEMENT BEFORE THE SENATE ARMED SERVICES COMMITTEE
(IDENTICAL STATEMENT PROVIDED FOR THE HOUSE ARMED SERVICES COMMITTEE)

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

BEFORE I BEGIN A DISCUSSION OF OUR DEFENSE PROGRAM, LET ME FIRST SAY HOW MUCH I APPRECIATE CONGRESS' SUPPORT FOR -- INDEED, CONGRESS' LEAD -- IN REBUILDING OUR DEFENSES. IT WAS CONGRESS THAT INITIALLY SET THE PACE FOR THIS EFFORT BY APPROPRIATING FUNDS ABOVE PRESIDENT CARTER'S BUDGET REQUEST FOR FY 1981. AND IT IS CONGRESS THAT MADE IT POSSIBLE FOR PRESIDENT REAGAN TO RESTORE THE BASIC READINESS OF OUR FORCES AS WELL AS BEGIN OUR LONG-TERM DEFENSE MODERNIZATION PROGRAM. I KNOW THAT MEMBERS OF THIS COMMITTEE IN PARTICULAR HAVE LONG BEEN DEEPLY CONCERNED ABOUT A DANGEROUS SHIFT IN THE MILITARY BALANCE, AND I THINK I SPEAK FOR THE ENTIRE NATION IN THANKING YOU FOR YOUR LEADERSHIP.

THE BUDGET REQUEST ITSELF IS ONLY THE FINAL STEP IN DESIGNING OUR DEFENSE PROGRAM. BEFORE WE PUT NUMBERS TO PROGRAMS, WE HAVE DETERMINED OUR OVERALL NATIONAL SECURITY OBJECTIVES, THE MILITARY THREATS POSED TO THOSE OBJECTIVES, OUR DEFENSE STRATEGY TO DEAL WITH THESE MILITARY THREATS AND, FINALLY, THE FORCES WE REQUIRE TO IMPLEMENT THAT STRATEGY.

IN MY TESTIMONY LAST YEAR I FOCUSED ON THE MODIFICATIONS THAT WE HAD TO MAKE TO THE MILITARY STRATEGY AND DEFENSE POSTURE THAT WE INHERITED. IN SOME CASES, WE FOUND THAT

THE POLICIES WE INHERITED DID NOT CONFORM TO THE INTERNATIONAL REALITIES WE FACED, AND WE HAD TO MAKE SOME CHANGES. TODAY I WANT TO DISCUSS OUR ENTIRE POLICY FROM A BROADER OUTLOOK, CONSIDERING BOTH THE REFORMS WE HAVE MADE, AND THE ENDURING PRINCIPLES FROM THE PAST THAT TOGETHER FORM THE FOUNDATION OF OUR CURRENT DEFENSE POLICY.

NATIONAL SECURITY OBJECTIVES

AT THE OUTSET, IT MAY BE USEFUL FOR US TO RECALL THAT OUR OVERALL NATIONAL SECURITY OBJECTIVES, IN A VERY ABBREVIATED FORM, ARE:

- TO DETER MILITARY ATTACK AGAINST THE UNITED STATES, ITS ALLIES, AND OTHER FRIENDLY COUNTRIES.

- IN THE EVENT OF A CONVENTIONAL ATTACK, TO DENY THE ENEMY HIS OBJECTIVES AND BRING A RAPID END TO THE CONFLICT ON TERMS FAVORABLE TO OUR INTERESTS.

- TO PROMOTE MEANINGFUL AND VERIFIABLE MUTUAL REDUCTIONS IN NUCLEAR AND CONVENTIONAL FORCES.

- TO INHIBIT FURTHER EXPANSION OF SOVIET CONTROL AND MILITARY PRESENCE.

- TO AVOID SUBSIDIZING OR SUPPORTING THE SOVIET BUILDUP BY PREVENTING, IN CONCERT WITH OUR ALLIES, THE FLOW OF MILITARILY SIGNIFICANT TECHNOLOGIES AND MATERIAL TO THE SOVIET UNION.

THE SOVIET MILITARY THREAT

IN ASSESSING OUR ABILITY TO ACHIEVE THESE NATIONAL SECURITY OBJECTIVES, WE RECOGNIZE THAT THE SOVIET UNION POSES, AND FOR THE FORESEEABLE FUTURE WILL CONTINUE TO

POSE, THE MOST FORMIDABLE THREAT TO THE UNITED STATES AND OUR INTERESTS. OF COURSE, WE RECOGNIZE THAT SOME THREATS ARISE INDEPENDENTLY OF THE SOVIET UNION. BUT, MORE OFTEN THAN NOT, THE MAGNITUDE AND PERSISTENCE OF THESE OTHER THREATS AND OUR DIFFICULTIES IN COUNTERING THEM ARE GREATLY AGGRAVATED BY SOVIET POLICIES, BACKED BY THE EXPANDING REACH OF SOVIET MILITARY POWER.

THE 20-YEAR SOVIET MILITARY BUILDUP, COUPLED WITH THE COLLECTIVE FAILURE OF THE UNITED STATES AND OUR ALLIES TO MAKE A SUFFICIENT RESPONSE, HAS RESULTED IN A DANGEROUS SHIFT IN THE GLOBAL MILITARY BALANCE.

THIS GLOBAL MILITARY BALANCE HAS SHIFTED AGAINST US BECAUSE THE SOVIET UNION HAS OUT-SPENT AND OUT-PRODUCED US FOR AT LEAST A DECADE. EVEN WHEN WE INCLUDE THE ALLIED EFFORTS OF EACH SIDE, WE FIND THAT THE WARSAW PACT HAS OUT-SPENT AND OUT-PRODUCED THE NATO COUNTRIES.

(CHART 1: U.S.-SOVIET MILITARY INVESTMENT)

AS THIS CHART REVEALS, TOTAL SOVIET INVESTMENT IN FUTURE MILITARY CAPABILITIES -- THAT IS, FOR WEAPONS AND OTHER EQUIPMENT, CONSTRUCTION OF MILITARY FACILITIES, AND RESEARCH AND DEVELOPMENT -- IS ABOUT DOUBLE OURS.

(CHART 2: U.S. SOVIET MILITARY INVESTMENT BY MISSION AREA)

THIS AGGREGATE COMPARISON CAN ALSO BE VIEWED IN ITS COMPONENT PARTS. AS THIS CHART SHOWS, DURING 1980-81 SOVIET INVESTMENT IN STRATEGIC NUCLEAR FORCES WAS ABOUT THREE TIMES HIGHER THAN OURS; ABOUT 50% HIGHER FOR

GENERAL PURPOSE FORCES; AND ABOUT TWICE OUR RATE FOR RESEARCH AND DEVELOPMENT. THIS IS IN STARK CONTRAST TO THE SITUATION 15 YEARS AGO.

BUT, MORE IMPORTANT THAN THE "INPUT" -- WHAT THE SOVIETS SPEND ON DEFENSE -- IS THE "OUTPUT" -- THE TANKS, PLANES, SHIPS, MISSILES AND OTHER MILITARY HARDWARE THEY PRODUCE AND DEPLOY.

(CHART 3: U.S.-SOVIET WEAPONS PRODUCTION)

IN SOVIET MILITARY POWER WE PUBLISHED LISTS OF EQUIPMENT PRODUCED BY THE SOVIET UNION. ON THIS CHART, HOWEVER, WE ARE COMPARING PRODUCTION TOTALS ONLY OF EQUIPMENT ADDED TO THE INVENTORY OF SOVIET AND U.S. FORCES TO COMPARE ACTUAL MILITARY CAPABILITY. IF WE HAD USED TOTAL PRODUCTION FIGURES, WHICH INCLUDE EXPORT EQUIPMENT, THE IMBALANCE WOULD TIP EVEN MORE TOWARD THE SOVIET UNION.

THIS TREND IS EVEN MORE WORRISOME WHEN ONE CONSIDERS THAT THE SOVIET UNION HAS ALSO UPGRADED THE QUALITY OF ITS WEAPONS -- PARTICULARLY IN CONVENTIONAL FORCES. THE SOVIET UNION HAS ALWAYS FIELDDED GREATER NUMBERS OF CONVENTIONAL WEAPONS WHICH WE OFFSET WITH SMALLER NUMBERS OF MORE CAPABLE EQUIPMENT. BUT NOW WE FIND THAT THE STEADY GROWTH IN SOVIET INVESTMENT HAS ALLOWED THEM TO PRODUCE INCREASINGLY MORE SOPHISTICATED WEAPONS SUCH AS THE POTENT T-72 TANK, ACCURATE AIR DEFENSE WEAPONS, AND FIGHTER AIRCRAFT CAPABLE OF OPERATING IN ALL TYPES OF WEATHER.

(CHART 4: U.S. SOVIET WEAPONS PRODUCTION IN FY 1984)

AS THE NEXT CHART ILLUSTRATES, EVEN THOUGH THE UNITED STATES IS NOW INCREASING ITS RATE OF WEAPONS PRODUCTION,

THE NUMBERS SOUGHT FOR THIS YEAR WILL FALL FAR SHORT OF THE AVERAGE ANNUAL SOVIET PRODUCTION.

IN SUBMITTING THIS DATA FOR YOUR CONSIDERATION, I WANT TO EMPHASIZE THAT IT IS NOT OUR INTENTION TO MATCH THE SOVIETS TANK FOR TANK OR AIRCRAFT FOR AIRCRAFT. OUR INTENTION IS TO REGAIN AN EFFECTIVE DETERRENT AGAINST EITHER SOVIET CONVENTIONAL OR NUCLEAR AGGRESSION. WE RECOGNIZE THAT OTHER FACTORS BESIDES QUANTITATIVE COMPARISONS AFFECT THE MILITARY BALANCE. ONE OF THE MOST IMPORTANT OF THESE IS THAT THE SOVIETS HAVE MATCHED THEIR MILITARY BUILDUP WITH MILITARY AND POLITICAL EXPANSION INTO STRATEGICALLY IMPORTANT AREAS FAR FROM THE SOVIET PERIPHERY.

(CHART 5: SOVIET GLOBAL POWER PROJECTION MAP)

AS THIS MAP SHOWS, THE SOVIET UNION NOW HAS:

- ACQUIRED SECURITY AND COOPERATIVE AGREEMENTS IN AFRICA, THE NEAR EAST, SOUTHEAST ASIA AND SOUTHWEST ASIA.
- UNDERTAKEN MASSIVE ARMS DELIVERIES TO THIRD WORLD COUNTRIES -- DOUBLE THE AMOUNT WE SUPPLIED FROM 1977-1981.
- ACQUIRED CUBAN, EAST GERMAN AND/OR LIBYAN MILITARY PROXIES IN CENTRAL AMERICA AND AFRICA.
- GREATLY INCREASED ITS POWER PROJECTION CAPABILITIES.
- EXPANDED ITS OVERFLIGHT AND ACCESS RIGHTS TO OPERATING BASES IN KEY PARTS OF THE WORLD.
- OCCUPIED AFGHANISTAN.

THE CUMULATIVE EFFECT OF THE SOVIET MILITARY BUILDUP AND SOVIET EXPANSIONISM HAS BEEN NOT ONLY TO CHANGE THE TYPE OF ATTACK WE MIGHT CONFRONT AND THE AREAS IN WHICH

WE COULD BE ATTACKED, BUT ALSO TO INCREASE GREATLY THE EFFECTIVENESS OF SUCH AN ATTACK. THE INCREASED SIZE AND QUALITY OF SOVIET FORCES HAS ENABLED THEM TO TURN FROM A DEFENSIVE FORCE POSTURE TO ONE INCREASINGLY STRUCTURED FOR OFFENSIVE USE. THEIR INCREASED NAVAL AND POWER PROJECTION CAPABILITY, COUPLED WITH THEIR ACQUISITION OF CRITICAL Footholds IN STRATEGIC LOCATIONS THROUGHOUT THE WORLD, ENABLES THEM TO LAUNCH AND MAINTAIN CONFLICT IN SEVERAL THEATERS SIMULTANEOUSLY. THEIR BUILDUP OF NUCLEAR FORCES, PARTICULARLY ICBMS, ENABLES THEM TO THREATEN TO DESTROY A VERY LARGE PART OF OUR FORCE IN A FIRST STRIKE, WHILE RETAINING OVERWHELMING NUCLEAR FORCE TO DETER ANY RETALIATION WE COULD CARRY OUT.

DEFENSE STRATEGY

OUR DEFENSE STRATEGY FOR DEALING WITH THIS THREAT CONSISTS OF A SERIES OF DISCRETE BUT INTERRELATED ELEMENTS, SOME OF WHICH HAVE ENDURED FOR MANY YEARS, OTHERS OF WHICH ARE MORE RECENT IN ORIGIN. IT INCORPORATES THREE MAIN PRINCIPLES:

- FIRST, OUR STRATEGY IS DEFENSIVE. THAT IS TO SAY, IT EXCLUDES THE POSSIBILITY THAT THE UNITED STATES WOULD INITIATE A WAR OR LAUNCH A PREEMPTIVE STRIKE AGAINST THE FORCES OR TERRITORIES OF OTHER NATIONS.

- SECOND, OUR STRATEGY IS TO DETER WAR. THE DETERRENT NATURE OF OUR STRATEGY IS CLOSELY RELATED TO OUR DEFENSIVE STANCE. WE MAINTAIN A NUCLEAR AND CONVENTIONAL FORCE POSTURE DESIGNED TO CONVINCe ANY POTENTIAL ADVERSARY THAT THE COST OF

AGGRESSION WOULD BE TOO HIGH TO JUSTIFY AN ATTACK.

- THIRD, SHOULD DETERRENCE FAIL, OUR STRATEGY IS TO RESTORE PEACE ON FAVORABLE TERMS. IN RESPONDING TO AN ENEMY ATTACK, WE MUST DEFEAT THE ATTACK AND ACHIEVE OUR NATIONAL OBJECTIVES WHILE LIMITING -- TO THE EXTENT POSSIBLE AND PRACTICABLE -- THE SCOPE OF THE CONFLICT.

TO CARRY OUT THIS STRATEGY WE HAVE EMPHASIZED THREE VITAL SUPPORTING POLICIES.

FIRST, THE UNITED STATES REMAINS PART OF, AND CONTRIBUTES TO, A COLLECTIVE DEFENSE POSTURE THAT INCORPORATES THE STRENGTH OF OUR ALLIES. THE NORTH ATLANTIC TREATY, THE RIO TREATY, THE ANZUS TREATY, AND OUR TREATIES WITH KOREA, THE PHILIPPINES, AND JAPAN HELP PROVIDE FOR AN EFFECTIVE COMMON DEFENSE AGAINST EXTERNAL AGGRESSION.

SECOND, TO BUTTRESS OUR COLLECTIVE SECURITY POSTURE, WE MAINTAIN FORWARD DEPLOYMENTS THAT, COMBINED WITH THE FORCES OF OUR ALLIES, PROVIDE THE FIRST LINE OF CONVENTIONAL DEFENSE IN WESTERN EUROPE, JAPAN, AND KOREA. IN THE EVENT OF WAR, WE WOULD REINFORCE THESE FORWARD-DEPLOYED UNITS RAPIDLY.

THIRD, WE SEEK A FLEXIBLE FORCE STRUCTURE THAT BUILDS ON OUR ALLIANCE COMMITMENTS AND FORWARD DEPLOYMENTS AND PROVIDES US A VARIETY OF OPTIONS FOR QUICKLY RESPONDING TO UNFORESEEN CONTINGENCIES IN ANY REGION WHERE WE HAVE VITAL INTERESTS TO DEFEND.

THE PROBLEMS WE INHERITED

WHEN THE REAGAN ADMINISTRATION TOOK OFFICE, WE FOUND

INCONSISTENCIES BETWEEN THE EXISTING STRATEGY AND THE FORCES AVAILABLE TO CARRY OUT THAT STRATEGY. FURTHERMORE, THAT DEFENSE PROGRAM HELD LITTLE PROMISE OF PROVIDING EITHER THE STRATEGY OR THE FORCE POSTURE NECESSARY TO MAINTAIN DETERRENCE IN FUTURE YEARS IN LIGHT OF THE CHANGING SOVIET THREAT. THEREFORE, WE HAD TWO SIMULTANEOUS TASKS TO ACCOMPLISH. WE NEEDED TO MAKE OUR FORCES READY TO FIGHT IMMEDIATELY, SHOULD CONFLICT BE FORCED UPON US. WE ALSO NEEDED TO BEGIN LONG TERM IMPROVEMENTS TO OUR DEFENSE POSTURE SO THAT WE WOULD BE PREPARED TO MEET THREATS THAT MIGHT ARISE IN THE FUTURE.

OUR PROGRESS TO DATE - READINESS AND PERSONNEL

IN ORDER TO HAVE OUR FORCES READY TO RESPOND TO A CRISIS IN THE NEAR TERM, IT WAS NECESSARY TO IMPROVE QUICKLY THE READINESS AND SUSTAINABILITY OF OUR EXISTING FORCES. TO IMPROVE FORCE READINESS WE HAVE ALLOCATED RESOURCES FOR ADEQUATE MANNING AND TRAINING, MAINTENANCE, SUPPLIES OF SPARE PARTS AND AMMUNITION. WE HAVE INCREASED READINESS FUNDING CONSISTENTLY IN FY 1981, FY 1981, AND FY 1983. TO ATTRACT AND RETAIN QUALIFIED MEN AND WOMEN IN OUR ARMED FORCES WE INCREASED MILITARY PAY AND BONUSES. MILITARY PAY WAS INCREASED BY \$3.2 BILLION IN FY 1981, \$4.5 BILLION IN FY 1982, AND \$1.5 BILLION IN FY 1983, FOR AN AVERAGE 11.7% PAY RAISE IN FY 1981, 14.3% IN FY 1982, AND 4% IN FY 1983.

AS A RESULT OF THESE EFFORTS BY THE ADMINISTRATION AND CONGRESS, THE READINESS OF OUR FORCES HAS ALREADY

IMPROVED SUBSTANTIALLY ACROSS THE BOARD AND THE NUMBER OF FULLY OR SUBSTANTIALLY READY MAJOR ACTIVE UNITS HAS INCREASED BY ALMOST ONE-THIRD. TO IMPROVE UPON THE GAINS ALREADY MADE, FUNDING FOR READINESS CONTINUES TO BE A HIGH PRIORITY IN THE FY 1984 BUDGET.

THE CALIBER OF THE MEN AND WOMEN IN UNIFORM HAS ALSO IMPROVED DRAMATICALLY. DURING THE PAST YEAR ALL THE SERVICES MET OR EXCEEDED THEIR RECRUITING OBJECTIVES, AND 86% OF OUR NON-PRIOR SERVICE RECRUITS WERE HIGH SCHOOL GRADUATES, UP FROM 68% IN FY 1980. RETENTION SHOWED SIMILAR GAINS, WITH ALMOST 70% OF ALL ELIGIBLE PERSONNEL CHOOSING TO REENLIST IN FY 1982 COMPARED TO ONLY 55% TWO YEARS EARLIER.

THIS YEAR, WE HAVE ASKED OUR MILITARY PERSONNEL TO JOIN ALL OTHER RECIPIENTS OF GOVERNMENT PAYMENT IN A COMMON SACRIFICE BY FOREGOING A PAY RAISE IN FY 1984. BY DOING SO THEY CONTRIBUTE, ALONG WITH ALL OTHER GOVERNMENT EMPLOYEES AND BENEFICIARIES, TO THE IMPORTANT NATIONAL GOAL OF REDUCING NEAR-TERM BUDGET DEFICITS.

WE HOPE THAT THIS WILL NOT CAUSE RECRUITING AND RETENTION TO SUFFER. IF RECRUITING AND RETENTION DO BECOME ADVERSELY AFFECTED TO THE POINT THAT THE READINESS OF OUR FORCES WILL SUFFER, DURING THE COMING FISCAL YEAR, WE WILL OF COURSE RECOMMEND APPROPRIATE ACTION TO THE CONGRESS. ALSO, I WILL SEEK TO REPAY THE SACRIFICE WE ARE ASKING OF OUR MILITARY, WITH A SUBSTANTIAL PAY RAISE IN THE FY 1985 BUDGET -- ENOUGH, I HOPE, TO MAKE UP FOR THIS YEAR'S PAY

FREEZE. THE PRESIDENT AND I REMAIN FULLY COMMITTED TO FAIR AND EQUITABLE MILITARY PAY THAT WILL BE COMPETITIVE WITH PAY LEVELS IN THE PRIVATE SECTOR.

SUSTAINABILITY

WE HAVE ALSO SOUGHT TO IMPROVE THE SUSTAINABILITY OF OUR FORCES. THE SOVIET UNION TODAY HAS THE WAR RESERVES TO FIGHT FAR LONGER THAN THEY COULD A DECADE AGO. IN ORDER TO ENSURE THAT THE SOVIETS NEVER CALCULATE THEY COULD SIMPLY OUTLAST US, OUR BUDGET REQUESTS RESOURCES FOR MORE REPLACEMENT EQUIPMENT, SPARE PARTS, AMMUNITION AND OTHER ESSENTIAL CONSUMABLES, AND FOR A MORE RAPID EXPANSION OF DEFENSE PRODUCTION DURING AN EMERGENCY.

MODERNIZATION

IN ORDER TO PROVIDE THE FORCES NECESSARY TO ASSURE DETERRENCE NOW, AND INTO THE FUTURE, WE HAD TO BEGIN SIMULTANEOUSLY A SYSTEMATIC MODERNIZATION OF BOTH OUR CONVENTIONAL AND OUR NUCLEAR FORCES. WE DO NOT SEEK HIGH TECHNOLOGY WEAPONS FOR THE SAKE OF HAVING HIGH TECHNOLOGY. BUT, WE MUST FIELD WEAPONS THAT ARE SUPERIOR TO THE SOVIETS' WEAPONS AND TODAY WE SEE THAT THE SOVIETS ARE FIELDING MORE AND MORE HIGHLY SOPHISTICATED WEAPONS WHICH POSE NEW THREATS TO U.S. AND ALLIED FORCES. TO DETER, AND IF NECESSARY DEFEAT, THE USE OF THESE WEAPONS, WE MUST ENSURE THAT WE CAN COUNTER WITH IMPROVED CAPABILITIES OF OUR OWN.

CONVENTIONAL FORCE MODERNIZATION

THIS MODERNIZATION PROGRAM WILL PROVIDE ENHANCED CAPABILITIES FOR ALL COMPONENTS OF OUR CONVENTIONAL FORCES --

SO THAT THEY CAN COUNTER THE INCREASED SOVIET CONVENTIONAL THREAT. TO CITE ONE EXAMPLE, THE SOVIET'S BACKFIRE BOMBER PRESENTS A GRAVE THREAT TO OUR MARITIME FORCES THAT CAN BE COUNTERED ONLY BY SOPHISTICATED DEFENSES. THE BACKFIRE CAN FLY FARTHER AND FASTER AND CARRY MORE MISSILES THAN ITS PREDECESSORS; AND ITS MISSILES ARE FASTER AND HAVE A LONGER RANGE THAN ANY WE'VE FACED IN THE PAST.

TO DEFEND AGAINST THIS SOVIET CAPABILITY, WE NOW NEED BETTER EARLY WARNING FROM SATELLITES AND AIRCRAFT TO DETECT THESE BOMBERS EARLIER. AND WE NEED FIGHTERS WITH MORE ACCURATE WEAPONS AND IMPROVED RANGE TO INTERCEPT THE BACKFIRE BEFORE IT CAN LAUNCH ITS MISSILES. TO ACHIEVE THESE CAPABILITIES WE ARE UPGRADING OUR SATELLITES, AWACS, AND FIGHTERS. BECAUSE WE CANNOT HOPE TO DESTROY ALL THE BOMBERS BEFORE THEY LAUNCH THEIR MISSILES, WE HAVE ALSO DEVELOPED THE AEGIS, A CRUISER WITH A MISSILE DEFENSE SYSTEM WHICH HAS AN IMPROVED ABILITY TO DETECT LOW AND HIGH FLYING MISSILES. ITS SOPHISTICATED RADARS AND COMPUTERS CAN TRACK A LARGE NUMBER OF MISSILES AND AIRCRAFT SIMULTANEOUSLY; ITS AIR DEFENSE WEAPONS ARE EVEN CAPABLE OF DESTROYING MISSILES.

NUCLEAR FORCE MODERNIZATION

WE MUST ALSO MODERNIZE OUR NUCLEAR FORCES IN ORDER TO RESTORE THE BALANCE WITH SOVIET NUCLEAR FORCES. ALTHOUGH ALL OF OUR STRATEGIC FORCES ACCOUNT FOR ONLY 15 PERCENT OF THE DEFENSE BUDGET, THEY ENABLE US TO MAINTAIN OUR ABILITY TO DETER NUCLEAR CONFLICT NOW AND IN THE

FUTURE, AND ALSO INCREASE THE LIKELIHOOD OF OBTAINING SIGNIFICANT, MUTUAL ARMS REDUCTION AGREEMENTS WITH THE SOVIET UNION. THE KEY COMPONENTS OF OUR NUCLEAR FORCE MODERNIZATION ARE PRODUCTION OF THE MX MISSILE, TRIDENT MISSILE AND SUBMARINE, B-1 BOMBER, PERSHING II AND GROUND LAUNCHED CRUISE MISSILE, AND IMPROVED STRATEGIC DEFENSE AND COMMAND, CONTROL AND COMMUNICATIONS CAPABILITIES.

OUR NUCLEAR MODERNIZATION PROGRAM IS NOT DESIGNED TO ACHIEVE SUPERIORITY OR A FIRST-STRIKE POTENTIAL. WE RECOGNIZE THAT THERE CAN BE NO WINNERS IN A NUCLEAR WAR. BUT THIS RECOGNITION ON OUR PART IS NOT SUFFICIENT TO PREVENT THE OUTBREAK OF NUCLEAR WAR; IT IS ESSENTIAL THAT THE SOVIET LEADERSHIP UNDERSTAND THIS AS WELL. IF THE SOVIETS RECOGNIZE THAT OUR FORCES HAVE AN EFFECTIVE RETALIATORY CAPABILITY -- THAT THEY CAN AND WILL DENY THE SOVIETS THEIR OBJECTIVES AT WHATEVER LEVEL OF CONFLICT THE SOVIETS MIGHT TRY -- THEN OUR DETERRENCE IS EFFECTIVE, AND THE RISK OF WAR DIMINISHED.

THE DEFENSE BUDGET

BEFORE I CONCLUDE, I WANT TO CORRECT SOME MISCONCEPTIONS REGARDING THE DEFENSE BUDGET.

(CHART 6: DEFENSE CUTS)

FIRST, THE DEFENSE BUDGET HAS NOT BEEN SACROSANCT -- IT TOO HAS TAKEN ITS "FAIR SHARE" OF CUTS IN THE REAGAN ADMINISTRATION. AS THIS CHART SHOWS, WHEN THE REAGAN FIVE-YEAR DEFENSE BUDGET WAS UNVEILED IN MARCH 1981, WE PLANNED TO ADD \$116 BILLION TO THE CARTER ADMINISTRATION BUDGET FOR THE SAME PERIOD. NOW, LESS THAN TWO YEARS

LATER, THAT FIGURE HAS BEEN REDUCED BY MORE THAN HALF. AND WE MUST ALSO RECALL WHY IT WAS NECESSARY FOR THE PRESIDENT TO ASK SUCH A LARGE INCREASE FOR THE 80'S. IT WAS BECAUSE OUR NEGLECT OF OUR ARMED FORCES IN THE 70'S COINCIDED WITH THE VAST INCREASES IN THE U.S.S.R. MILITARY STRENGTH DESCRIBED EARLIER.

BUT, THE CUTS WE HAVE MADE IN THE PRESIDENT'S DEFENSE SPENDING PLAN HAVE NOT SACRIFICED READINESS FOR MODERNIZATION. SINCE WE TOOK OFFICE OVER 100 MARGINAL WEAPONS OR EQUIPMENT PROGRAMS HAVE BEEN ELIMINATED, REDUCED OR MERGED.

THIRD, CUTTING BACK ON DEFENSE IS NOT THE SOLUTION TO THIS NATION'S VERY REAL DEFICIT PROBLEM. THE INCREASE IN DEFENSE SPENDING HAS NOT PRODUCED THESE LARGE DEFICITS, AND A DECREASE IN DEFENSE SPENDING, WHILE IT COULD ENDANGER AMERICAN SECURITY, WOULD NOT CURE THEM.

(CHART 7: COMPARING DEFENSE AND ENTITLEMENTS)

OBVIOUSLY FEDERAL SPENDING LEVELS AFFECT THE SIZE OF THE BUDGET DEFICITS. IT IS TRUE THAT TOTAL FEDERAL SPENDING HAS GROWN SIGNIFICANTLY OVER THE PAST TWO DECADES. BUT, AS THIS CHART INDICATES, ENTITLEMENT SPENDING HAS SKYROCKETED OVER THE PAST 15 YEARS, WHILE DEFENSE SPENDING SLIPPED AND IS ONLY NOW APPROACHING ITS 1968 LEVEL. EVEN WITH THE CURRENTLY PROPOSED INCREASES, DEFENSE SPENDING IN FY 1984 WILL CONSTITUTE ONLY 28 PERCENT OF THE TOTAL FEDERAL BUDGET, IN SHARP CONTRAST TO THE 40-50 PERCENT SHARE ALLOCATED TO DEFENSE DURING THE 1950s AND 1960s.

FINALLY, I WANT TO ADDRESS THOSE WHO SAY "I AM FOR DEFENSE, BUT . . ." AND THOSE WHO SAY "I DON'T KNOW

ANYTHING ABOUT THE DEFENSE BUDGET, BUT. . .

- WE MUST CUT IT TO REDUCE THE DEFICIT, OR
- WE MUST CUT IT IN FAIRNESS TO OTHER PROGRAMS, OR
- WE MUST CUT IT FOR A MYRIAD OF OTHER REASONS."

I MUST EMPHASIZE TO THEM THAT WE SIMPLY CANNOT REDUCE DEFENSE SPENDING ANY FURTHER WITHOUT UNDERMINING THE SECURITY OF THE UNITED STATES. WE CANNOT AFFORD A SITUATION IN WHICH LEGITIMATE AND NECESSARY DEFENSE SPENDING BECOMES THE "WHIPPING BOY" OF THOSE WHO LOOK ONLY AT BUDGET OR DEFICIT NUMBERS OR FORGET THAT THE SOVIETS ARE DRIVEN BY NO SUCH CONSTRAINTS. WE MUST NOT FORGET THAT DEFENSE NEEDS MUST BE DETERMINED BY THE THREAT TO OUR NATIONAL SECURITY THAT WE FACE.

WE MUST THEREFORE DEVELOP A RESPONSIBLE AND BALANCED UNDERSTANDING OF THE REAL MEANING OF THE THREAT WE FACE. THE DETAILED FACTS ARE CLEAR ENOUGH. BUT THERE IS GREAT RESISTANCE TO ACCEPT THE REAL MEANING OF THESE FACTS, BECAUSE TO DO SO IS TO ACCEPT THE NEED FOR A MAJOR SUSTAINED RESPONSE. CONFRONTED AS WE ARE BY ALL MANNER OF OTHER REAL OR APPARENT NEEDS, THERE IS A TEMPTATION TO ARGUE AWAY EVEN THE MOST OVERWHELMING EVIDENCE, WITH MISPLACED HOPE THAT WE CAN CONTINUE AS USUAL, PUTTING OFF OR CANCELING UNPOPULAR MILITARY NECESSITIES, AND INCREASING OUR SPENDING ON MORE POLITICALLY POPULAR DOMESTIC PROGRAMS. INSTEAD, THE REGRETTABLE FACT IS THAT, IN VIEW OF THE THREATS POSED TO OUR NATIONAL SECURITY, THIS COURSE IS NO LONGER OPEN TO US.

WE MUST ALSO RECOGNIZE THAT THE COMMITMENT TO DETERRENCE

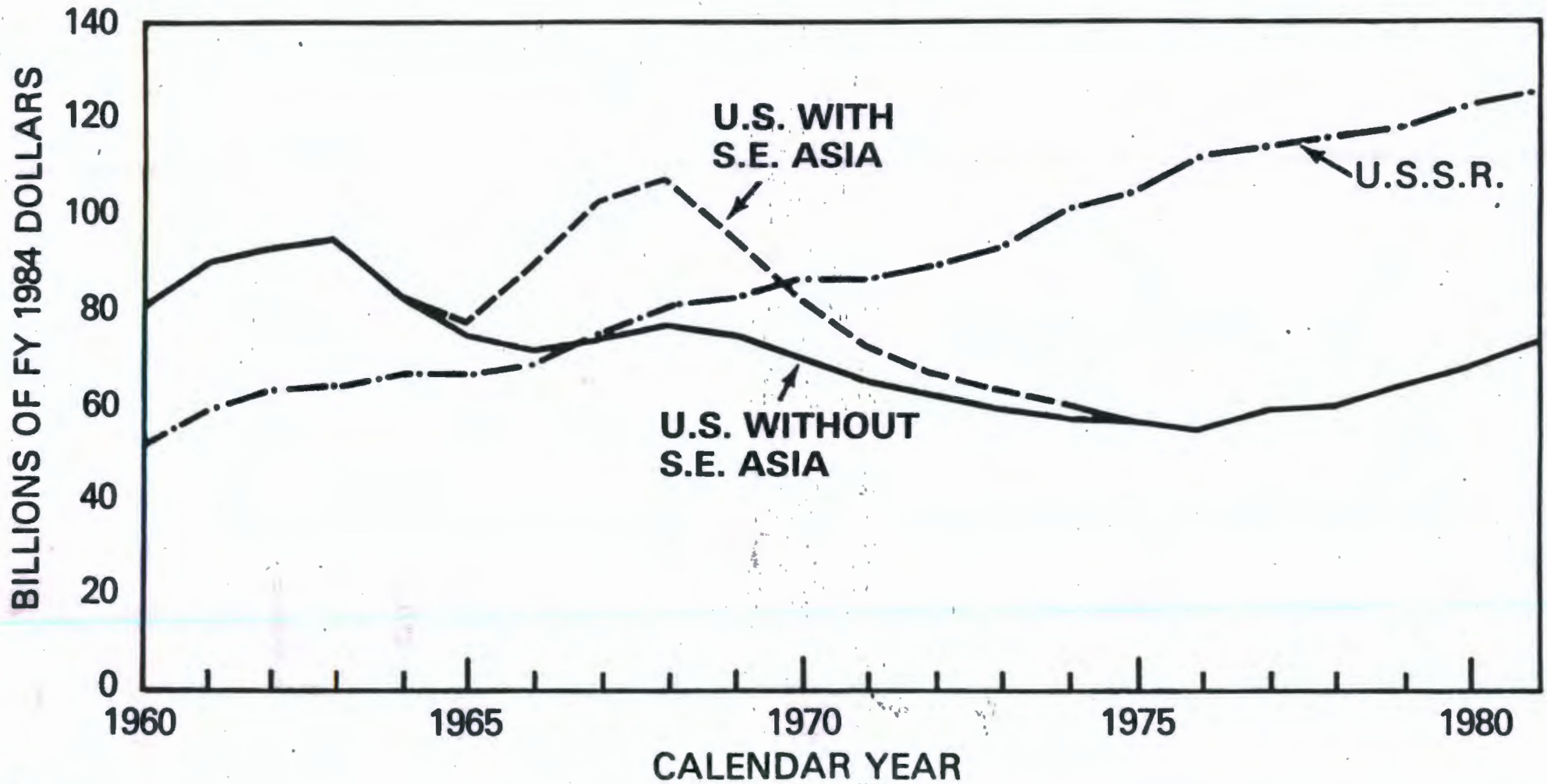
AND DEFENSE IS NEITHER EASY NOR INEXPENSIVE. WHEN IT CONFRONTS AN OPPOSING COERCIVE "OFFENSIVE" STRATEGY, IT REQUIRES CONTINUED VIGILANCE TO MAINTAIN. WHEN DETERRENCE SUCCEEDS, IT IS EASY TO ATTRIBUTE THE MAINTENANCE OF PEACE NOT TO THE CONTRIBUTION OF THE DEFENSE THAT ENFORCES THE DETERRENT, BUT TO A HOST OF MORE FACILE ASSUMPTIONS -- SOME IMAGINED NEW-FOUND "PEACEFUL INTENT" OF THE OPPONENT, THE SPIRIT OF DETENTE, GROWING ECONOMIC INTERDEPENDENCY, AND SO FORTH. WHEN DETERRENCE FAILS, HOWEVER, AND THE OPPONENT HAS DELIBERATELY WEIGHED THE RISKS AND STILL DECIDED TO ATTACK, THE DIVIDENDS OF A VIABLE DEFENSE ARE UNQUESTIONABLE. BUT UNLESS SUCH A DEFENSE IS ACQUIRED, IS IN BEING, AND IS MAINTAINED AT THE READY, IT IS TOO LATE TO TRY TO REGAIN IT AFTER WAR BEGINS.

WE SIMPLY CANNOT WAIT TO RESTORE OUR MILITARY STRENGTH -- WE MUST DO IT NOW, THIS YEAR, IN THIS BUDGET. THE RAPID AND CONTINUOUS GROWTH OF SOVIET OFFENSIVE MILITARY POWER DOES NOT ALLOW US THE OPTION OF WAITING UNTIL AFTER THE ECONOMY FULLY RECOVERS, OR WAITING UNTIL AN EMERGENCY DEVELOPS.

THE PAST DECADE OF INADEQUATE DEFENSE SPENDING HAS FORCED US TO ACCEPT "DOUBLE DUTY." WE MUST INCREASE THE BASIC READINESS AND SUSTAINABILITY OF OUR FORCES TO BE PREPARED FOR AN IMMEDIATE CRISIS, SHOULD ONE OCCUR. AT THE SAME TIME WE MUST MAKE UP FOR LOST YEARS OF INVESTMENT BY UNDERTAKING THE RESEARCH AND DEVELOPMENT, AND FORCE MODERNIZATION -- INCLUDING THE MODERNIZATION AND

STRENGTHENING OF ALL THREE PARTS OF THE STRATEGIC TRIAD --
THAT ARE NEEDED TO MEET THREATS THAT ARE LIKELY TO ARISE IN
THE FUTURE. TO DO ONE AT THE EXPENSE OF THE OTHER OR
TO STINT ON EITHER WOULD BE TO UNDERMINE THE SECURITY OF
THE UNITED STATES AND THAT, LADIES AND GENTLEMEN, I, AND
I HOPE YOU, ARE NOT WILLING TO DO.

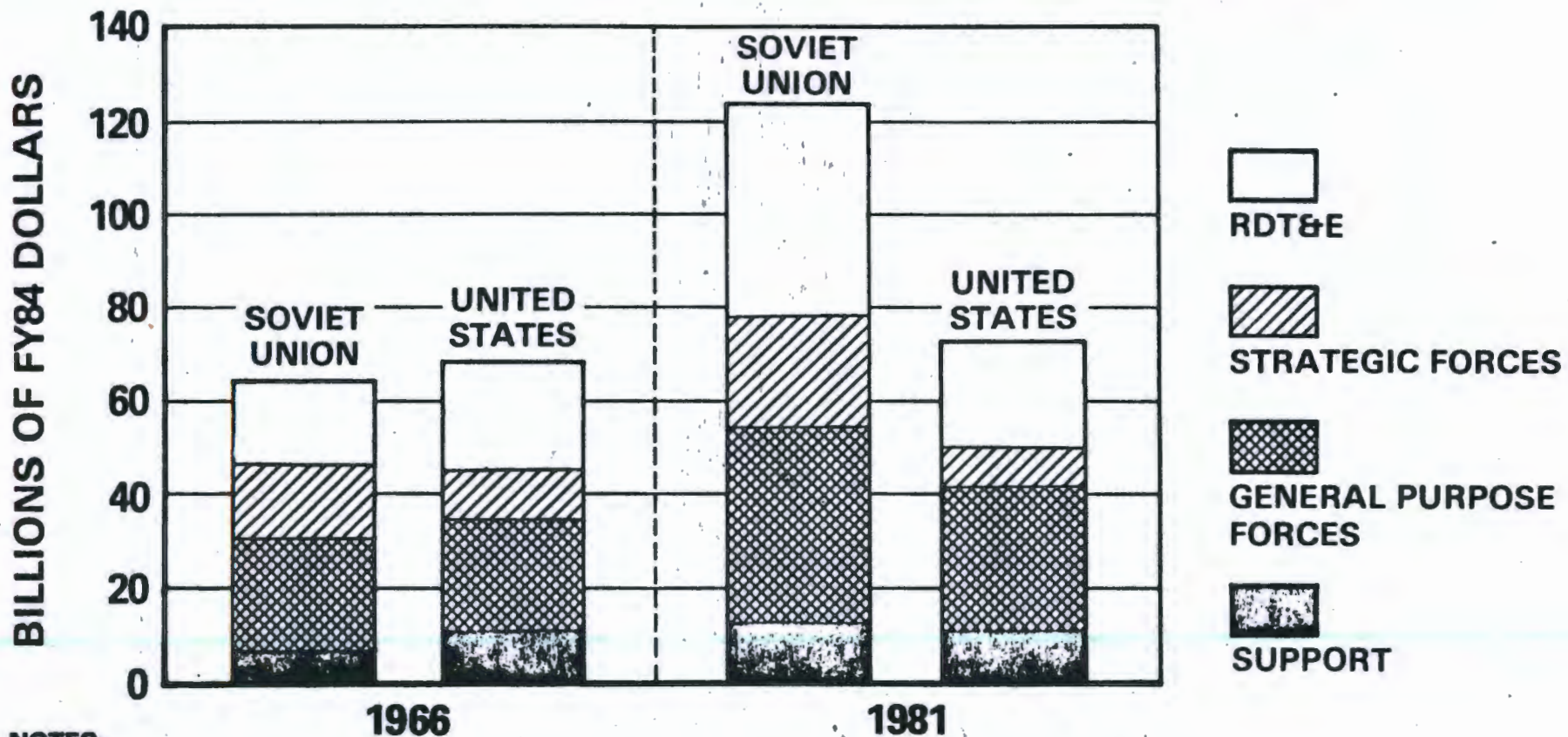
U.S. AND SOVIET MILITARY INVESTMENT TRENDS



Notes:

- Investment Comprises Outlays for Procurement, Military Construction, and RDT&E
- U.S.S.R. Investment Is an Estimate of What It Would Cost the U.S. to Duplicate Soviet Investment Activities
- SEA: Southeast Asia (Vietnam War-Related) Investments

U.S. AND SOVIET MILITARY INVESTMENT BY MISSION AREA

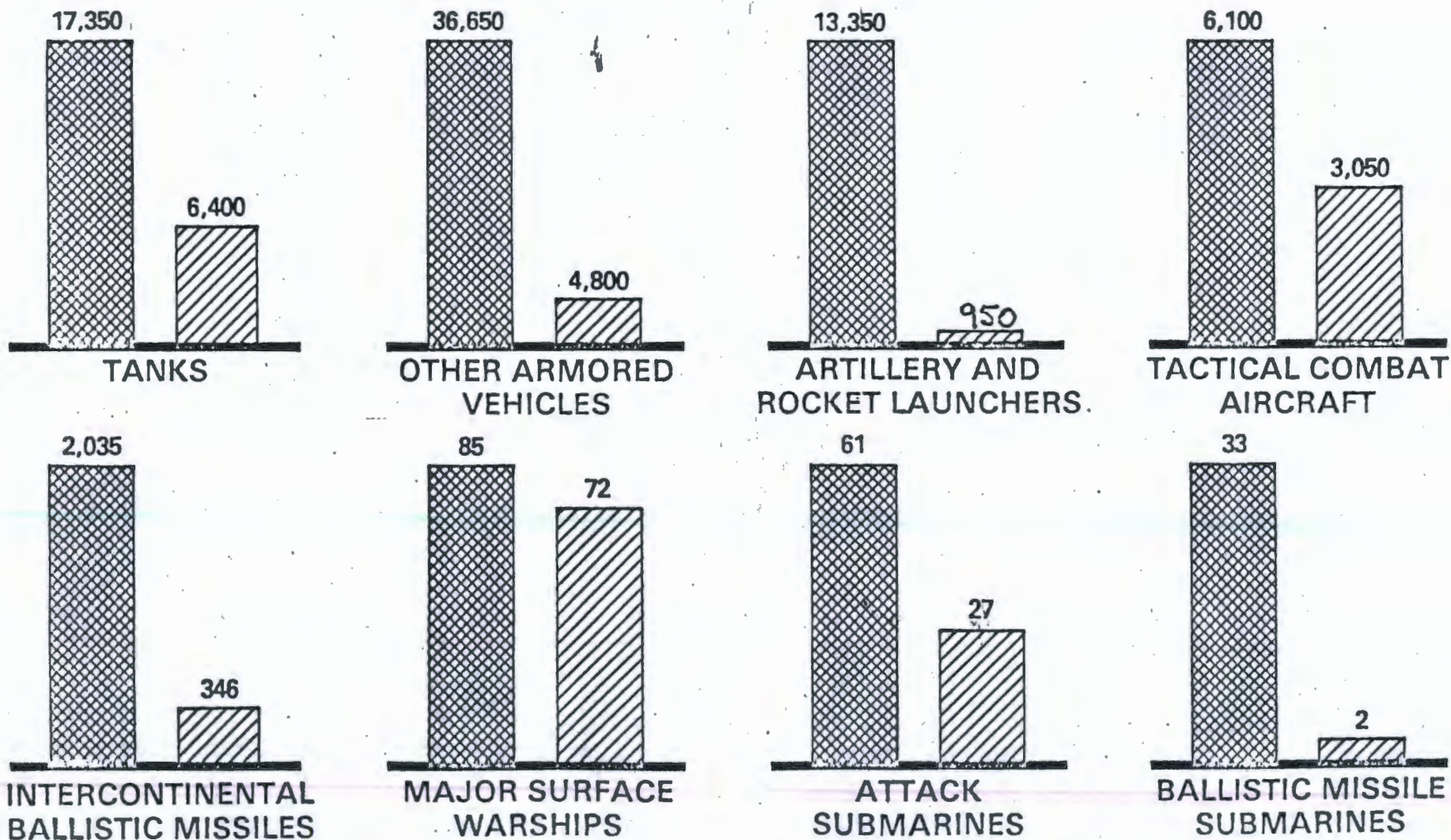


NOTES:

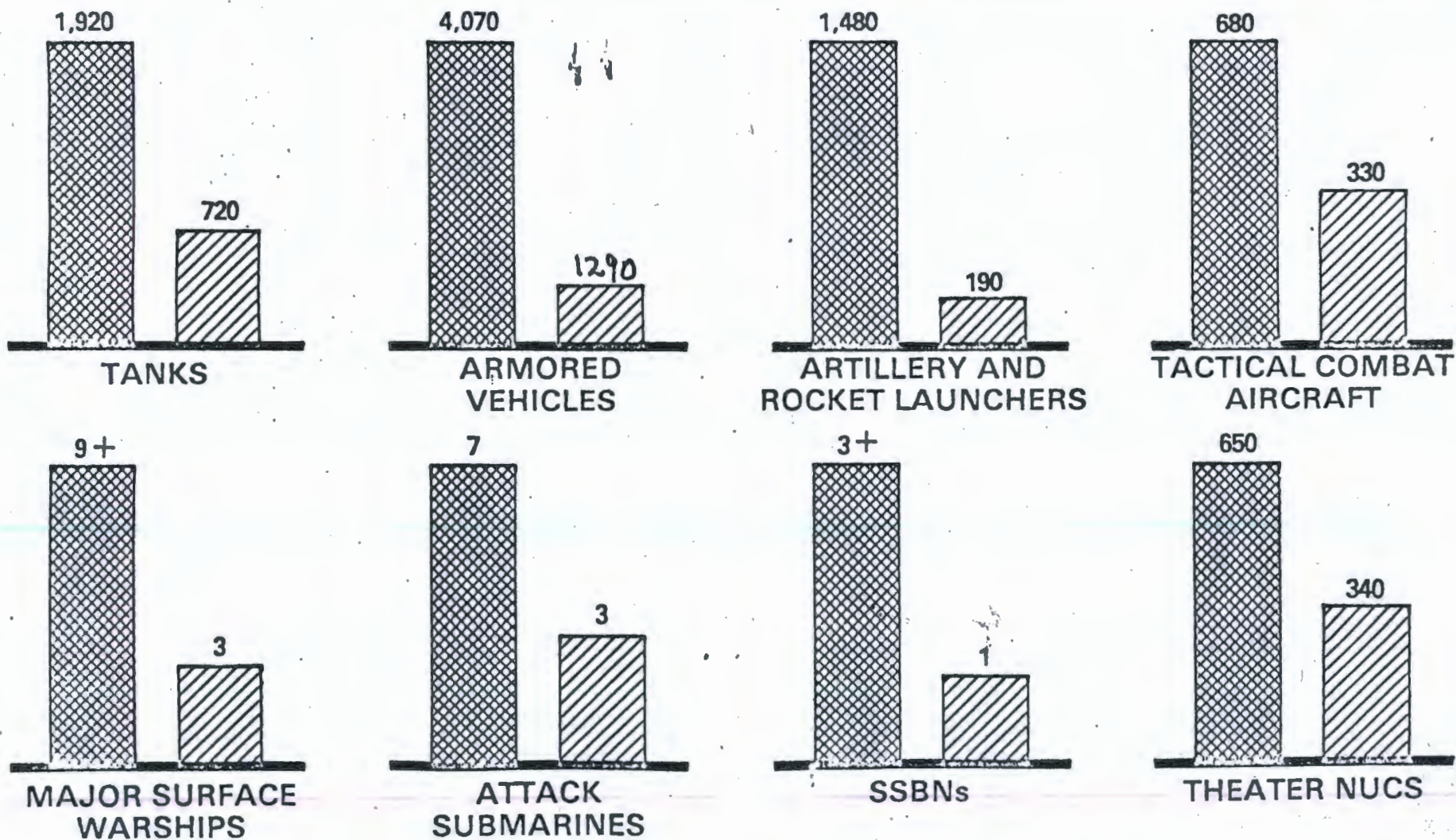
- MISSION AREA TOTALS INCLUDE OUTLAYS FOR PROCUREMENT AND MILITARY CONSTRUCTION
- RDT&E IS FOR ALL MISSION AREAS
- U.S. INVESTMENTS FOR THE VIETNAM WAR ARE EXCLUDED
- SOVIET INVESTMENT IS AN ESTIMATE OF WHAT IT WOULD COST THE U.S.
- TO DUPLICATE SOVIET INVESTMENT ACTIVITIES

PRODUCTION OF SELECTED WEAPONS 1974 - 82

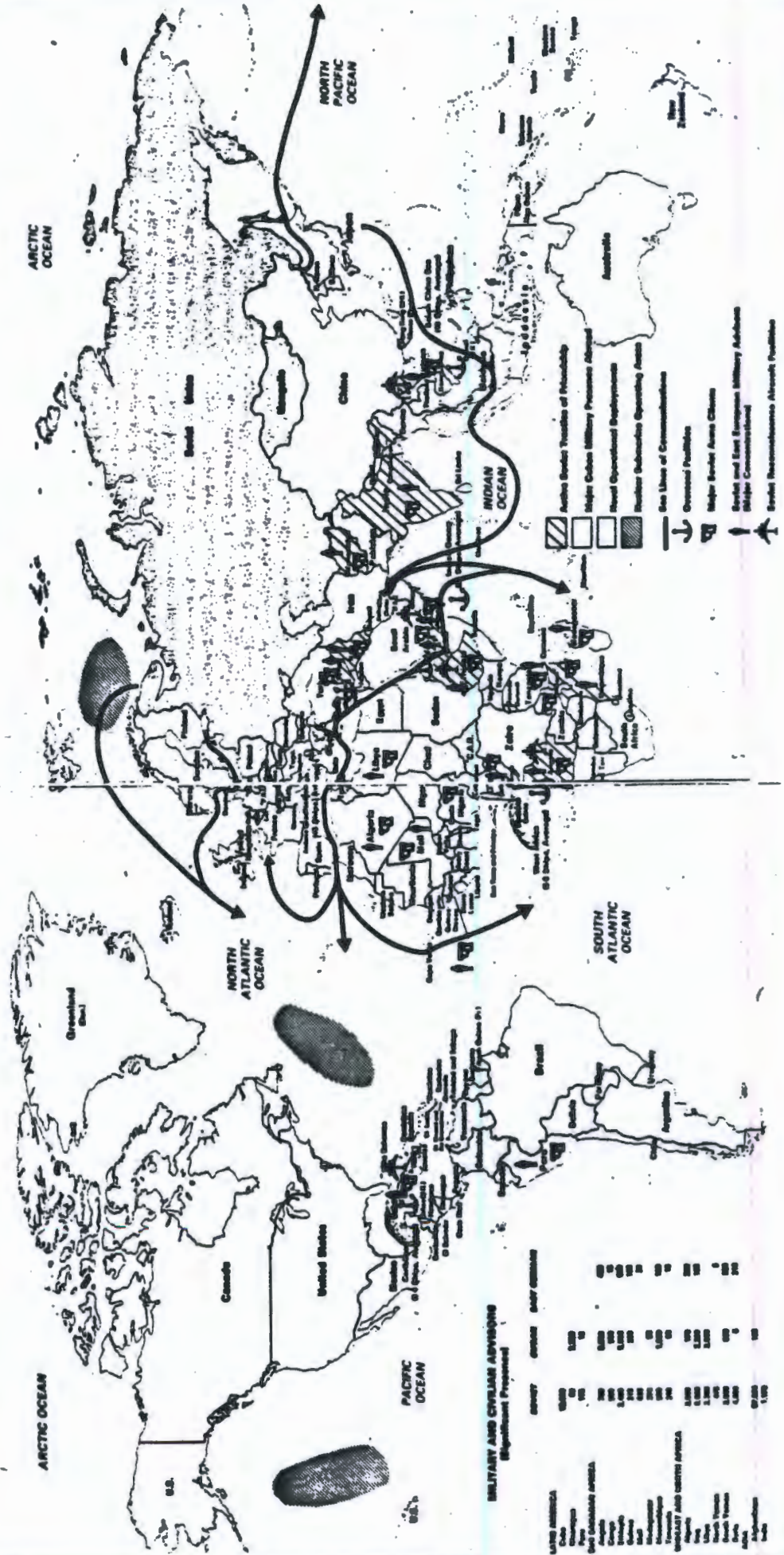
SOVIET UNION U.S.



A COMPARISON OF AVERAGE ANNUAL SOVIET PRODUCTION AND FY 1984 U.S. REQUESTS



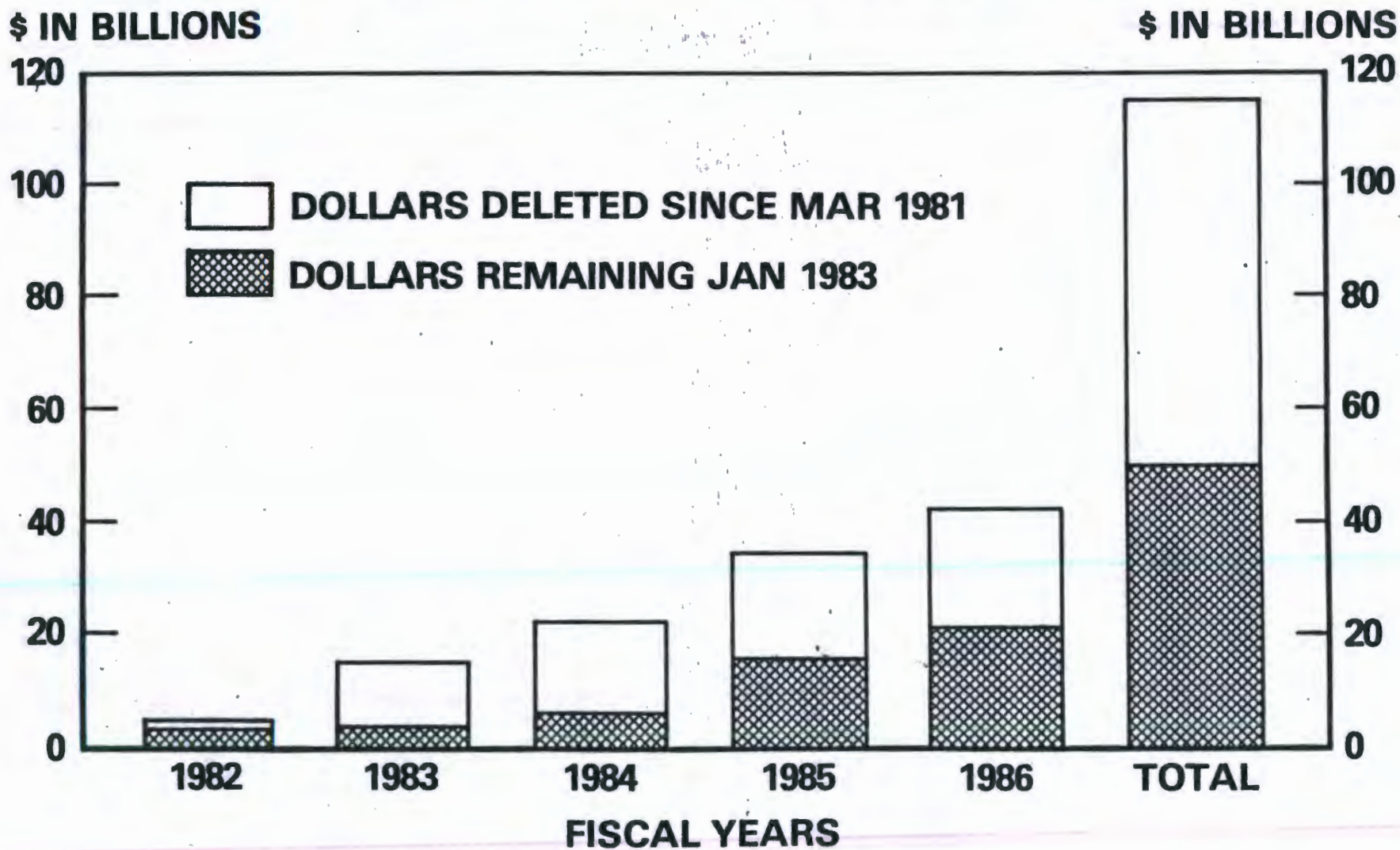
SOVIET GLOBAL POWER PROJECTION



MILITARY AND CIVILIAN ASSETS (Significant Projections)

	NAVY	AIR FORCE	ARMY	AIR DEFENSE
USSR	400	400	2,000	1,000
China	100	100	1,000	1,000
India	50	50	500	500
Japan	50	50	500	500
South America	50	50	500	500
East Europe	50	50	500	500
Other	50	50	500	500
Total	1,000	1,000	6,000	6,000

COMPARISON OF U.S. DEFENSE OUTLAYS ADDED SINCE THE CARTER BUDGET



SHARES OF THE BUDGET (OUTLAYS)

