

## DEFENSE BUDGET

### Reagan

Ronald Reagan has never wavered from his staunch support of increased defense spending. He has consistently favored increases in defense spending at the expense of other areas of the budget. In a 1971 speech at a Republican fundraiser in San Diego, Reagan set out his philosophy of defense spending.

"This nation once had a slogan, 'millions for defense, not one cent for tribute,' today it is billions for welfare and take them from defense."

Press Release  
July 24, 1971

Both Reagan and the Republican party call for a massive military buildup to attain military superiority. By engaging in an arms race with the Soviets, Reagan believes that we can use our economic might to defeat the Russians.

"They (the Soviets) know they can't match our industrial capacity."

New York Post  
May 29, 1979

However, neither Reagan nor the Republican party has made it clear how they would fund this massive build-up.

"...I've always believed that defense is something in which you do not make the determination (of a budget) -- it's made for you by your possible opponent."

Washington Post  
April 20, 1980

When pressed for figures on how much would be necessary to achieve military superiority, Reagan avoids specifics.

"Well, I've never gone by the figures. In fact, I think it's wrong to say we're safe because we're spending 5 percent more or 3 percent more or anything. No, go by the weapons. Now, I have outlined a number of weapon shortages that we have, but I don't have access to the high command. Just ask these men who would have to fight the war what

are the essential weapons, the top priority that we must have now to restore our ability to deter the Soviet Union. I tell you, I think we're talking about the next few years that we must change the situation, not eventually down the road."

National Journal Interview  
March 8, 1980

While Reagan refuses to give a specific figure for defense spending, his advisors have been mentioning some figures. The Washington Post reported that some of "Reagan's military advisors believe that nothing less than increasing defense spending by 10 percent a year will do." The Post adds that "such an increase in the prospective \$150 billion defense budget for fiscal 1981 alone would come to 15 billion -- equal to the Education Department's total budget for fiscal 1981." (Washington Post, June 16, 1980)

In another Washington Post story, one of Reagan's top defense advisors, William Van Cleave, mentioned that, in his opinion, 6 percent of the total U.S. Gross National Product or "maybe even a little more," may be required to pay for Reagan's defense programs. (Washington Post, August 27, 1980)

When asked how he would fund the arms build-up, Reagan's standard reply is: "out of the economy."

New Yorker  
March 24, 1980

In fact Reagan would rely on Reagan-Kemp-Roth to provide the needed revenues for the military build-up:

"We would use the increased revenues the federal government would get from this tax decrease to rebuild our defense capabilities."

Flint Journal  
May 18, 1980

Bush

"If it came down to that (more for defense, a tax cut and a balanced budget), I would still have to go with defense increases because we really do have a so-called window of danger. The evidence coming out of the SALT talks is overwhelming...But it is not unrealistic to think that you can increase defense spending, have a supply-side tax cut and get a (budget) balance. Everybody says that's impossible. The economists advising me don't think it's impossible."

March, Florida airplane interview  
Washington Post  
April 20, 1980

Bush

"Our strategic forces are really quite vulnerable, shockingly so, compared to the Soviets. I don't have a specific figure on increased defense spending yet but I'm impressed that General Jones, the chairman of the Joint Chiefs, is saying we need five percent."

Political Profiles  
page 9  
1979

Bush

"There are some things you have to spend for, even acknowledging that it might be inflationary, but if it's in defense of our country, you've got to build it into the budget."

Eugene, Oregon, Register-Guard  
December 19, 1979

"This is what Reagan means when he says, "The cause peace is best served by strength, not bluster."

"It's what Governor Reagan means when he says that as president he will work for "an honest verifiable reduction in nuclear weapons" but that he will not acquiesce to a SALT II Treaty "which, allows for a clear strategic imbalance favoring the Soviets."

"It's what Ronald Reagan means when he says that our best hope of persuading the Soviets "to live in peace is to convince them they cannot win at war."

"It's why Ronald Reagan is the true peace candidate in 1980 campaign for the presidency -- and why the present administration in Washington, ignoring the lessons of modern history, has allowed our nation's defense to stagnate and weaken in the face of a massive Soviet arms program.

"That the Carter administration recognizes its failure in this vital area is borne out by the switched signals that have come from the White House and the Secretary of Defense in recent months.

"After 3-1/2 years of administration policies and rhetoric that have had the effect of reducing our strategic capabilities, relative to Soviet arms development, the president and his Defense Secretary are desperately trying to assure the American people that despite all evidence to the contrary, our country's military strength has kept pace with Soviet arms expansion."

World Affairs Council  
September 5, 1980

Mondale

"The first responsibility of a strong President is to defend our nation.

"For the eight years of Republican rule -- while the Soviets were building up their power -- real American defense spending dropped thirty-five percent. That's the Republican record. We not only have increased real defense support by ten percent -- we have also invested in the most sophisticated weapons in the world. Today, no American general or admiral would dream of exchanging our forces for any other on earth.

"But Mr. Reagan scolds us for having cancelled an outmoded bomber that would be obsolete and vulnerable the day it was launched. President Carter chose instead the modern cruise missile -- which renders the whole expensive Soviet air defense system obsolete.

"Up and down the defense agenda, the Republicans repeat the same mistakes. They want to resurrect decommissioned ships. They want to revive the ABM System -- which even Nixon junked. With obsolete missiles, mothballed ships, vulnerable bombers, and petrified ideas, they would waste billions on defense relics that would drain and weaken us.

"President Carter does not want to mimic the Soviet's bulk. He has chosen to offset it with the greatest resource we have -- the genius of American technology. And as a result, this nation today is bulding security not for yesterday, but for the rest of the century."

DNC Acceptance Speech  
August, 1980

-- Strategic Forces. We have strengthened all three legs of our strategic Triad.

-- The M-X program has moved from an ill-defined concept under the Republicans to full scale engineering development under the Carter Administration. It has gone from an untenable basing scheme to a survivable and effective concept far ahead of anything the Soviets have.

-- We have moved forward with the Trident submarine and missile programs stalled by contract disputes and other delays.

-- Instead of investing billions in a bomber -- the B-1 -- which would have been dangerously vulnerable soon after deployment, we accelerated the cruise missile program which exploits some of the best and most advanced military technology in the world today.

-- As Secretary Brown and Under Secretary Perry's statements last week on the Stealth program technology indicate, we have, in the most prudent fashion continued to dedicate our resources to technology which will provide for really meaningful steps in enhancing our strategic capability.

-- NATO. We have developed and implemented a concerted and effective policy together with our NATO allies. Our leadership with the long term defense program and the modernization of our long range tactical nuclear forces have moved the alliance to a position of strength far exceeding any previous time. Our actions in this area demonstrate not only our leadership but also the consistency of our dedication to a prudent defense policy. Through our leadership in 1977 -- within the first four months of this Administration -- the alliance adopted a commitment to 3% real growth annually in defense spending. We are meeting that commitment and so is the alliance as a whole.

-- Rapid Deployment Force. As conditions in the Persian Gulf and elsewhere have demonstrated the need for our flexibility in responding to crises we have taken the steps to enhance our capability to respond to threats in various regions. We have moved and are continuing to move from the position of inadequacy which this

Administration inherited to a Rapid Deployment Force concept which is both real and which is supported by forces in being.

These are but the major elements of a concerted, prudent, and responsible program undertaken by this Administration to guarantee the security of the United States. We have taken a program which under the Republicans had marched backwards and moved it forward. The real growth in defense spending which by the end of a second Carter term will reach 27% is a carefully measured response to external challenges. Unlike the approach of our opponents, we have faced this problem with a realistic response. We have improved our situation progressively and within the bounds established by our other national requirements.

We recognize our responsibility. We know how much our program costs. We are able to measure our needs and respond to them prudently. Our opposition merely shrugs his shoulders and says "do it all," but also says that he won't know how much it all costs until after he is elected.

Q. How do you respond to the charges by Ronald Reagan that our U.S. defense posture and policies are inadequate and that the Administration has not acted responsibly in molding our defense posture?

A. Context

- Our program provides for national security of the United States now and in the future.
- In spending terms (outlays), real growth each year.
  - total of 10% over 4 years
  - 27% over 8 years
- Republicans, by contrast, had 35% reduction over 8 years.
  - even with Vietnam factored out, about 7% real reduction.

Specific Program

- Strategic
  - M-X
  - Trident-sub-which was stalled
  - Cancel B-1, accelerate cruise missile
  - Stealth technology
- NATO
  - Leadership with 3%
  - Long term defense program
  - Long range theatre nuclear forces

- Rapid deployment force

Conclusion

- Our program is prudent and responsible
- Reversed a declining trend to one of growth
- Realistic approach which acknowledges other national priorities
  - Ours - a carefully costed and balanced program
  - Theirs - do everything, but Reagan won't know how much it costs until he is elected.

September 3, 1980

CHARGE: Defense spending declined during the Nixon-Ford years because of the Southeast Asia wind-down.

REBUTTAL: That is true, but even absent Southeast Asia-associated costs, Defense-related spending declined in five of those eight years by about 7%, or almost by the amount we have in four years increased it.

CHARGE: The decline in Republican Defense budgets was not so great as we have said it was.

REBUTTAL:

-- Measured across the years 1970 to 1977, and in constant dollars, defense spending fell more than 35%. This figure is produced by totalling the decline in defense outlays over those eight years, which are the years over which the Republican Administration exercised control.

-- The President's record on defense spending is that of steady and sustained growth, and is in sharp contrast to the record of significant declines during the prior eight years. When the Carter Administration's commitment to national security is evaluated under the

appropriate measure of defense expenditures -- outlays: the money actually spent in any given year to produce tangible improvement in our armed forces -- the record reveals that outlays rose by 10.1% in constant dollars over the 4 year period. As projected in the current Five Year Defense Program, at the end of President Carter's second term, Defense spending will have increased over the eight year period, by 27%.

CHARGE: That spending declines from 1970 to 1977 were caused by Congressional reductions to the budget request, and the Congress was controlled by Democrats.

REBUTTAL: True, Democrat-controlled Congresses did reduce annual Defense appropriations requests (on an average only by between 5-10%), but the requests themselves declined by \$30 to \$40 billion in the eight

years before FY 78. Not until President Carter's defense budget proposals, beginning in FY 1978 and running for four consecutive years, did continuing increases occur. This record underlines the President's consistent commitment to sustaining modernizing defense capabilities.

CHARGE: The Carter Administration has irresponsibly reduced the Navy Shipbuilding Program initiated by the Republican Administration.

REBUTTAL: Under the last Republican Administration (from 1970 to 1977) the U.S. Naval Fleet declined in size from 847 ships to 543. The current fleet size is 539 vessels (all numbers include the Active Fleet, the Naval Reserve Force, the Naval Fleet Auxiliary Force and Fleet Ballistic Missile Submarines). Under the current five year shipbuilding plan, our fleet will increase to 590 by 1990. These facts provide a weak basis for the Republican opposition to criticize our naval posture.

-- Like President Ford's budget for fiscal year 1978, submitted after his defeat at the polls, left Republican officials free to propose a budget that would neither have to be defended before Congress nor executed, the Ford 1977, 156-ship five year plan was a lame duck document that did not have to meet the tests of affordability and consistency. The program proposed

twice as many ships per year as the average number authorized by Congress during the previous seven years.

-- In contrast, the current Carter program is based on a policy to structure a realistic, executable 5-year ship building program within available resources, rather than to continue to delude ourselves with unrealistic shipbuilding plans.

-- The Carter Administration five year shipbuilding plan provides for the construction of 97 new ships, and for major modernization of five other ships, including three aircraft carriers. Two-thirds of these new ships are combatants, the rest are support vessels. The shipbuilding plan reflects two deliberate decisions to increase our strength and military flexibility: the construction of highly capable combatant ships (as exemplified by the construction of sixteen CG-47 class, AEGIS-equipped guided missile cruisers), and supporting our rapid deployment forces through the procurement of 14 newly designed maritime prepositioning ships.

CHARGE: President Carter irresponsibly cancelled the B-1.

REBUTTAL: It is true, as Mr. Reagan claims, that President Carter cancelled the B-1 bomber program; but what Mr. Reagan does not explain is that the decision to

do so was based on the President's judgment that the B-1 would have been obsolete ~~even before it was ready for~~ <sup>shortly after</sup> deployment -- an assessment that, incidentally, has been confirmed by our most recent intelligence on Soviet advances in air defense. In addition, Mr. Reagan neglects to mention that instead of developing the B-1, President Carter chose to modernize our bomber forces by equipping our B-52s with small, long-range, and deadly-accurate cruise missiles, which had not previously been developed, and which are far more able to penetrate Soviet air defenses than the B-1.

CHARGE: President Carter irresponsibly stopped Minuteman Production.

REBUTTAL: It is true, as Mr. Reagan claims, that President Carter stopped production of the Minuteman III; but what Mr. Reagan does not explain is the context within which the decision was made. The decision had been firmly taken to limit Minuteman deployment to 450 Minuteman II and 550 Minuteman III ICBMs. This fact, along with our commitment to a follow-on strategic missile system eliminated the need for any Minutemen beyond a reasonable number of spares. We already had 100 "extra" Minuteman III missiles in inventory. Thus, continued production at a cost of as much as \$300 million a year made no sense.

CHARGE: President Carter irresponsibly delayed M-X development.

REBUTTAL: It is true, as Mr. Reagan claims, that President Carter initially delayed development of the M-X program; but what Mr. Reagan does not explain is that when the Carter Administration entered office, we inherited an M-X basing concept which subsequent analysis indicated was vulnerable to a first strike. It was only after considerably more analysis and work that the mobile basing scheme was decided upon to preserve the retaliatory capability of our ICBMs, and to permit us to proceed with the M-X program, which is now fully underway.

CHARGE: President Carter has irresponsibly slowed the Trident program.

REBUTTAL: Mr. Reagan's assertion that President Carter has cut the TRIDENT I Missile program and decided against the TRIDENT II Missile is simply incorrect; the TRIDENT I program has been fully implemented by this Administration, and President Carter has taken the first positive step by any administration to implement the TRIDENT II program by formally indicating his intention to fund it in the FY 1982 budget.

CHARGE: We must seek strategic superiority.

REBUTTAL: This Administration is dedicated to the maintenance of a military force that is second to none.

Unlike Mr. Reagan, however, this Administration does not advocate a policy of American military superiority over the Soviet Union. As superficially desirable as the goal of across-the-board supremacy may be in the abstract, a common-sense assessment shows that pursuit of such an objective would:

- Mean the end of arms control;
- Produce an uncontrolled and very expensive arms race;
- Lead to an inevitable concentration of our finite resources on strategic weapons at the expense of vitally necessary conventional forces; and
- Result in a condition of dangerous instability and the constant threat of possible nuclear conflict.

Rather than pursuing the military and economic impossibility of absolute supremacy, this Administration is committed to maintaining our essential equivalence with the Soviet Union. Contrary to what Mr. Reagan would have us -- and others -- believe, the truth is that our military power is second to none. Our conventional military power, coupled with that of our allies, is not exceeded by any combination of nations on

earth. Likewise, our strategic nuclear military power does not lag behind that of the Soviets. Indeed, in some areas of strategic capability, we are ahead of the Soviet Union.. In short, our strategic forces are fully adequate both to protect ourselves and our allies and to deter our adversaries.

## The Carter Administration's Defense Budget Record

The President's record on defense has been consistent, and in sharp contrast to the record of prior years. During the first half of the 1970s, although most Americans failed to recognize it, the Soviets were steadily increasing their military capabilities while U.S. defense efforts were declining in real terms--by more than 37% during the eight years preceding this Administration.

- Outlays for defense declined for seven of the eight years.

- The budget for strategic forces declined in seven of the eight years--a 20% drop overall.

This Administration has reversed the decline in defense strength. During the first four years of this Administration, we have increased real defense spending more than 10%. This record, and the Administration's FY 81-85 Five Year Defense Program, which projects a sustained 4-5% real increase through the next five years, underlines the President's consistent commitment to sustaining and modernizing defense capabilities.

In late fall 1979, Secretary Brown presented to the Congress a preview of the Administration's FY 81 defense budget. This preview accurately forecast the January budget request. In March--once the impact of inflation, oil price increases, and the cost of expanded Indian Ocean operations became clear--the Administration submitted necessary FY 80 supplemental and FY 81 amendment requests, to accommodate the budget to these changed circumstances. Both these requests were necessary to adapt the budgets of the two years to unforeseen and unforeseeable changes--such as those arising from the Soviet invasion of Afghanistan--and reflect the Administration's determination to preserve the program in the face of these events.

With respect to military compensation, the President's fair pay package announced aboard USS NIMITZ contains three elements: support of a number of Warner-Nunn proposals, specific improvements in the existing CHAMPUS program, and eight other "legislative contingency" items (e.g., a pilot continuation bonus). The FY 81 cost of this entire package is just over \$1 billion.

Recent congressional additions to the President's defense budget proposal threaten to distort both the balance in the budget between defense and non-defense programs, and the balance within the defense budget itself. The net effect

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would be a fiscally irresponsible program: one that would encourage further inflation, and one that does not come close to providing improvements to our military capabilities in proportion to the sums expended.

Beyond these considerations we must also take into account the effect of the Defense program--and these proposed additions to it--in the context of the economy as a whole. Defense remains our most important but not our sole national objective. Nor is its achievement independent of the state of the national economy. In arriving at his FY 81 submission, the President weighed the demands not only of national defense, but of the other claims on our national resources in both the public and the private sectors.

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Of special concern is the danger of a profound mis-allocation between the Department's operating and investment accounts. Congressional actions require greater procurement of some major systems (such as aircraft and ships) than in the Administration's proposed program and in some cases accelerated production rates of these systems. Procurement increases historically have come at the expense of the maintenance and operation of existing systems, the future logistic support of the systems newly procured, and the personnel to operate the weapons procured. While increased procurement may offer greater near-term production efficiency, this would be in exchange for the combat readiness of our forces today and tomorrow.

There has been no inconsistency in the Administration's approach to these issues. In his testimony and public statements, the Secretary of Defense has repeatedly urged the Congress to support steady, sustained real increases in defense spending, and argued against one year "crash" programs to attempt to correct twenty years of neglect of our defense posture.

The Administration continues to believe that a stronger defense and a balanced budget are compatible. But these goals cannot be achieved if defense spending is permitted to increase uncontrollably, driven by narrow or partisan self-interest or unwarranted--and damaging--doubts about our military capability.

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Department of Defense\*

Total  
\$ Millions

Fiscal Year	TOA			OUTLAYS		
	Current Dollars	Constant FY 81 \$	Percent Real Growth	Current Dollars	Constant FY 81 \$	Percent Real Growth
1970	75,517	178,621	-9.6	77,070	179,556	—
1971	72,815	160,903	-9.9	74,472	162,695	—
1972	76,502	156,156	-3.0	75,076	152,311	—
1973	78,924	149,768	-4.1	73,223	139,050	—
1974	81,682	142,834	-4.6	77,550	135,867	—
1975	86,163	137,509	-3.7	84,900	134,681	—
1976	95,796	143,462	4.3	87,891	130,355	—
1977	107,872	150,491	4.9	95,557	133,003	—
1978	116,528	150,927	0.3	103,042	134,045	—
1979	124,759	149,489	-1.0	115,013	139,278	—
1980	141,693	153,830	2.8	130,885	142,620	—
1981	161,763	161,763	5.2	146,971	146,971	—
1982	184,141	169,528	4.8	167,286	153,291	—
1983	206,774	176,987	4.4	188,570	160,036	—
1984	230,488	184,420	4.2	210,968	166,918	—
1985	256,119	192,166	4.2	234,162	173,762	—

Cumulative Changes

Fiscal Year	TOA	OUTLAYS
1970-77	-25.7%	-37.2%
1978-81	7.3%	10.1%
1982-85	17.6%	17.1%

\*Based on the FY 81 Budget Revision (March 1980).

Department of Defense\*  
 Excluding Southeast Asia Costs  
 \$ Millions

Cal Year	TOA			OUTLAYS		
	Current Dollars	Constant FY 81 \$	Percent Real Growth	Current Dollars	Constant FY 81 \$	Percent Real Growth
970	61,116	144,188	- 2.7	59,696	139,219	- 2.8
971	63,245	139,264	- 3.4	63,020	137,468	- 1.3
972	69,520	141,393	1.5	67,848	137,239	- 0.2
973	73,752	138,942	- 1.7	67,957	128,086	- 6.7
974	80,392	140,295	1.0	74,824	130,745	2.1
975	85,893	137,094	- 2.3	84,181	133,534	2.1
976	95,796	143,462	4.6	87,866	130,316	- 2.4
977	107,872	150,491	4.9	95,557	133,003	2.1
978	116,528	150,927	0.3	103,042	134,045	0.7
979	124,759	149,489	- 1.0	115,013	139,278	3.9
980	141,693	153,830	2.8	130,885	142,620	2.4
981	161,763	161,763	5.2	146,971	146,971	3.1
	184,141	169,528	4.8	167,286	153,291	4.3
	206,774	176,987	4.4	188,570	160,036	4.4
	230,488	184,420	4.2	210,968	166,918	4.3
	256,119	192,166	4.2	234,162	173,762	4.1

Cumulative Changes

Cal Year	TOA	OUTLAYS
70-77	1.9%	- 7.1%
78-81	7.3%	10.1%
82-85	17.6%	17.1%

Based on the FY 81 Budget Revision (March 1980).

August 28, 1980

PERSIAN GULF COMMITMENT

Q: What is the nature of our commitment to defend the Persian Gulf region?

A: As I said in my State of the Union address -- an attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America and such an assault will be repelled by any means necessary, including military force.

The purpose of my statement was to eliminate the possibility of any gross miscalculations by the Soviets about where our vital interests lie, or about our willingness to defend them. I am sure this is well understood.

Over the past year, we have made major strides in improving our capabilities to resist successfully further Soviet aggression in the region. Our efforts are designed to show the Soviets that we are both willing and able to deny them control over this vital region.

## USSR GRAIN EMBARGO

### Reagan

Reagan has long been an opponent of selling wheat to the Russians. He has, on two occasions, advocated halting grain sales to the Soviet Union.

"But isn't there also a moral issue? Are we not helping the Godless tyranny maintain its hold on millions of helpless people? Wouldn't those helpless victims have a better chance of becoming free if their slave masters collapsed economically?...Maybe there is an answer -- we simply do what's morally right. Stop doing business with them. Let their system collapse, but meantime buy our farmers' wheat ourselves and have it on hand to feed the Russian people when they finally become free."

Radio Transcript  
October 29, 1975

After disclosure of a Russian brigade in Cuba, Reagan said:

"If the Russians want to buy wheat from us...I wouldn't sell it to them."

Los Angeles Times  
September 30, 1979

In fact, in 1975 Reagan suggested using a grain embargo to force the Soviets out of Angola and in June, 1979 Reagan advocated a "no crude, no food" policy toward Nigeria.

However, when the Soviets invaded Afghanistan Reagan commented:

"I just don't believe the farmer should be made to pay a special price for our diplomacy, and I'm opposed to what's being done (proposed Soviet grain embargo)."

Washington Post  
January 8, 1980

### Bush

"You're not going to get the Russians out of Afghanistan by embargoing eight million tons of grain. What's missing is a redefinition of our foreign policy."

Worcester, MA, Gazette  
January 16, 1980

## Carter

"In response to the Soviet armed invasion of Afghanistan on Christmas Eve, I took several actions to demonstrate our Nation's resolve to resist such hostile acts of aggression against a sovereign, independent nation. One of the most important of these actions was the suspension of grain sales to the Soviet Union beyond the 8 million tons provided under our 1975 grains agreement. The Soviet Union had intended to purchase an estimated 25 million tons of U.S. wheat and feed grains. Thus, the suspension of sales above the 8 million ton agreement level is expected to result in the freeing of about 17 million tons.

My decision to suspend these sales was a difficult one, but a necessary one. We could not continue to do business as usual with the Soviet Union while it is invading an independent, sovereign nation in an area of the world of strategic importance to the United States. I am fully committed to a policy of promoting international trade, and particularly the expanded export of U.S. agricultural products. I am proud of my Administration's record in this regard. Because of the aggressive efforts of American farmers and businessmen, working in cooperation with Federal representatives, and the provision of new authorities by Congress, we have set new export records in each of the past 3 years. Even with the Soviet suspension, we intend to set still another record in the coming year. In making my decisions on the suspension, I believe it would be unfair to ask the American farmer to bear a greater share of the burden and sacrifice than their fellow Americans were asked to bear. Farmers should not be penalized simply because they are part of an agricultural machine that is of growing strategic importance in the world.

To protect American farmers from the price depressing effects of the grain suspension, I directed the Secretary of Agriculture to take several actions:

- The Commodity Credit Corporation will assume the contractual obligations for grain previously committed for shipment to the Soviet Union.
- The Department of Agriculture, acting through the Commodity Credit Corporation, will purchase wheat contracted for export to the Soviet Union for the purpose of forming an emergency international wheat reserve. In this connection, I will propose legislation authorizing release of this wheat for international aid purposes.

- To encourage farmers to place additional grain in reserve, the Secretary of Agriculture has made several modifications in that important program.
- The Commodity Credit Corporation will purchase corn at the local level to alleviate the congestion within the transportation system caused by the refusal of the International Longshoremen's Association to load grain up to the 8 million metric ton level.

In combination, these actions are expected to isolate from the market an amount of grain equivalent to that not shipped to the Soviet Union, thereby avoiding a decline in grain prices. I am pleased to report that these actions are having the desired results and that American farmers are being protected from the effects of the suspension.

If further actions are necessary to insure that American agriculture does not bear a disproportionately large share of the burden associated with this action, I will not hesitate to take them.

State of the Union Address  
January, 1980

## Mondale

"In the President's address to the nation Friday night, he announced that we were suspending shipments of grain to the Soviet Union in excess of the 8 million tons per year that we are committed to sell under the five-year grain agreement that expires next year. As a result, approximately 16 million tons of grain ordered by the Soviet Union will not be delivered.

In addition, he directed that no sales of high technology or other strategic items will be licensed for sale to the Soviet Union until further notice while we review our licensing policy.

These are strong actions. The President took them because it is absolutely crucial to force the Soviet Union to pay a heavy price for the aggression it has chosen to commit in Afghanistan.

Like any strong action, the grain suspension is not without cost to ourselves. But as the President said Friday night, he is determined that this cost will be shared fairly by all of us. American farmers are just as willing as other Americans to carry their share of the burden -- but they must not be forced to carry an extra share just because they are farmers.

That is why the Administration took a number of immediate actions to protect farmers from adverse price effects associated with the suspension.

The President has today directed Secretary of Agriculture, Bob Bergland to take one additional step to make absolutely sure that our farmers are not unfairly penalized for an action that is in the best interest of the entire nation. To minimize disruptions in the nation's grain markets and economic damage to farmers resulting from the export suspension, he is directing the Secretary of Agriculture to offer to purchase contractual obligations for wheat, corn, and soybeans previously committed for shipment to the Soviet Union. The Commodity Credit Corporation will assume these contracts at the contract price minus any costs that have not already been paid. Our purpose is to protect against losses, not to guarantee profits. This grain will not be sold back into the markets until it can be done without unduly affecting market prices.

This action, in combination with those already announced by the Secretary of Agriculture on Saturday, will ensure that the quantities of grain that would have been shipped to the Soviet Union will be isolated from the market and that America's farmers will face essentially the same set of supply-deemed conditions as if the sales to the Soviet Union had gone forward.

I know that the President is personally gratified at the many expressions of support he has received from the farm community. Although we are determined to see that the farmers are not unfairly penalized by this suspension, some sacrifices will be required of everyone. Again, we will do the very best we can to make certain that these sacrifices are shared fairly."

Press Statement  
January 7, 1980

August 25, 1980

Impact of the Grain Suspension on the Soviet Economy

1. Soviet Grain Requirements. The 1979 Soviet grain crop of 179 million metric tons (MMT) was the smallest since 1975 -- 48 MMT below plan and 58 MMT below the record 1978 harvest. We originally estimated that the Soviets would import 36 MMT during the period October 1979-September 1980, the fourth year of the US/Soviet long term agreement. Of that 36 MMT, the Soviets planned to buy 25 MMT from the US. The President's decision to limit exports to the 8 MMT ceiling established in the agreement denied the USSR 17 MMT of grain. We estimate that by September 30 the Soviets will be able to import only 8-9 MMT of the 17 MMT, leaving them with a shortfall of 8-9 MMT during the 1979/80 agreement year.

But viewed on a marketing year basis (July 1979-June 1980), which relates more directly to the availability of domestic crops in the USSR, the impact of the grain suspension is more dramatic. Without our grain embargo, the Soviets would have imported about 37.5 MMT during the 1979/80 marketing year. They acquired 17 MMT before the embargo went into effect and planned to purchase 20.5 MMT more during the first six months of 1980. We believe they have obtained only 14 MMT -- 6.5 MMT less planned. This is equal to 10% of the USSR's feedgrain requirements during the six month period.

2. Impact on Soviet Meat Production. The shortfall in feedgrain is having a substantial impact on the Soviet livestock industry. Soviet economic journals report that state meat production is down 5% in the first seven months of 1980 compared with 1979. And the trend is downward. In May, total meat output was down 5.6% from May 1979. Production in June and July was off 10.7% and 15%, respectively, from corresponding months in 1979. We can attribute much of this steady decline in production to shortages in imported feedgrains during the first half of 1980.

3. Impact on Soviet Meat Consumption. The availability of meat is a sensitive internal issue in the USSR and is considered by Soviet consumers an important measure of their standard of living. The 1979 crop failure and the partial grain embargo have caused a serious setback in Soviet plans to improve the availability of meat and other animal products to the Soviet consumer. Per capita meat consumption will remain at the 1975 level of 125 lbs compared with the 1980 goal of 139 lbs. Soviet per capita meat consumption lags behind all Eastern European countries (e.g. 156-159 lbs in Poland and Hungary) and far behind the US (244 lbs). With meat production falling over the short term, the Soviets will not be able to meet consumption goals for the foreseeable future. There are recurring reports of severe meat and dairy product shortages throughout the USSR.

4. Soviet Grain Prospects. Secretary Bergland recently testified that Soviet grain production in 1980 should be in the 200-225 MMT range with the most likely estimate placed at 210 MMT. The latter figure may now be optimistic. Our Embassy in Moscow reports that hopes for a large harvest have diminished because of bad weather. Prospects are for a crop of about 200 MMT with the possibility that it may even dip below this level. The implications are clear: (1) the USSR will not be able to rebuild depleted grain stocks without a further cut in meat production in 1981; and (2) Soviet grain import demand in 1980/81 will remain strong. With a crop of between 200-225 MMT the Soviets would probably prefer to buy substantially more than 30 MMT to meet current consumption needs and rebuild stocks. But the embargo has effectively reduced Soviet port capacity. In shifting from US to non-US suppliers, the average load per ship has decreased while the port turnaround time has lengthened substantially. Such logistic constraints limit the Soviet Union's ability to handle more than 30 MMT of grain imports annually.

September 10, 1980

Grain Embargo

Q: Why do you continue the grain embargo? The Soviets have apparently covered their grain needs from other sources. Has the embargo had any noticeable effect on the Soviet economy?

A: -- I ordered the partial suspension of grain sales to the USSR to force the Soviet Union to pay a concrete price for its aggression in Afghanistan. They have paid -- and are continuing to pay -- that price. Evidence continues to mount that the grain suspension is having a substantial, adverse impact on the Soviet economy, in particular, on the livestock industry.

-- By suspending grain sales above the 8 million metric tons (MMT) required by our bilateral agreement, we denied the Soviets 17 MMT. We estimate that the USSR will be able to make up only 8-9 MMT of the 17 MMT during the 1979/80 agreement year (October 1979-September 1980).

-- The impact has been especially severe in the first half of 1980. The Soviets had hoped to import about 20.5 MMT between January and June. They obtained only 14.0 MMT. The resulting shortfall of 6.5 MMT is equal to 10% of Soviet total feedgrain requirements for that period.

-- Meat production has suffered. In the first seven months of 1980, total meat output was 5% below 1979 levels. And the trend is downward. Meat production dropped

-- The grain embargo has stymied Soviet plans to provide the Soviet consumer more meat and dairy products. Per capita meat consumption remains at the 1975 level, far short of the 1980 target. Meat consumption in the USSR lags behind all Eastern European countries.

Continuation of the Embargo

Q: When do you plan to end the grain embargo?

A: I have no intention of lifting the partial embargo on grain sales to the USSR for the foreseeable future. We will honor the US-Soviet long term grain agreement which allows the USSR to buy up to 8 million metric tons of US grain annually. But we will not sell more than that amount unless the Soviets stop their aggression in Afghanistan.

OLYMPIC BOYCOTT

Bush

"You don't reward brutal aggression by giving them (the Soviets) the opportunity to put a beautiful face on something ugly."

Keene State College, Keene, NH,  
Sentinel - January 23, 1980

Bush

"First he (Reagan) said he supported the boycott, then he said 'Let the athletes decide.' Then he finally came back around and now agrees the U.S. shouldn't send a team to Moscow. Yesterday, back again, he said maybe individuals should have a choice."

Center City, PA  
Philadelphia, PA, News  
April 9, 1980

Bush

"Those who don't (voluntarily comply with Carter's wishes) must not be allowed to participate and the president should take the step of withholding their passports."

World Affairs Council of Philadelphia  
Washington Star, April 9, 1980

Bush

"The President laid down the gauntlet early this year, telling the Soviets that if their troops were not out of Afghanistan by Feb. 20 that the United States would not participate in the Olympics.

"The president's decision in this matter is irrevocable. And it's time political candidates of both parties, the United States Olympic Committee and our athletes give their total support to President Carter on this matter. Frankly, I'm appalled that some athletes and a sizable number of delegates to the United States Olympic Committee are even considering...participation in the games."

World Affairs Council of Philadelphia  
Washington Star - April 9, 1980

Bush

"I would cancel our participation in the Olympics in Moscow; put them someplace else. I don't want to see the Soviets able to use the Olympic Games as some kind of a turnaround now in the summer, in a peace overture, and showing a good side of a naked aggression."

CBS Face the Nation  
January 20, 1980

Reagan

Reagan proposed boycotting the Moscow Olympics even before the Afghanistan invasion.

"What would happen if the leaders of the Western world told the International Olympic Committee and the Soviet Union that torch must be lit in some other country...If they don't and we participate in the games anyway, what do we say to our young athletes about honor?"

Radio Transcript  
October 3, 1978

However, after the Soviet invasion of Afghanistan Reagan vacillated. First he opposed the boycott.

"...threats to refuse to attend the Olympics are not responsive to the Soviet call of our hand."

Washington Post  
January 25, 1980

Then Reagan changed his mind and supported the boycott.

"...I support the idea of taking the Olympics someplace else."

Detroit News  
February 14, 1980

Then Reagan opposed the boycott.

"It's a tough one...You'll just have to let me stew about that one for a while."

Los Angeles Times  
March 28, 1980

Then Reagan threw the issue to the athletes.

"I would leave the decision to the athletes themselves."

Washington Post  
April 1, 1980

Finally Reagan felt pressured to issue a clarifying statement.

"I support the boycott today. I supported it yesterday. And I supported it when the President first called for it."

Philadelphia Inquirer  
April 11, 1980

## Mondale

"As we meet today, the lesson of the Soviet invasion of Afghanistan still waits to be drawn. History holds its breath -- for what is at stake is no less than the future security of the civilized world.

If one nation can be subjugated by Soviet aggression, is any sovereign nation truly safe from that fate? If a hundred thousand Russian troops, and the barbaric use of lethal gas, and the spectre of nightly assassinations -- if these fail to alarm us, what will? If the Soviet lunge toward the most strategic oil-rich spot on earth fails to unite us, what will?

And if we and our allies fail to use every single peaceful means available to preserve the peace, what hope is there that peace will long be preserved?

While history holds its breath, America has moved decisively. To show the Soviet Union that it cannot invade another nation and still conduct business as usual with the United States, our country has embargoed 17 million tons of grain; tightened controls on high technology trade; limited Soviet fishing in our waters; raised our defense budget to upgrade all aspects of our forces; strengthened our naval presence in the Indian Ocean; intensified development of our Rapid Deployment Forces; and offered to help other sovereign states in the region to maintain their security.

In the UN General Assembly, the United States joined more than a hundred other nations in an unprecedented majority -- calling for the immediate, unconditional, and total withdrawal of Soviet troops from Afghanistan. But the President, the Congress, and the American people understand that a world which travels to the Moscow Games devalues its condemnation and offers its complicity to Soviet propaganda.

I am convinced that the American people do not want their athletes cast as pawns in that tawdry propaganda charade. And I urge you to respect that undeniable consensus.

Your decision today is not a question of denying our Olympic team the honor they deserve -- for the American people deeply respect the sacrifice we are asking our athletes to make.

It is no longer a question of whether participation in the Moscow Olympics confers legitimacy on Soviet aggression. When the Communist Party prints a million handbooks to tell its top activists that the Summer Games mean world respect for Soviet foreign policy, surely that issue is behind us.

Nor is it a question of drawing a line between sports and politics. That line the Soviets long ago erased. When billions of rubles are diverted to the Games from Soviet domestic needs; when Moscow and other Olympic cities are purged of dissidents who might speak out; when Soviet children who might meet Western people and ideas on the streets are packed off to internal exile; when Soviet emissaries roam the globe offering athletes expense-paid trips to Moscow; when Soviet sports officials distort the number of teams committed to participating -- surely the issue of Soviet politics in Soviet sports is also behind us.

Above all, the decision you will make today is not a choice between a sports issue and a national security issue. For the President and Congress have made it clear that the Olympic boycott is a genuine element of America's response to the invasion of Afghanistan. It is an unambiguous statement of our national resolve. It is a keystone in our call to our allies for solidarity.

We must not -- and cannot -- break that link between America's power to check aggression, and America's call for an Olympic boycott. Your vote is a test of our will, our confidence, our values, and our power to keep the peace through peaceful means."

Address to U.S. Olympic Committee  
Colorado Springs, April 1980

## SOVIET TROOPS IN CUBA

Bush

"Before Carter got there we negated a commitment in Angola; we waked (sic) up; we find instead of 18,000 Cubans in Africa, 44,000; and instead of some little training units down there in Cuba, we find a combat brigade, operating and maneuvering in combat formation with no training function at all."

ABC Issues and Answers  
October 21, 1979

Bush

"I believe that our foreign policy has been very, very naive and I am absolutely convinced, going back to my CIA days, that this (Soviet troops in Cuba) is something new, that this wasn't there all along. In fact, Castro says it, or Brezhnev says it, doesn't impress me one bit.

" There were things we had to watch, ingredients that should be watched; but I am saying what is there (in Cuba) now is different than what was there before. That is all I am saying."

ABC Issues and Answers  
October 21, 1979

Bush

"I think we ought to have a dialogue with them (Soviets); I think we ought to discuss with them, but I know the only way you deal with them is to deal from strength. They understand that."

Dover, NH. Foster's Democrat  
June 14, 1979

Bush

"I would bring it directly to them (The Soviets). I would say, 'We know you have a brigade there (Cuba); we want them out.' You want a hell of a lot from us, so you had better do this in return."

Jacksonville, FL, Journal  
October 4, 1979

Bush

"They want technology and grain from us. I would have explained that the American people will be awfully upset when they find out about the troops and that it would be in the Soviets' best interest to move them out of Cuba."

Fort Worth, TX, Star-Telegram  
October 21, 1979

Bush

He would "firmly and quietly tell the Russians that there would be no SALT II treaty, no grain or high technology until after those troops are removed from Cuba."

Rock Island, IL, Argus  
September 21, 1979

Bush

He resents Carter's attempt "to shift the responsibility to past administrations rather than to move ahead to solve the problem.

"The foreign policy point is to get them the hell out of there."

Houston, TX, Post  
September 12, 1979

Bush

"If the Soviets did not feel that this brigade-level force was a provocation, it would not have been surreptitiously placed in Cuba. The stationing is a clear provocation -- it's a test of the United States will. The president must meet this test with resolve."

Houston, TX, Post  
September 12, 1979

Bush

"After proclaiming that we would do our part, the Carter administration is, in effect, fighting those who seek freedom. That is a foreign policy outrage."

Tarrant County Law Day luncheon  
Fort Worth, TX, Star-Telegram  
May 1, 1980

Bush

"The President of the United States should insist those troops be removed. And I believe they would be. the United States is not so impotent...and the Soviet Union wants so much from us."

Philadelphia, PA, Bulletin  
September 7, 1979

Bush

"You've got to remember there are certain things Castro wants from the United States. And I think there ought to be a code of behavior that he's held to before he gets anything."

Political Profiles  
page 9  
1979

Carter

"The Soviet Union does not admit that the unit in question is a combat unit. However, the Soviets have made certain statements to us with respect to our concern: that the unit in question is a training center, that it does nothing more than training and can do nothing more; that they will not change its function or status as a training center. We understand this to mean that they do not intend to enlarge the unit or to give it additional capabilities.

They have said that the Soviet personnel in Cuba are not and will not be a threat to the United States or to any other nation; that they reaffirm the 1962 understanding and the mutually agreed upon confirmation in 1970 and will abide by it in the future. We, for our part, reconfirm this understanding.

These assurances have been given to me from the highest level of the Soviet Government.

Although we have persuasive evidence that the unit has been a combat brigade, the Soviet statements about the future noncombat status of the unit are significant. However, we shall not rest on these Soviet statements alone.

First, we will monitor the status of the Soviet forces by increased surveillance of Cuba.

Second, we will assure that no Soviet unit in Cuba can be used as a combat force to threaten the security of the United States or any other nation in this hemisphere. Those nations can be confident that the United States will act in response to a request for assistance to meet any such threat from Soviet or Cuban forces.

This policy is consistent with our responsibilities as a member of the Organization of American States and a party to the Rio Treaty. It's a reaffirmation in new circumstances of John F. Kennedy's declaration in 1963 "that we would not permit any troops from Cuba to move off the island of Cuba in an offensive action against any neighboring countries."

Third, I'm establishing a permanent, full-time Caribbean joint task force headquarters at Key West, Florida. I will assign to this headquarters, forces from all the military services responsible for expanded planning and for conducting exercises. This headquarters unit will employ designated forces for action if required. This will substantially improve our capability to monitor and to respond rapidly to any attempted military encroachment in this region.

Fourth, we will expand military maneuvers in the region. We will conduct these exercises regularly from now on. In accordance with existing treaty rights, the United States will, of course, keep our forces in Guantanamo.

Fifth, we will increase our economic assistance to alleviate the unmet economic and human needs in the Caribbean region and further to ensure the ability of troubled peoples to resist social turmoil and possible Communist domination.

The United States has a worldwide interest in peace and stability. Accordingly, I have directed the Secretary of Defense to further enhance the capacity of our rapid deployment forces to protect our own interests and to act in response to requests for help from our allies and friends. We must be able to move our ground, sea, and air units to distant areas, rapidly and with adequate supplies.

We have reinforced our naval presence in the Indian Ocean.

We are enhancing our intelligence capability in order to monitor Soviet and Cuban military activities -- both in Cuba and throughout the world. We will increase our efforts to guard against damages to our crucial intelligence sources and methods.

Address to Nation  
October, 1980

Carter

"In addition, responding to the Soviet military presence in Cuba and the proxy role of Cuba on behalf of the USSR, we have taken or are taking the following actions in support of the rapid deployment force:

- (1) We are substantially increasing our ability to monitor Cuban and Soviet/Cuban activities;
- (2) We have established a Caribbean Joint Task Force Headquarters which improves our ability to respond to events in the region;
- (3) We are increasing regional military exercises; and,
- (4) We are intensifying assistance to countries in the region that are threatened by Soviet or Cuban intervention.

State of the Union  
1980

HELSINKI/CSCE/MADRID REVIEW

Reagan

Reagan considers the Helsinki accords another means of legitimizing the Soviet Union's imperial ambitions by de jure recognition of the satellite empire.

"In signing the Helsinki pact we gave the Russians something they've wanted for 35 years. In effect, we recognized the Soviet Union's right to hold captive the Eastern and Central European nations they have ruled since World War II. We signed the pact apparently because of one clause which had to do with human rights. Those making the decision to sign claimed the Soviet Union by its signature had agreed to let people have some (if not all) of the rights the rest of us take for granted. They are (for example) supposed to be able to leave the Soviet Union and the captive nations if they choose. But the Russians make promises; they don't keep them.

Radio Transcript  
January, 1978

As mentioned above, Reagan believes detente was one way in which the Soviets exploited the West's weaknesses to their own benefit.

"Detente, which started out worthily and with a good purpose, has become a one-way street. I think the Soviet Union has become more truculent, more aggressive in the world. And we have been responding with preemptive concessions without getting anything in return. I think it is time for us to rebuild our strength and at the same time ake detente if it is to exist a two-way street by telling the Russians that is the only way we will observe it."

Christian Science Monitor  
June 3, 1976

Reagan compared himself to President Carter.

"I would be very worried about me if the Soviet Union wanted me to be president."

Washington Post  
July 14, 1980

## Carter

"There is opposition abroad, as you well know, to the pursuit of the principles espoused by the 35 nations at Helsinki, and there is some skepticism here at home from others who don't understand the fundamental truth that peace on the one hand and the pursuit of human rights on the other are irrevocably interrelated. Peace and the pursuit of human rights cannot be strengthened one without the other; they cannot be successfully advanced independently of one another. That belief, which we all share, is above party, as the history of the Helsinki process proves. A Republican administration signed the accords, and now a Democratic administration is deeply committed to carrying out those agreements.

The accords embody goals and values in which Americans believe, as human beings who are struggling to build a more decent and a more humane world. The pledges given by the 35 signatories at Helsinki 5 years ago were not lightly undertaken, and they cannot be lightly abandoned or ignored. The document that was signed there, even though it was called the Final Act, was not the end of our work. It was just a fresh start on work that commenced in this Nation more than 200 years ago.

The Madrid meeting this year is designed to assess what progress has been made and, if possible, to speed its pace and to widen the scope of that progress. Like the Belgrade meeting in 1977, attended by some of you, Madrid is an opportunity to look carefully backward and also to permit us to push forward vigorously.

Some have said that we should stay away from Madrid, that we ought to drop out of the Helsinki process. Such ideas spring from ignorance of the meaning of Madrid. Some have even compared the meeting in Madrid to the Moscow Olympics, suggesting that since American athletes chose not to go to Moscow, that American diplomats and citizens should not go to Madrid. This reasoning, of course, is very confused.

As host to the Olympics, the Soviet Union sought to enjoy both the fruits of aggression in Afghanistan and the prestige and the propaganda value of being the host of the Olympics at the same time. American athletes and those 50 other nations rejected that equation as indecent and unacceptable. I commend them. They stayed at home, at great sacrifice to themselves, and without them, the Moscow spectacular has become a pathetic spectacle.

But Madrid will not be an aggressor's propaganda festival. The Spanish are the hosts, not the Soviets. The Soviet Union will be there, as the other 34 states will be there -- to give an account of the manner in which the commitments at Helsinki have been fulfilled or not fulfilled is the undertaking of the meeting at Madrid. It would certainly please those who are most guilty of violation of the principles of Helsinki, including human rights, to be freed of their obligation to account for their actions before world opinion, which will be focused upon the meeting in Madrid.

There will be no medals awarded in Madrid. It's not a wrestling match or a gymnastic tournament among diplomats. What it will test is the progress made on the international agenda of security and cooperation and the firmness of the principles by which the 35 participants agreed to be bound.

In pursuing the cause of human rights, through the Helsinki accords, there are no shortcuts. The road that we're on is the right one. As the Belgrade meeting was ending, Dante Fascell, who was our congressional chairman at the time, said, and I quote from him: "Advocacy of human rights is not a quick fix. It holds no promise of easy victories." We know that all too well. But this advocacy of human rights, no matter how difficult it might be at times and how much it is scorned at times, must be pursued. And at Madrid it will be pursued, aggressively, persistently, and with the full focus on it of world opinion."

Remarks at a Ceremony Commemorating  
the Fifth Anniversary of the Signing  
of the Final Act in Helsinki  
July 29, 1980

CHINA

Reagan

Since 1971 when he visited Taiwan as an emissary for President Nixon, Reagan has ardently supported United States relations with Taiwan. He defended President Nixon's proposed trip to China.

"I'd be scared to death that a Democratic President would give something away..."

Baltimore Sun  
February 26, 1972

After Nixon's trip Reagan cautiously supported the President's efforts:

"The trip is over. And, despite the efforts of many in the press to distort the outcome of that trip, I know because I asked him what would happen if the Red Chinese should attempt to take Taiwan by force. And the President said to me, 'This country will protect and defend Taiwan.'

I know that many of us are uncomfortable. But if we demand 100 percent adherence to what we think we would do if we were president, we ignore the fact that unless we are president and have access to all the facts that he has, we don't know whether our decision would be any different than his.

So let's stop giving him and let's stop giving each other political saliva tests to determine whose Republicanism is better than whose."

Quoted by Senator Goldwater  
Congressional Record  
April 20, 1972

Reagan was not prepared to improve relations with China at the expense of Taiwan.

"Frankly, I have to wonder if it isn't time for China to come visit us...(W)hile I want better relations with Red China, as I am sure everyone else does, that this country not, if it means sacrificing our relationship with Taiwan."

Issues and Answers  
November 30, 1975

Reagan

When he heard rumors that President Ford intended to renounce the United States Defense Treaty with Taiwan, Reagan said:

"I don't believe, however, that in pursuing that relationship we should be persuaded to drop any of our longtime friends or allies like Taiwan. I think we should say to the mainland Chinese that they accept us and our friendship with the knowledge and understanding that we will not, in return for that, throw any allies aside or break any of our commitments to our allies."

Christian Science Monitor  
June 3, 1976

When the Carter administration began normalizing relations with Peking, Reagan stated:

"...(I)t's beginning to look as if our government is willing to pay the price Peking has put on 'normalization,' though it is hard to see what is in it for us."

Radio Transcript  
July, 1978

Just after normalization of relations with China Reagan began proposing a two China policy -- where both China and Taiwan would have an official liaison office.

"If the Chinese Communists could handle embassy functions in Washington by calling it a 'liaison office' before January 1, why can't the Republic of China's embassy -- handling much more work -- be called a 'liaison office' after January 1."

Radio Transcript  
January, 1979

During the first month of normalization with China, Reagan stated that he thought communism was "kind of foreign to the Chinese temperament." He added:

"I will do everything to try and perhaps lead the communist nation away from communism."

United Press International  
January 29, 1980

## Reagan

A favorite theme which Reagan has since dropped was:

"No more Taiwans, no more Vietnams, no more betrayal of our friends."

Time Magazine  
February 4, 1980

Reagan stuck to his two-China stand throughout the campaign.

"I want to have the best relations and have the Republic of China, the free Republic of China, know that we consider them an ally and that we have official relations with them...That liaison office is unofficial, it is not government. It is a private kind of foundation thing...I would make it an official liaison office so they knew they had a governmental relations."

Los Angeles Times  
August 17, 1980

Realizing that his candidate's position would cause trouble, Reagan's chief foreign affairs advisor, Richard Allen, held a press conference to deny Reagan would change the American relationship with China and Taiwan. Allen said Reagan had been misquoted as advocating a two-China policy. (New York Times, July 11, 1980)

To clear up any misconceptions by the Chinese regarding Reagan's statements, Bush visited China as an emissary for Reagan. At a joint news conference, before the trip, Reagan restated his position.

"Yes I will advocate restoring official government status to the Taipei office."

Los Angeles Times  
May 19, 1980

Either Reagan did not understand the consequences of his own proposal, or he was not familiar with the terms of the Taiwan Relations Act of 1978. Even as Bush was in China, Reagan stuck by his proposal, when pressed on whether he favored establishing official relations with Taiwan, Reagan replied, "I guess...yes." (Washington Post, August 23, 1980)

After Bush's unsuccessful trip Reagan reaffirmed his support of a two-China policy.

"I would not pretend, as Carter does, that the relationship we now have with Taiwan, enacted by our Congress, is not official."

Associated Press  
August 25, 1980

### Advisors and the China Issue

The public relations firm of two of Reagan's closest advisors, Michael Deaver and Peter Hannaford, has been on the Taiwan government's payroll since 1971. In fact, since 1977 both Deaver and Hannaford have registered with the Justice Department under the Foreign Registration Act as representatives of the government of Taiwan, a job for which their firm receives \$5,000 per month. (Los Angeles Times, June 26, 1980)

### Bush

China has "enormous reserves" of oil and "can be a tremendous source of oil for the United States and the free world if we handle our diplomatic relations properly."

Dover, NH, Foster's Democrat  
June 14, 1979

### Bush

"When I last saw Mao Tse-Tung, the emphasis was 'You've got time to solve this problem.' Carter didn't understand it.

"We should continue to improve our relations with Peking, but not at the expense of our allies on Taiwan. The only way for us to have peace is for the United States to stay strong. I desperately want to see an (SALT II) agreement, but I wouldn't vote for this agreement without substantial changes."

Peoria, IL, Journal Star  
August 5, 1979

The garbled syntax and inaccuracies aside, there are serious flaws in Reagan's position on which he is vulnerable:

He very carefully avoids making any commitment to honor the normalization understandings with China. Although he concedes that the normalization negotiations are "behind us", implying that he does not intend to undo them, he goes on to say that his only concern is to "safeguard the interests of the United States and to enforce the law of the land". The implication here is that Reagan would merely be implementing "the law of the land", which he has a duty to do, even though the Chinese are not pleased with it. This is an evasion.

The Congress, in enacting the Taiwan Relations Act, wisely gave the President both the authority and the necessary flexibility, consistent with his Constitutional authority to conduct foreign relations, to manage the relationship with Taiwan in a way consistent with normalization. In signing the Bill into law, the President, as you will recall, removed any doubt as to the intent of the US Government by saying that

he would implement the law in ways consistent with our normalization understandings with China. For Reagan to say simply that he will implement the law, while at the same time remaining silent on the question of whether he will honor the normalization understandings, sidesteps the real issue and raises more questions about his intentions.

ten days ago George Bush and I met with you last in Los Angeles on the occasion of his departure for Japan and China, a trip he undertook at my request. As we stressed at the time, the purpose of the trip was to provide for a candid exchange of views with leaders in both countries on a wide range of international topics of mutual interest. Amb. Bush returned last night and has reported his findings in detail. We're both very pleased with the results of his extensive discussions. In a series of meetings with a distinguished leaders in Japan, including pm Suzuki, former pm's Fukuda, Kishi, and Miki, Foreign Minister Ito, and Minister of International Trade and Industry Tanaka, he had the opportunity to hear their views and recommendations concerning the future of US - Japan relations. Our Republican Party platform stresses that Japan will remain a pillar of our ~~foreign~~ policy in Asia, and a Reagan-Bush administration will work hard to assure that US-Japanese relations are maintained in excellent condition based on close consultation and mutual understanding. Japan's role in the process of ensuring peace in Asia is a crucial one, and we must reinforce our ties with this close ally. Japan is our 2nd most important trading partner and we are her first. We have close ties in other fields too. The most important example is the US-Japan Mutual Security, which recently marked its 20th anniversary. Understanding the Japanese perspective is important for the success of American policy. As Amb. Bush will tell you in detail, he found Japanese leaders unanimous in their view that the US must be a strong, reliable, leading partner.

I am appreciate receiving their views, and I am grateful to them for the courtesies extended to Amb. Bush. I would also like to express my appreciation to and regard for US Amb. Mike Mansfield, who also extended many courtesies.

Of equal importance was Amb. Bush's trip to China, where he held a series of high-level meetings. As I said on Aug. 16, we have an obvious interest in developing our relationship with China, an interest that goes beyond trade and cultural ties. It is an interest that is fundamental to a Reagan-Bush Administration. The meetings in Beijing provided for extensive exchanges of views. George has reported to me in great detail the points of similarity and agreement as well as those of dissimilarity and disagreement.

- 2 -

Since the objective of the trip was to have just such an exchange without necessarily reaching any agreement, I believe the objective was reached. We now have received an updated, first-hand (account) of China's views, and the Chinese leaders have heard our point of view.

While in Beijing, Amb. Bush and Richard Allen met at length with Vice Premier Deng Xiaoping, Foreign Minister Huang Hua, as well as with other top foreign policy experts and military leaders. I appreciate the courtesies which the Chinese leaders extended to our party, and I also wish to thank US Amb. Leonard Woodcock for his kind assistance.

We now maintain full and friendly diplomatic relations with China. This relationship began only a few years ago, and it is one which we should develop and strengthen in the years ahead. It's a delicate relationship, and the Reagan-Bush Administration will handle it with care and respect, with due regard for our own vital interests in the world generally and in the Pacific section specifically.

China and the US have a common interest in maintaining peace, so our nations can grow and prosper. Two-way trade has now reached approximately 3 1/2 billion dollars annually, and China's ~~policy~~ program of modernization depends in a major way on Western and US technology.

Along with many other nations, we and China share a deep concern the pace and scale of the Soviet military buildup. Chinese leaders agree with Japanese leaders that the US must be a strong and vigorous defender of the peace. And they specifically favor us bolstering our defense and our alliances. It is quite clear

that we do not, however, see eye to eye on Taiwan. And thus, this is an appropriate time for me to state our position on this issue. I'm sure that the Chinese leaders would place no value on our relations with them if they thought that we would break commitments to them if a stronger power were to demand it. Based on my longstanding conviction that America can provide leadership and respect only if it keeps the commitments to its friends, large and small, a Reagan-Bush Administration would observe these 5 principles in dealing with the China situation.

-- First, US-Chinese relations are important to America as well as to Chinese interests. Our partnership should be global and strategic. In seeking improved relations with the People's Republic of China, I would extend the hand of friendship to all Chinese. In continuing our relations, which date from the historic opening created by President Nixon, I would continue the process of expanding trade, scientific, and cultural ties.

-- Second, I pledge to work for peace, stability, and economic growth of the Western Pacific area, in cooperation with Japan, the People's Republic of China, the Republic of Korea, and Taiwan.

-- Third, I will cooperate and consult with all countries in the area in a mutual effort to stand firm against aggression or search for hegemony which threatens the peace and stability of the area.

-- Fourth, I intend that US relations with Taiwan will develop with the law of our land, the Taiwan Relations Act. This legislation is the product of democratic process and is designed to remedy defects of the totally inadequate legislation proposed by Jimmy Carter. By accepting China's three conditions for normalization

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Jimmy Carter made concessions that Presidents Nixon and Ford had steadfastly refused to make. I was and am critical of his decision, because I believe that he made concessions that were not necessary and not in our national interest. I felt that a condition of normalization, by itself a sound policy choice, should have been the retention of a liaison office on Taiwan of equivalent status to the one which we had earlier established in Beijing. With a persistent and principal negotiating position, I believe that normalization could ultimately have been achieved on this basis. But that is behind us now. My present concern is to safeguard the interest of the US and to enforce the law of the land.

It was the timely action, reflecting the strong support of the American people for Taiwan, that forced the changes in the inadequate bill which Mr. Carter proposed. Clearly the Congress was unwilling to buy the Carter plan, which it believed would have jeopardized Taiwan's security. This Act, designed by the Congress to provide adequate safeguards for Taiwan's security and well-being also provides the official basis for our relations with our long term friend and ally. It declares our official policy to one of maintaining peace and promoting extensive, close, and friendly relations between the US and the 17 million people on Taiwan, as well as the 1 billion people of the China mainland.

It specifies that our official policy considers any effort to determine the future of Taiwan by other than peaceful means a threat to peace and of grave concern to the US. And most important it spells out our policy of providing defensive weapons to Taiwan and mandates the US to maintain the means to resist any resort to

force or other forms of coercion which threaten the security of social or economic system of Taiwan.

This Act further spells out in great detail how the President of the US, our highest elected official, shall conduct relations with Taiwan, leaving to his discretion the specific methods of achieving policy objectives. The Act further details how our official personnel, including diplomats, are to administer US relations with Taiwan through the American Institute in Taiwan. It specifies that for that purpose they are to resign for the term of their duty in Taiwan and then be reinstated to their former agencies of the US Government with no loss of status, seniority or pension rights. The intent of the Congress is crystal clear. Our official relations with Taiwan will be funded by Congress with public monies, the expenditure of which will be audited by the Comptroller General of the US and Congressional oversight will be performed by two standing committees of the Congress.

Now you might ask what I would do differently. I would not pretend as Carter does that the relationship we now have with Taiwan, established by our Congress, is not official. I am satisfied that this Act provides an official and adequate basis for safeguarding our relationship with Taiwan, and I pledge to enforce it. But I will eliminate petty practices of the Carter Administration which are inappropriate and demeaning to our Chinese friends on Taiwan. It is an example it is absurd and not required by the Act that our representatives are not permitted to meet with Taiwanese officials in their offices and ours. I will treat all Chinese officials with fairness and dignity. I would not impose restrictions which are not required by the Taiwan Relations Act and which contravene its spirit and

purpose.

Here are other examples of how Carter has gone out of his way to humiliate our friends on Taiwan, Taiwanese officials are ignored at senior levels of the US government. The Taiwan Relations Act specifically requires that the Taiwanese be permitted to keep the same number of offices in this country that they had before. Previously, Taiwan had 14 such offices. Today there are but 9. Taiwanese military officers are no longer permitted to train in the US or to attend service academies. Recently the Carter Administration attempted to ban all imports from Taiwan labelled "Made in the Republic of China," but was forced to rescind the order after opposition began to mount in the Congress. The Carter Administration unilaterally imposed a 1 year moratorium on arms supplies, even though the Act specifies that Taiwan shall be provided with arms of a defensive character. The Carter Administration abrogated the Civil Aviation Agreement with Taiwan, which had been effect since 1947. In response to demands from the People's Republic of China, he did this.

I recognize that the People's Republic of China is not pleased with the Taiwan Relations, which the US Congress insisted on as the official basis for our relations with Taiwan. This was made abundantly clear to Mr. Bush and, I am told, is clear to the Carter Administration. But it is the law of our land.

-- Fifth, as President, I will not accept the interference of any foreign power in the process of protecting American interest and carrying out the laws of our land. To do otherwise would be a dereliction of my duty as President. It is my conclusion that the strict observance of these 5 principals will be in the best

people on Taiwan. The specific implementation of these duties will have to await the results of the election in November. But in deciding what to do, I will take into account the views of the People's Republic of China as well as Taiwan. It will be my first intention to preserve the interests of the US, and as President I will choose the methods by which this shall best be accomplished. That's the end of the statement. And now I'm sure you'll have a great many questions for Amb. Bush, who has been there on the scene.

Question: I've got a question for you first. It seems fairly clear from

the Chinese have been saying publicly is that what they've objected to is not the Taiwan Relations Act, but your characterization of your desire for our relationship with them to be "official." They seem to be most upset with that choice of words. So, I want to ask you why you have insisted that that is what you want--an "official" relationship?

Reagan: Well, as I have told you, the law is very clear and I would enforce it. It does give certain discretion to the President, and my quarrel is with the manner in which Jimmy Carter has abused that discretion. And I think it is a transparent and hypocritical to pretend that an act passed by the US Congress resulting in an agency for a foundation created by a Government agency, manned by Government employees who, even though they are on leave of absence, have all the prerequisites that existed when they were on active duty with the Government, and funded by our Government, is not indeed an official relationship. As a matter of fact, the very clause in the act that says we can provide defensive weapons--you cannot provide weapons to another country without officially going through the US Government to do so.

Question: Governor, in that press conference ten days ago you specifically cited this Act as providing authority for governmental relations with Taiwan. Amb. Bush has flatly contradicted that, saying the Act calls for non-governmental relations.

Bush: I don't remember you saying government.

Question: Can you tell what you now believe and whether you still think there should be an official, overt US Liaison Office on Taiwan?

Reagan: No, I'm just saying, I think I just answered that--that the act has made it very clear--as I say, the use of the word "official" is what George said when he was there, once publicly, that the problem really seemed to be one of semantics. And, no, the institute that is there and the law provides for the things that I, whatever changes I would make are within the context of that law; as I pointed out here in the statement.

Question: Do you expect, if you were elected President, you would

re-establish, diplomatic relations with Taiwan?

Reagan: No, this would then be--this is the very thing where the misunderstanding lies, and I would have to say that this came from a distortion of my position that has been picked up by the Chinese press. I have never advocated diplomatic relations which, has in the language of diplomacy, a very technical meaning, which requires an embassy and so forth--and you would be violating the very thing that both governments in China--you'd be violating what they believe. Because both of those government insist that each one of them are--is the government of all of China. And there's no way that we can do that.

Question: I don't understand your reference to "both governments in China."

Reagan: I mean, the government of Taiwan and the government of the People's Republic of China. Now, each one claims to be the government of all of China. Now, that is an issue that they're going to have to settle between themselves as to how that works out. Our Government, due to what the President did a short time ago, has now officially recognized the government of the People's Republic of China and established diplomatic relations. Previously we have recognized the government on Taiwan, and had an Embassy there.

Q: ...Le Monde. The European press is concerned by your fierce anti-communism and they are as interested in your statements about the current upheavals in Poland as they are about China and Taiwan.

~~and~~ If you were President, would you be willing to establish diplomatic relations with the Polish strikers?

Reagan: (Laughs). No; but I do believe that what we're seeing there in Poland-- I think that the US, therefore no reason to interfere, but I think the US should also make it clear that we don't believe that the Soviet Union has a right to interfere in that domestic problem there.

Q: Amb. Bush, based on your visit, what do you think the Chinese reaction would be to the steps outlined in Gov. Reagan's statement, particularly the training of Taiwanese military officers in the US?

Bush: I know what the reaction would be, but these are examples that are set up of what Jimmy Carter has done. I don't think the Governor's taken a position here on which of these he's going to do or not do. But, there's no question that Peking would be unhappy. And during my trip, my mission wasn't to try to negotiate agreement, we're not in power. Our question wasn't even to try to minimize differences. Indeed, I very clearly pointed up Gov. Reagan's support—proper, in my view—for the Taiwan Relations Act, and we're bound to disagree. And in any relationship as new and as complicated as this one, there's going to be differences. So, I don't think you have to know anything about the China equation to suggest that some of these things would cause heartburn in Peking. But the relationship, in my view, the way the Governor has described it, the way he's put his position here, in my view, we can have improved relations with the People's Republic of China and still do what he has suggested vis-a-vis (Taiwan). He's saying that these things, you know, that the act says you can do them; and when he is, and I presume, in office, why he makes a decision.

Question: Vice Pres. Mondale today said your statements regarding Taiwan would cheer only the Soviets. What do you think of the implications ~~for the Soviet Union~~ for the Soviet Union of the statements that you are making that are obviously making the Chinese unhappy?

Reagan: I don't know that I can comment on his interpretation of how the Soviets might feel. I don't feel that there's anything that we could do that would be provocative to them. They have their game plan which they follow. And I also don't take seriously too much of what almost amounts to hysteria recently in the shrillness of the criticisms of me and of our party by Vice Pres. Mondale.

on Taiwan to one day recover the Mainland? You have in the past (supported such hopes).

Reagan: Well, I have told you that this is a problem now: 2 governments both claiming to be the legitimate government of China. This is something for them to work out. And as the Taiwan Relations Act specifies, we want to see that done peacefully and without force or coercion by either side.

Question: Do you still support the aspirations of the Nationalists on Taiwan to one day control the mainland?

Reagan: Wait a minute. You asking for a question, that whatever I answer--let me give you what I think is a very broad answer. I would think that all of us would be happier if the government, whether the government on Taiwan or the government especially on the mainland of China, would give up the ideology of communism. That would ease a lot of problems and make for a much better relationship. They are a Communist government and we have established a relationship.

Q: What would you do to make US relations with Taiwan more "official" they are now?

Reagan: Well, I think, for one thing, that it is demeaning and insulting for us to say that with the establishment of their office in Washington and our American Institute on Taiwan that those people cannot meet on official business with representatives of either our Government or theirs in Governmental offices--that they gotta go to a restaurant some place or a club or a hotel. And this is not contained in the act; this is at the discretion of the President and this is his decision. That is an order I would rescind.

Bush: Might I add to that, the French and the Japanese, who have a similar relationship, both can do what the Governor suggested.

Reagan: No, there would be no need for that; it's to recognize what it is and make it more open. And what George has pointed out is a most significant thing: that France and Japan have done exactly the same thing, with regard to the same kind of offices, supposedly non-governmental, and allowed their people to meet on official business in government offices.

Q: Would it be an official Liaison Office of the US Government?

Reagan: No, it would be what the Taiwan Relations Act says it is--that's the law of the land.

Question: <sup>10 days ago</sup> You said this American Institute was unacceptable, it should be an official ~~(office)~~ <sup>office</sup>. Have you changed that ~~position~~?

Reagan: Well, if I did in discussions of that, then I misstated. I have always talked about, and I have repeatedly referred to, the Taiwan Relations Act and said what I was advocating was contained in that act. Shall I have a show of hands on why many of you have read the Taiwan Relations Act? You might be surprised.

Question: Has not the Taiwan Relations Act been the basis of current US relations with Taiwan? And was not everything going smoothly until you raised the question of "official" relationship?

Reagan: I did not raise the issue. At a meeting in Cleveland, made up of Heritage groups, so called, various ethnic groups, I was asked by a Chinese regarding my position on this, and I used the word "official"—that I would favor an official relationship with ~~them~~. Now, the Taiwan Relations Act, as I say, does not use the word "official," neither does it use the word "unofficial," anyplace in it. And I think that it is patently an act by our Government, a creation of our Government. I'm satisfied with that. But in reading the act you'll find that repeatedly, as is necessary in an act of that kind, there are statements that the President shall, and at his discretion, make regulations, and so forth and so on. It is there that I believe the President has, in effect,

Question: But at a press conference last week you were asked the question whether you believe that government-to-government relations should be implemented, and your response was, "yes." the Act specifically precludes gov't to gov't relations.

Reagan: I don't know that I said that or not.

Bush: If you're referring to the press conference where I attended? The Governor did not say government-to-government. Somebody has the text, look it up.

Question: I've got a text right here. The Government said that under the Taiwan Relations Act, there are provisions for "governmental relations that just haven't been implemented."

Reagan: Well, that's what I've just put in this statement. Those are "government relations." For example, for quite a period of time this Administration had refused to implement that part about providing defensive military equipment. Now, this was the President of the US violating the intent of the Taiwan Relations Act, and obviously it is the government of Taiwan that is going to buy those defensive weapons.

Question: What is the difference between governmental relations and government-to-government relations?

Reagan: Well, I think that it could be interpreted as intending a change in the Taiwan Relations Act. I recognize that if you've got a basket of words, the more you have, the more they can be interpreted in different ways by different people. And I think that would just unnecessarily be provocative to--as I say, I stand by the act as it is; I do not stand by what I think are the violations of the spirit of the act by this Administration. And I think the issue is not how I feel about Taiwan. The issue today is that Carter foreign policy and what it is doing to our allies and to the US position in the world--and this is just another example of it.

Q: Forgetting the word "official" for just a moment, you have in the Act the power to use your discretion. You plan to use it, correct?

R: Yes, of course.

Q: Would that tend to make relations more official than they are now?

R: Well to the extent of officials being allowed to visit in offices,

Q: What do you mean by official then?

R: Well, just what I said. I think that if you look at this entire package, an act passed by Congress that creates an agency or institution, mans it with government personnel, funds it with government money, it is hypocritical to pretend that that is not something of an official relationship.

Q: Amb. Bush your mission has been described by the Chinese as a failure. Is that how you see it?

B: In the first place, I don't think it's a failure. The government officials have not said that. When you go to China, you are put up in a state guest house, you meet the Foreign Minister for 4 1/2 hours, with him holding a position in our Government. You meet the Vice Premier, Deng Xiaoping, for an hour and 40 minutes. You are accorded great civility and hospitality. You have a frank exchange of views. You did not go to seek agreement, to pound out agreement. You went to clarify and give the Chinese the Governor's views, which I think I did succinctly. I knew I'd run into some differences with them on the Taiwan Relations Act and on a lot of other things. But I don't view this visit as a failure at all. And let me ask you just a rhetorical question. Suppose we hadn't seen Deng Xiaoping and Huang Hua, as was suggested by some of the China watchers when we went there because they were supposed to be so outraged that they wouldn't see us that. We saw the top officials, and here I am not holding any official position in the US Government. I don't see how that can be categorized

as a failure or a success. We just went and did what we set out to do. But really what's relevant is: do they have, as a result of this trip a clearer understanding of the Governor's views, in terms of foreign policy as it relates to this one issue -- that has dominated this press conference -- and as it relates to many other areas where we have common ground? Southeast Asia is a very good example, to say nothing of the Soviet Union. And the answer to that question is: Yes, they clearly do. And you know and I know the kind of rhetorical that come out of Peking at various times, and I understand that. But we used these fruitful meetings -- in my view, we categorized them as they have as frank and earnest. And that means in diplomatic terms that we didn't seek or certainly hammer out agreement on every point. But for someone to suggest that the visit is a failure when I've cited what we did do, I just simply cannot accept that. And I am convinced that if Gov. Reagan wins this election, he will be a President of this country that the Chinese understand, respect, and indeed I think we'll see relations improve, as he and I both want.

Moderator: Thank you very much ladies and gentlemen.

R: Wait a minute. This isn't just shutting you off. George has a plane to catch, and he has to run for it right now. Let me just say before he goes, I am deeply grateful for the long and arduous trip that he made to both of those countries and for what I consider to be the success of the trip. Basically the success is simply that his presence there belies the words of some of their more hysterical press statements about our interest in relations and ...maintaining and promoting relations with the People's Republic of China. His very presence there was evidence of that desire and the sincerity of our intent.