

CHAPTER 5 THE NATIONAL SECURITY POSTURE

One of the most important tasks of the Federal Government — perhaps the most important — is to insure protection of national interests and security. This is an expensive task. However the ability of the United States to grow and prosper depends on the foundation of a strong defense to protect national interests. In turn, a healthy economy will support the defense expenditures that are required to maintain the nation's security. These objectives are mutually supportive.

Since the 1970's the United States has allowed its military power to decline relative to its expanding national interests and the growth in military power of the Soviet Union. The United States has been living off the substantial defense investment of the 1950's and early 1960's when defense expenditures averaged about 9 percent of the GNP. By 1978 defense spending declined to 5% of the GNP.

President Reagan's Defense program will reverse this unfavorable trend. It is expensive, but far less so than would be the case if there were further erosion in military power relative to that of the Soviet Union. The combined 1981 and 1982 increases in defense budget authority over 1980 is \$71.5 billion. The 1981 and 1982 defense budgets now total \$178.4 billion and \$214.1 billion respectively. The 1983-1987 program of \$1,640 billion will continue improvements needed to deter or, if necessary, respond to conventional and nuclear war. Such improvements will insure the best chance of deterring any challenge to national interests which could lead to military conflict.

National Security Objectives

The main national security objectives of the United States are to:

- Deter any attack on, and prevent the coercion of the United States and its allies.
- Protect U.S. economic interests and U.S. citizens abroad.
- Maintain access to critical resources.
- Maintain, in conjunction with U.S. allies, the military capabilities required to counter the expansion of the Soviet military presence, where the interests of the United States are threatened.

The Potential Threat

Although there are threats to American security interests independent of Soviet actions, the most demanding threats derive from the broad and growing military power of the Soviet Union. For example:

- Soviet military power has grown in virtually all categories. Diplomacy, military aid, proxies (such as Cuban troops in Africa and elsewhere), the support of terrorism, and implicit threats of force have all been used to expand Soviet influence and access throughout the world.
- Soviet challenges are particularly serious because they occur after a long-term decline in American, British and other allied access to bases and airspace in, or enroute to, many areas critical for the western alliance. The consequences of this deterioration of position cannot be easily or quickly remedied.
- Throughout the 1970's the Soviet Union has allocated 12% to 14% of its gross national product to military programs and they are expected to continue to do so.
- The Soviet threat to the Persian Gulf is a particularly grave one. The economies of the West depend on the oil of this area. It is a region rife with political instabilities, and into which the Soviet Union has a superior capability to project military power.

Defense Objectives

It is the objective of United States defense programs to prevent war — particularly nuclear war. Programs are designed and forces are deployed to deter aggression at all conflict levels. To support deterrence, United States defense forces must be prepared to wage war — including nuclear war. If deterrence fails and aggression occurs, then war must be terminated in a manner that serves our political objectives and assures our survival as a free nation.

The U.S. defense posture must make it clear to the Soviet Union that war with the U.S. will result in unacceptably high costs to the USSR. The foundations of U.S. defense policy include:

- Availability of strategic forces capable of carrying out their missions.
- Maintenance of clear U.S. maritime superiority required for the projection of U.S. power to vital regions overseas, support of U.S. allies, and assuring continued access to vital resources.
- Use of superior military technology.
- Maintenance of a strong force posture in NATO and East Asia; and a mobile force capable of successfully blunting an enemy attack against other vital U.S. interests overseas.

The basic missions of U.S. nuclear forces and nuclear strategy are to:

- Deter a nuclear attack on the United States and its allies.
- Deter a conventional attack against our allies, especially NATO.
- Limit damage to U.S. population and economic assets if a nuclear attack should occur.
- Minimize the extent to which Soviet nuclear threats could be used in a crisis to coerce the United States and to coerce or intimidate our allies.

The Defense Program

To meet national security and defense objectives the Administration's program plans to strengthen U.S. military posture in four high priority areas, namely:

- Strategic Forces
- Combat Readiness
- Force Mobility
- Conventional Force Modernization

Restoring the Strategic Balance.

A thorough eight month review of U.S. strategic forces and objectives preceded the President's decision this past October to strengthen strategic force programs. The review found that:

- The relative imbalance with the Soviet Union will be at its worst in the mid-eighties and hence needs to be addressed quickly.
- There are deficiencies in force survivability, endurance, and the capability to exercise command and control during nuclear war. Current communications and warning systems were found to be vulnerable to severe disruption from an attack of very modest scale. Also, greater efforts are needed to provide for civil population protection and plan for postwar recovery.
- The multiple protective structure basing proposal for MX did *not* provide long term survivability since the Soviets could respond (at about the same or less cost) by simply deploying larger numbers of warheads.

The 1983 Budget funds programs to correct these deficiencies. The President's strategic program provides for both near term improvements and longer term programs. The Soviets now have more

intercontinental ballistic missiles (1398 vs 1053) and submarine-launched ballistic missiles (950 vs 520) than the U.S. with the U.S.'s lead in warheads now diminishing. Further, the Soviets are expected to begin deployment of a new bomber. This situation makes the strategic balance most unfavorable in the near term. Therefore priority will be given to systems that can be fielded quickly as well as systems that are more survivable. Near term components of the President's strategic program include:

- Acquisition of a new bomber (the B-1B) to provide a continued capability to penetrate Soviet defenses, and development of an advanced technology (Stealth) bomber for deployment in the 1990's.
- Early deployment of cruise missiles on existing bombers and attack submarines to increase survivable weapons deployed at sea.
- Continued deployment of Trident ballistic missile submarines to strengthen the sea-based leg of our strategic deterrent.
- Deployment of new larger and more accurate MX missiles. The missiles will be deployed in existing fixed silos until a more survivable basing method is developed.

The longer term programs are needed to solve the more difficult problems such as vulnerability of land-based ballistic missiles and communications, intelligence, and warning systems. Longer-term programs include:

- Development of a survivable deployment plan for the MX missile.
- Development and deployment of a new submarine-launched ballistic missile (which will provide better accuracy, range and more payload).
- Continued improvements to warning and communications systems, including bomber warning radars and missile warning satellites and radars.
- Improvements in strategic defenses, including development of an anti-satellite system and more effective civil defense programs (emphasizing city evacuation).

Assuring U.S. Force Combat Readiness

The world situation has changed so that a major conflict involving the United States could occur without adequate time to upgrade U.S. force readiness. Concerns about military readiness reflect both the long lead time required to procure sophisticated equipment (both parts and finished equipment) and past failures to provide support for combat units. The United States cannot wait for a period of rising tensions before bringing forces up to combat readiness. The Administration's program will continue to bolster combat readiness by correcting deficiencies in several areas.

- Spare parts are vital. For U.S. forces to exploit their more sophisticated weapon systems, they must be supported by sufficient spares to allow high operating rates for training as well as to provide for war reserves. Too often in the recent past spare parts procurement has been postponed in order to fund ships, aircraft and vehicles, and maintain force levels.
- Ammunition requirements are also a high priority. From bullets and artillery shells to sophisticated guided missiles, additional funding will provide for increased training as well as support war reserves.
- Providing the armed forces with adequate numbers of skilled, motivated and capable personnel continues to be one of the most important military objectives. A major boost in readiness was accomplished in 1981 when the military services all made significant gains in enlisting highly qualified people as well as retaining experienced personnel. The 1983 Budget will provide levels of military compensation that will improve the readiness and capability of the All Volunteer Force.
- Funding for the operations and maintenance of forces is being increased to provide required training, operating rates, and equipment support. There will be increased aircraft flying hours and supply inventories. In addition, backlogs of combat equipment and real property awaiting maintenance will be reduced.

Force Mobility and Capability in Remote Areas

The U.S. needs to plan for flexibility and mobility to offset inherent Soviet advantages due to their geographic proximity to potential areas of conflict.

- Sea control is of critical importance in maintaining U.S. ability to deploy and support combat elements in diverse locations, especially in areas beyond the reach of the traditional alliance network and basing infrastructure. Sustaining force deployments requires that the United States control the sea lines of communication to those areas. In wartime, over 95% of our military resupply will have to travel by sea.
- The importance of sea control requires that the U.S. pursue as a high priority a shipbuilding program that will result in acquisition of 133 new ships and conversion of 16 ships in 1983–1987, an increase of 53 new ships and \$48 billion over the final five-year shipbuilding plan of the previous Administration. The Navy shipbuilding program includes funds for buying or converting general purpose battle forces, including aircraft carriers, attack submarines, escort ships and amphibious ships, to insure our ability to maintain sea control and to project power ashore.
- Pursuing the program mapped out in the 1983 Budget will result in a battle force of over 600 ships by the end of the decade. This force level will restore a margin of maritime superiority that is clear to both our friends and any potential foes.
- The U.S. is also gaining expanded access to bases adjacent to our sources of oil.
 - Diego Garcia, in the Indian Ocean, will have expanded port facilities and will continue to serve as a site for deployed prepositioning ships carrying combat material.
 - Access is also available in Somalia, which is strategically located near the outlet of the Red Sea.
- The most rapid method of deploying forces is by airlift. The Administration is proceeding with procurement of an updated version of the C-5 cargo aircraft and additional KC-10 tanker/cargo aircraft to supplement the existing fleet of C-5As and C-141s. In addition, new wings will be installed on all 77 C-5A airlift aircraft, extending their life beyond the year 2000.
- The Defense Department is also upgrading our fleet of KC-135 tanker aircraft by replacing their engines with newer, more fuel efficient models. These tankers are essential for the aerial refueling necessary to reach potential conflict areas halfway around the world and sustain the operation of combat aircraft.
- To improve our ability to bring forces to bear worldwide, the Administration is converting four more SL-7 fast logistics ships to provide vehicle roll-on and roll-off capabilities. Also, 12 to 15 maritime ships will be chartered and converted to provide the capability to preposition equipment and supplies in Southwest Asia.

All of these improvements are essential to offset Soviet geographical advantage. As a result of these initiatives, wide-body military airlift capability will about double, and prepositioning of equipment and supplies aboard ships will significantly reduce the time required for deployment of heavy forces to the Southwest Asia region.

Conventional Force Modernization

The Administration is also bolstering other conventional capabilities as well as anticipating future needs with strong research and development programs.

- Production rates and quantities of tanks, helicopters, air defense systems, and fighters have been increased to meet force level objectives at more economical rates. The Administration does not intend to match Soviet deployments weapon for weapon; the U.S.'s more capable weapons can sometimes offset their superiority in numbers. Similarly, cooperative deployments of allied forces can make up for some numerical disadvantages. Examples of weapon systems being purchased include: the M-1 Abrams tank which is more survivable and mobile than current U.S. tanks; the AH-64 attack helicopter which is faster and more survivable than existing helicopters; the LAMPS MK III anti-submarine warfare helicopter

to increase the range at which enemy submarines can be attacked; the F/A-18 Navy tactical aircraft to increase air combat and ground attack capabilities; and improved precision guided missiles.

- Major improvements are planned in U.S. command, control, and communications capabilities. Also, technical improvements to existing systems will be made, including competitive development of new attack versions of the F-15 and F-16 aircraft. In addition, the Administration will develop an Advanced Medium Range Air-to-Air Missile to counter increasingly capable Soviet systems.
- Major efforts are being made to maintain vigorous research and development programs in other areas most likely to yield large improvements in weapon system capability. For example, the capability for fighting at night, in poor weather and in all types of climates is being increased. Also, lighter weight anti-armor vehicles are being developed to improve the ability to respond rapidly to crises in remote areas.
- Greater combat flexibility and force effectiveness will result from procurements of new advanced tactical command, control and communications systems, such as a new family of telephones and radios for battlefield use by all the services.
- To deter any adversaries from resorting to the use of chemical weapons, we are continuing to improve defensive and retaliatory chemical warfare capabilities.
- The U.S. is proceeding with plans to produce improved theater nuclear weapons including the Ground Launched Cruise Missile and Pershing II ballistic missiles. Deployment of these weapons in Europe will counter existing Soviet deployments of intermediate range nuclear weapons.

Efficiency and Economy in Spending

The Department of Defense is initiating a variety of changes in its funding and management practices to make significant savings.

- Weapon system acquisition costs will be reduced. For certain stable acquisition programs, additional budget authority is provided to allow system manufacturers to buy materials and produce components at more economical rates. This multiyear procurement approach will also encourage contractors to invest in productivity improvements and strengthen the defense industrial base. In addition, eliminating marginal programs will make more funds available to support high priority programs at more economical production rates.
- The time needed to develop new weapon systems will be reduced by increased reliance on evolutionary improvements to current weapon systems and adequate funding of testing efforts.
- Reliability and maintainability of weapon systems will be emphasized, resulting in reduced operating and maintenance costs once the system is deployed. Further savings in operations will be made by consolidating services, reducing administrative overhead and contracting out to the private sector.
- Administrative costs will be reduced by streamlining the acquisition process. Initiatives include improving long-range planning and budgeting, decentralizing program management responsibilities, and reducing paperwork requirements.
- Increased efforts to combat waste, fraud and abuse include close monitoring and review of defense programs and policies and active follow-up of audit findings. To help accomplish this task, the new position of Assistant to the Secretary of Defense for Review and Oversight was created in May, 1981.
- Savings will result from the disposal of excess property.

Regional Defense Policies

The United States and its allies must be prepared to respond to Soviet aggression in many regions both by defending a given area and by exploiting Soviet vulnerabilities at times and places of our choosing. These regions include Europe and its supply lines, the Eastern Mediterranean, the Persian Gulf and Northeast Asia. Recognizing that the United States cannot and should not carry a disproportionate share of the burden of regional defense, policy will be aimed at:

- Increasing the effectiveness of existing alliances.
- Encouraging other like-minded nations to improve their ability to act jointly with us in defense of our common interests.
- Expanding efforts to improve the compatibility of U.S. and allied forces and substantially increasing joint planning and training exercises.

International Security Assistance

The Administration intends to take full advantage of international security assistance programs to increase the military capabilities of our friends and allies. Economic support will also be provided to nations of special security importance in order to foster stability. The United States must also assist a number of countries throughout the world whose policies, actions and military postures can further U.S. national security and related foreign policy objectives. The United States will provide aid to friendly countries that are:

- Resisting actual or potential aggression that may come directly from the Soviet Union or indirectly through Soviet proxies, such as Cuba, or through Soviet-inspired internal subversion.
- Allowing access to bases or other facilities for U.S. forces or granting transit or other rights.
- Contributing to peace and stability in areas of the world where conflict would directly impact on U.S. security, such as the Middle East.

Arms Control

Arms control efforts should support national security objectives but cannot substitute for necessary modernization of our forces. The U.S. can negotiate successfully with the Soviets only if it is made clearly evident that this nation is determined to redress the strategic balance and protect national security interests. Any agreements or treaties entered into, must insure maintenance of strong and capable U.S. forces necessary to protect our security and must be equitable and fully verifiable.

Strategic Forces

AGENCY: Department of Defense

FUNCTIONAL CODE: 051

Funding

	(\$ in billions)				
	1981	1982	1983	1984	1985
BUDGET AUTHORITY	12.7	16.2	23.1	30.3	33.2

Program Description

Strategic forces are deployed to deter a nuclear attack against the United States and its allies and prevent coercion by the Soviet Union. Offensive forces currently consist of land-based intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles (SLBMs) and bombers. In the future, they will include air- and sea-launched cruise missiles.

To defend against bomber attack, surveillance systems and interceptor aircraft are deployed. Systems for ballistic missile defense and space defense are being developed.

In addition to offensive and defensive components, warning and communications are essential strategic force components.

Proposed Change

The President's Strategic Modernization program consists of five elements:

- Improvements to warning and communications systems, including improvements to radars and satellites that warn of nuclear attacks.
- Deployment of a new bomber (the B-1B) and development of an advanced technology (Stealth) bomber for the 1990s.
- Development and deployment of a new submarine-launched ballistic missile (which will provide better accuracy and more payload) as well as early deployment of cruise missiles on attack submarines.
- Deployment of new larger and more accurate MX missiles. These missiles will be deployed in existing fixed silos until a more survivable long-term basing system is selected and deployed.
- Improvements in strategic defenses, including air defense interceptors, development of an anti-satellite system, and increases in civil defense programs.

Rationale

- The Soviet Union now has more ICBMs (1,398 vs 1,053) and SLBMs (950 vs 520) than the U.S. and our lead in warheads is narrowing. The Soviets are also expected to begin deployment of a new bomber. Since this could result in an unfavorable strategic balance in the near term, systems that can be fielded quickly are receiving priority — including air- and sea-launched cruise missiles and the B-1B bomber.
- Overall survivability of U.S. ICBMs is now threatened by the Soviets. Therefore, the Administration is bolstering the other components of the strategic triad including bombers, cruise missiles and submarines, and is making major efforts to strengthen the survivability and endurance of warning and communications systems.
- Multiple shelter basing for MX is *not* being pursued since the Soviets could defeat this system simply by deploying more warheads. Rather, a survivable, long-term basing mode for the MX will be selected for deployment.

- Given the threat posed by the current Soviet bomber force and indications of Soviet bomber modernization, the U.S., in conjunction with Canada, is modernizing and improving the North American air defense system.
- Past Administrations have allowed civil defense programs to decline. The new program (funded in the Federal Emergency Management Agency) will speed up efforts to provide for better protection of the population and aid post-war recovery.

Effects of the Proposed Change

- The Administration's strategic program will reverse the trend in the strategic balance favoring the Soviet Union and counter the recent Soviet advances in missiles, submarines and the current as well as expected new Soviet bomber deployments.
- The Soviets will be forced, at great expense, to improve further their defenses against manned bombers following introduction of the B-1B.
- Increased survivability of U.S. strategic command and control systems will insure U.S. capability to retaliate and hence reduce the probability of Soviet attack.
- The U.S. will negotiate arms control from a position of strength.

General Purpose Forces

AGENCY: Department of Defense

FUNCTIONAL CODE: 051

Funding

	(\$ in billions)				
	1981	1982	1983	1984	1985
BUDGET AUTHORITY	68.8	88.2	106.2	114.0	139.0

Program Description

General purpose forces include Army, Navy, Air Force and Marine Corps tactical units. (Although their costs are included here, Navy ships and the operations and maintenance of general purpose forces are discussed in separate fact sheets.)

Proposed Change

- Production rates will be increased to provide for more rapid acquisition of a variety of new systems such as the M-1 Abrams tank, the AH-64 attack helicopter, the LAMPS MK III anti-submarine warfare helicopter, the F/A-18 Navy tactical aircraft, the F-15 Air Force fighter aircraft, and improved precision guided missiles. These new systems will provide significant increases in combat capability relative to current systems — in terms of range, survivability, and firepower.
- Selective use of multi-year contracting will allow for more efficient production rates to modernize the forces at reduced total cost. Examples include procurement of 120 F-16's annually and the multi-year procurement of the Navy C-2 carrier-on-board delivery aircraft.
- The chemical retaliatory stockpile, as well as defensive capabilities, will be improved.
- Support equipment essential for the rapid deployment of combat forces will be procured. Such items include water purification equipment, fuel distribution systems and fork lift trucks.
- Command, control, and communications capabilities will be improved. For example, the TRITAC family of telephone and radio equipment will be more mobile and reliable, and harder for an adversary to disrupt.
- Technical improvements to existing types of systems will be made, including competitive development of new attack versions of the F-15 and F-16 aircraft.
- New weapons development to counter increasingly capable Soviet systems will be emphasized. An example is the Advanced Medium Range Air-to-Air Missile (AMRAAM) for use by both the Navy and Air Force.

Rationale

- Throughout the 1970's the Soviet Union consistently allocated 12% to 14% of its Gross National Product to military programs, with no signs of abatement. In the last decade the Soviets introduced large quantities of highly capable, new generation tactical equipment (e.g., tanks, armed helicopters, combat aircraft, submarines, air combat missiles, etc.), that need to be countered by modernized U.S. forces. Additionally, the traditional U.S. superiority in system quality has been considerably narrowed, making Soviet quantitative advantages more serious. The Soviet military force buildup has increased the risk that they may rely on military power to support their foreign policy goals.
- For the U.S. to maintain, in concert with our allies, sufficient conventional forces to deter potential aggression, our forces must be provided with adequate numbers of new, modern equipment.

- During the previous Administration, modernization was delayed, some production rates were held at inefficient levels, and critical wartime supplies were not procured in sufficient quantities.
- The U.S. must have a capability to deter any potential adversaries from resorting to the use of chemical weapons.
- There are deficiencies in U.S. capabilities to support the rapid deployment force in a desert environment and to communicate on the battlefield.
- To assure that the U.S. acquires weapons that are capable of countering the threat, a strong research and development program must be maintained, including improvements to existing types of equipment as well as the development of totally new systems.

Effects of the Proposed Change

Increased acquisition of modern, more capable weapon systems such as the M-1 tank and the F/A-18, AV-8B and F-15 tactical aircraft will enable U.S. forces to deter and counter Soviet aggression in any area of the world where it might threaten U.S. or allied vital interests.

- The capability for fighting at night, in poor weather and in all types of climates will increase.
- Lighter weight anti-armor vehicles will be developed to improve our ability to respond rapidly to crises in remote areas.
- More maintainable and reliable weapons such as the F/A-18 will be procured to achieve greater combat efficiency.
- Greater combat flexibility and force effectiveness will result from procurement of new advanced tactical command, control and communications systems.
- These U.S. initiatives should encourage allied nations to undertake complementary improvements in their defense capabilities.
- Production of new chemical munitions will reverse the deterioration of our chemical retaliatory stockpile and, by providing credible and reliable retaliatory capability, will reduce the risk that an adversary might be tempted to use chemicals against the U.S. or its allies.

Mobility Forces

AGENCY: Department of Defense

FUNCTIONAL CODE: 051

Funding

	(\$ in billions)				
	1981	1982	1983	1984	1985
BUDGET AUTHORITY	2.9	4.0	4.4	6.6	6.8

Program Description

The major missions of the mobility forces are to move personnel and material during an initial deployment, and to move sustaining support during combat. Mobility is essential for effective and timely deployment of combat power for both NATO and non-NATO, e.g., Persian Gulf, contingencies. Current mobility forces include about 350 long range airlift aircraft and 21 cargo ships as well as several hundred civilian ships and aircraft which could be called up in case of a large scale conflict.

Proposed Change

- A fleet of fifty updated C-5 long-range wide body military cargo aircraft will be acquired.
- Forty-four more KC-10A tanker/cargo aircraft will be procured.
- New wings will be installed on all 77 existing C-5A airlift aircraft.
- Four more SL-7 fast logistics ships will be converted to provide vehicle roll-on and roll-off capabilities.
- Twelve to fifteen maritime ships will be chartered, converted and prepositioned, with equipment and supplies, in Southwest Asia.
- More support equipment, including loading devices, will be procured.

Rationale

- Current U.S. mobility forces cannot move the required combat or combat support units fast enough to effectively counter military aggression in Europe, Korea or in the Southwest Asia/Persian Gulf region. For example, at the present time only a small, light combat force could be rapidly moved to the Southwest Asia region.
- Major mobility shortages include wide-body, military cargo aircraft; fast logistics ships; prepositioned ships; and support equipment. Elimination of these shortages is an essential first step toward improving U.S. military capability during the first thirty days after the beginning of a crisis.

Effects of the Proposed Change

The overall effect of the proposed changes will be to significantly increase U.S. rapid deployment capabilities. For example:

- Acquisition of additional long range aircraft will almost double wide-body military airlift capability before 1990. The updated C-5 aircraft will provide about 65% of the increase with the KC-10A providing the balance. The KC-10A will also provide a significant increase in tanker capability.
- Rewinging of existing C-5As will extend their effectiveness beyond the year 2000.
- The converted SL-7 fast logistics ships will be capable of rapidly moving a heavy combat division.
- Prepositioning of equipment and supplies aboard ships in the Southwest Asia region will reduce the time required for deployment of heavy forces.

Navy Shipbuilding

AGENCY: Department of Defense

FUNCTIONAL CODE: 051

Funding

	(\$ in billions)				
	1981	1982	1983	1984	1985
BUDGET AUTHORITY	7.6	8.9	18.6	12.5	16.8

Program Description

The Navy shipbuilding program includes funding for:

- Trident ballistic missile submarines, which will augment the sea-based leg of our strategic deterrent forces.
- General purpose battle forces, including aircraft carriers and their associated escort ships, which will insure our ability to maintain sea control and to project power ashore.
- Other ships that will support these missions or other missions of national priority such as movement and support of the Rapid Deployment Force.

Proposed Change

- The 1983–1987 five year shipbuilding plan includes 133 new ships at a total investment of \$96 billion, which is an increase of 53 ships and \$48 billion over the final five year plan of the previous Administration.
- Specific comparisons are:

	<u>CARTER (82–86)</u>	<u>REAGAN (83–87)</u>
Trident Strategic Submarines	6	6
Attack Submarines	7	17
Aircraft Carriers	0	2
Cruisers	16	18
Amphibious Ships	0	10
Escorts and Auxiliaries	<u>51</u>	<u>80</u>
TOTAL NEW SHIPS	80	133

Rationale

- Over the last two decades the Soviet Navy has been transformed from a basically coastal defense force into an ocean-going force. It is designed to perform tactical, and strategic missions in waters distant from the Soviet Union.
- In the mid-1960s, the Soviets had 260 major surface warships and amphibious ships. Today, they have 362. The Soviets have eight new classes of submarines and eight new classes of major surface warships, including nuclear-powered cruisers and new aircraft carriers, in existence or under construction.
- The United States, dependent on open seas for commerce and military resupply, must have the naval capability to maintain control of vital sea lanes. In the mid-1960s, the U.S. had more than 500 major surface warships and amphibious ships. Today we have fewer than 270.

- The defense budgets of the previous Administration, which emphasized NATO land combat capabilities, did not provide naval force improvements needed to guarantee sea control. Ships suited for escorting supply convoys to Europe were given high priority. Ships having more general application, such as aircraft carriers and amphibious ships, received little emphasis. Only one aircraft carrier and one amphibious ship were purchased by the previous Administration.

Effects of the Proposed Change

- The shipbuilding plan proposed in this budget recognizes U.S. dependence on maritime forces and reverses adverse trends by increasing the total number of ships and emphasizing procurement of the most capable ships.
 - Production of attack submarines will be more than doubled. The resulting increase in force levels will exploit an area where the U.S. holds a significant technological advantage over the Soviet Union.
 - Procurement of two nuclear-powered aircraft carriers will enhance our ability to control the seas and project power ashore in areas of vital interest.
 - Amphibious ship production will provide the Marine Corps greater capability to conduct amphibious campaigns.
 - Expanded production of other ships, such as escorts, mine warfare ships, and auxiliaries, will better support existing forces.

Operations and Maintenance

AGENCY: Department of Defense

FUNCTIONAL CODE: 051

Funding

	(\$ in billions)				
	1981	1982	1983	1984	1985
BUDGET AUTHORITY	55.5	62.3	69.4	73.0	82.0

Program Description

Operations and maintenance includes pay for civilian personnel, fuel, utilities, maintenance of equipment and real property, purchase of routine supplies and equipment, and other day-to-day operations and support costs.

Proposed Change

The proposed funding will provide real growth of 6% in 1983 over 1982. This will provide for increased combat force readiness, fielding of new systems, and reductions in maintenance backlogs.

Rationale

- Real growth for operations and maintenance is required to correct existing deficiencies in the combat readiness of U.S. forces. These deficiencies include unacceptable numbers of units not ready for combat and too many weapon systems out of commission. In addition, individual combat skills, including pilot proficiency, are lower than desired. Needed improvements will be achieved by:
 - increasing field training and aircraft flying hours;
 - eliminating backlogs of equipment awaiting repairs;
 - providing more resources for individual training.
- Additional funds are also required to field new, improved weapons systems that will be entering service in 1983. This involves training for crews, and extensive engineering, logistics, and personnel support.
- Increases are needed to reduce the backlog of real property in need of repair. This backlog grew substantially during the past Administration, particularly at Army posts in Europe.

Effects of the Proposed Change

The proposed changes will provide for:

- Full support for current force structure;
- Improved training;
- Improved capability of existing combat forces to engage in battle when called upon;
- Support for new equipment entering the force including:
 - 680 M1 tanks
 - 400 fighting vehicles
 - 180 Blackhawk and AH-1S helicopters

- 4 attack submarines
- 11 frigates
- 2 squadrons of F14s
- 4 squadrons of F16s
- Elimination of backlogs of major equipment needing repair and reduction of backlogs of real property awaiting maintenance.

International Security Assistance

AGENCY: Funds Appropriated to the President

FUNCTIONAL CODE: 152

Funding

	(\$ in millions)						
	1981	1982	1983	1984	1985	1986	1987
BUDGET AUTHORITY	2,543	3,486	4,663	4,689	4,703	4,618	4,480
OUTLAYS	3,131	3,485	3,835	4,496	4,787	4,650	4,478
GUARANTEED LOAN COMMITMENTS							
<i>(Off-Budget)</i>	(2,546)	(3,084)	(3,929)	(3,929)	(3,229)	(3,229)	(3,229)
DIRECT LOAN OBLIGATIONS.....	938	1,136	2,814	2,824	2,824	2,834	2,844

Program Description

Security assistance includes funds for the acquisition of modern military equipment necessary for defense, budget and balance of payments support, peacekeeping operations, and professional military education and training for foreign military personnel.

Proposed Change

- Funds will be provided for the acquisition of military equipment through loans at variable interest rates geared to the recipient country's ability to repay.
- Increases necessary for the renegotiation of base rights and facilities access agreements necessary for defense are included.
- Economic support is increased to provide assistance to countries with unstable economies threatened by outside intervention.
- Contingency funds are set at a level to enable rapid response to unforeseen situations requiring military and economic aid.

Rationale

- Soviet, Cuban and Libyan intervention in friendly nations and areas of security interest to the U.S. is increasing.
- Due to the worldwide economic downturn, few countries can afford to finance the procurement of defensive equipment at commercial or Federal Financing Bank (FFB) rates.
- Base rights and facilities access agreements in areas strategically important to the U.S. defense are due for renegotiation during 1983.
- U.S. involvement in and support of peacekeeping operations in the Sinai and Chad is essential for the success of these efforts.
- The rapidly changing nature of security situations around the world requires sufficient flexibility to be able to respond quickly to avoid confrontation or irreversible economic and political change.

Effects of the Proposed Change

- Loans for military procurement will be provided at rates to ensure the recipient country's ability to absorb the debt and repay the U.S.
- Sufficient funds will be available to allow successful renegotiation of base rights and facilities access agreements.
- Economic support necessary to stabilize countries threatened by external intervention will be provided.
- The President will have sufficient flexibility to meet unforeseen requirements around the world.