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THE WHITE HOUSE

WASHINGTON

March 3, 1989

NATIONAL SECURITY REVIEW 12

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF ENERGY
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS
THE CHAIRMAN, JOINT CHIEFS OF STAFF
THE DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY

SUBJECT: Review of National Defense Strategy (U)

Throughout the post-war era, we have successfully provided for the security of the United States and for the furtherance of our security interests in the world by following a broad national defense strategy of containment. We have sought successfully, through the combined use of all elements of our national power, and in concert with our Allies, to prevent the Soviet Union from dominating the concentrations of industrial power and human capacity that are Western Europe and East Asia, and to protect our common security interests in other regions of the world. Central to this broad strategy have been the concepts of deterrence and flexible response. To deter potential adversaries, we have had to make clear that we, and our Allies, have the means and the will to respond effectively to coercion or aggression. But, our policy has been to avoid specifying exactly what our response would be, confronting potential adversaries instead with a broad range of potential responses. Within that range of responses, U.S. general purpose forces have provided the military capabilities that have made credible the conventional component of our national security strategy, and U.S. nuclear forces have served as the ultimate guarantors of our security. (U)

Partly due to the success of this national security strategy, a new set of challenges and uncertainties confronts us. Our rebuilding of American military strength has served as an essential underpinning to our past success. We must preserve that strength as the underpinning for our future efforts. Changes in Soviet domestic and foreign policies, including some announced but not yet implemented, are hopeful signs. But it would be reckless to dismantle our military strength and the policies that have helped make the world less dangerous, and foolish to assume that all dangers have disappeared or that any apparent diminution is irreversible. (U)

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Declassified/Released on 7-16-98
under provisions of E.O. 12958
by R. Seubers, National Security Council

Therefore, I hereby direct a review of our basic national defense strategy. The review should produce a series of reports, as described below. These reports will be presented seriatim to the National Security Council for review and discussion. Following this discussion, I anticipate providing specific decisions and guidance that will better focus the remaining parts of the review, and, perhaps, identification of new issues for further study. The goal is a sound, thoughtful, iterative process that will constitute a careful, yet timely, review of our national defense strategy, of the principal forces that will be available to support that strategy, and of the contribution that can be made by arms control policy. (U)

I do not expect this review to invent a new defense strategy for a new world. On the contrary, I believe that our fundamental purposes are enduring and that the broad elements of our current strategy -- our Alliances, our military capabilities -- remain sound. This defense review should assess how, with limited resources, we can best maintain our strength, preserve our Alliances, and meet our commitments in this changing but still dangerous world. (U)

I. Current U.S. Defense Posture and Key Trends and Uncertainties: As a baseline for the review, this section should briefly describe current U.S. defense strategy and U.S. military forces. It should then analyze key trends and uncertainties that have affected and/or may in the next five to ten years affect the appropriateness and effectiveness of our national defense strategy. These trends and uncertainties should include but not be limited to the following:

Soviet Union

-- Do we expect major technological surprises in Soviet general purpose forces, strategic nuclear forces or in the area of strategic defense that could significantly reduce the effectiveness of the U.S. deterrent? Could we detect such developments? Could the Soviet Union compete effectively in a technological arms race in these areas, or offset U.S. technological advances by other means? ~~(S)~~

-- How might reductions in Soviet and Non-Soviet Warsaw Pact forces already announced (if carried out), additional plausible unilateral or negotiated reductions, doctrinal and organizational changes, trends in Soviet weapons production, and political changes in Eastern Europe affect the threat to the U.S. and its Allies? How does the state of the Soviet economy affect the ability of the Soviet Union to wage sustained conventional war? What would be the indicators of a genuine change in the Soviet approach to security issues and a real lessening of the threat to the West? Would unilateral force structure reductions or other moves on our part slow or accelerate Soviet unilateral reduction efforts? ~~(C)~~

-- How do the Soviets see their position in the world? How do they see the long-term trends they are facing both externally (e.g., the Federal Republic of Germany, Japan, China, and the European Community) and internally (e.g., economic, technological)? (C)

-- How aggressive do we expect the Soviet Union to be in trying to preserve or expand its influence in the Third World? What will be the role of Soviet military or proxy forces? What are the trends in Soviet projection forces? (C)

U.S. Allies

-- What are the prospects for a "European pillar" within NATO? What form will it take (especially as to defense cooperation)? How would our interests be affected by such a pillar? (S)

-- What is our assessment of current Japanese defense capability? Will recent rates of increase in Japanese defense spending be sustained? If so, what will be the impact on Japanese capabilities against Soviet threats, Japan's role in the region, and Japan's relationship with the United States? What are the prospects of Korea (or any other Asian/Pacific ally) assuming a greater regional defense role? (C)

-- Are there emerging political and economic trends, or plausible sharp discontinuities, that could result in a major departure from the current level of commitment by our Allies to their alliances with us (e.g., popular pacifism and environmental concern in Western Europe, trade disputes with Japan or the European Community, NATO allies force reductions, etc.)? (C)

-- Will U.S. access to overseas bases in Europe, Japan, the Philippines, and elsewhere become more limited? How would that affect our military capabilities? (C)

Third Country Threats

-- Are there emerging regional powers that the U.S. needs to take account of? What are they? What is their military capability? What are the trends? (C)

-- How would acquisition by Libya, Iraq or others of long-range weapons, chemical, biological, and nuclear warheads, and other advanced systems affect the prospect that those countries would threaten or attack U.S. interests, U.S. friends and Allies, or other nations? What role will such capabilities play in changing regional balances of power or in shaping regional

conflicts? What is the likelihood of continued terrorism sponsored by these States (including hostage-taking)? (C)

-- What means does the U.S. possess to deter such threats? What are the capabilities of U.S. Allies and of the States most directly threatened to deter or cope with these threats? (C)

-- Will reliance by the U.S. and its Allies on overseas energy and other strategic resources tend to increase or decrease over the next 5-10 years? (C)

Technology and Industrial Base

-- What major technological developments of the past 5-10 years will have the largest impact on military forces and defense systems over the next 5-10 years? Have U.S. military doctrine and organization been most advantageously arranged to exploit these technologies? Which of these technologies are or will become available to States potentially threatening the U.S., its Allies and friends? (C)

-- What technologies are likely to emerge over the next 5-10 years that could have a dramatic impact on the military forces that threaten us or on the forces we could deploy to counter these threats? What is the relative ability of the U.S. and the Soviet Union to exploit these technologies for military advantage? Do U.S. Allies have any advantages in this regard? (C)

-- What are the recent and projected trends in our ability to surge military production in crisis or wartime and rapidly to mobilize and deploy forces? What are the existing bottlenecks? Do U.S. Allies have any advantages or disadvantages in this regard? (C)

Other

-- Are there other major trends or possible discontinuities in the international security environment that should be considered? (C)

The report on Current U.S. Defense Posture and Key Trends and Uncertainties should be submitted not later than March 15, 1989. (U)

II. U.S. Defense Objectives and Strategies for the 1990's and Beyond: Bearing in mind the overall historical success of existing U.S. defense objectives and strategy, this section should identify any shortcomings and risks in our current strategy and force posture. It should: (a) identify those elements that should continue to guide U.S. defense strategy; (b) identify potential modifications in our objectives

and/or strategy; and (c) identify new alternatives for further study. The review should identify which of the issues in this section can and should be resolved in the near term (especially if they bear directly on an issue identified in Section III) and which of the issues can and should be deferred for analysis and resolution over the longer term. This section should address, among other things, the following:

-- What kinds of reductions or restructuring of Soviet military forces and alterations in the structure of its empire and political relations would be most useful in advancing U.S. security interests? How can we assist in bringing these changes about? How would we change our forces/deployments and security arrangements if the Soviets made these changes? What is the best hedge against a sudden reversal on the part of the Soviets? (C)

-- What implication would reduced Soviet effort to preserve or expand its influence in the Third World have for the structure and role of U.S. military forces and the levels of our foreign military assistance to our friends and Allies overseas? Does the emergence of third-country threats leave the situation unchanged or perhaps render it even worse? What is the appropriate balance between reliance on U.S. forces and building up friendly forces through security assistance or otherwise to deal with these threats? (C)

-- What is the proper balance between U.S. and Allied contributions to our common (mutual) security objectives -- contributions military, economic, and political? In particular, even assuming we could obtain a much higher level of defense participation from our Allies, what level of overseas forces would the U.S. still want to maintain for its own purposes? (C)

-- What is the most prudent balance between European and non-European contingencies in U.S. defense planning and resource allocations? Have we bought forces optimized for Europe and left ourselves without sufficient forces adapted to perhaps more likely Third World contingencies? This discussion should inform, in broad policy terms, an analysis of the extent to which U.S. forces should be forward-deployed in peacetime, and should highlight the tradeoffs involved to the degree that forces bought for one mission are not highly useful for other contingencies. (C)

-- How have previous U.S. efforts with respect to nuclear arms control reinforced or undercut the proper role of nuclear weapons in our deterrent strategy? What contribution will nuclear weapons (including theater

nuclear weapons) make to our defense strategy over time -- in Europe, in other contingencies? What do we need for maintaining strategic deterrence? This discussion should include: (1) what the U.S. must be able to hold at risk in order to deter successfully a Soviet strategic nuclear attack; (2) the degree to which each leg of the Triad must be survivable, given (a) strategic warning, (b) tactical warning, or (c) no warning; (3) the impact on strategic stability of "deMIRVing"; (4) the role of the strategic bomber force and air-launched cruise missiles; (5) the significance of emphasizing air-breathing systems over ballistic ones; (6) the degree to which long-term stability and deterrence would be enhanced or degraded by the elimination of nuclear-armed, land-attack, sea-launched cruise missiles from the arsenals of the U.S. and the Soviet Union; and (7) the adequacy of the projected number of SLBM platforms. (C)

-- Are there emerging technologies that offer opportunities for reducing reliance on nuclear weapons to deter major conventional assault? Particular emphasis should be placed on the contributions that long-range, highly accurate, conventional munitions might make in adding rungs to the classic escalation ladder. (C)

-- What future roles should be played by strategic missile and air defenses? This discussion should include examination of a world in which defenses: (1) are dominant or nearly so; (2) are employed -- where appropriate -- to protect (or render less vulnerable) strategic offensive forces and their associated command and control systems; (3) provide protection against Third World missile systems or the accidental launch of Soviet systems; or (4) have relatively little role. (C)

-- The United States relies to a significant degree on space-based assets for command, control, and intelligence. This requires that we understand how U.S. national interests are best served in the 1990s and beyond with regard to: (1) space launch assets and capabilities; (2) a deterrent capability to threaten Soviet space-based assets; and (3) back-up ground-based systems or rapidly deployable replacement systems to replace wartime losses. (C)

The report on U.S. Defense Objectives and Strategies for the 1990s and Beyond should be submitted not later than March 25, 1989. (U)

III. Force Posture Issues in a Constrained Resource Environment: This section must begin with a recognition that our ability to meet our defense objectives and to pursue our defense strategy will be significantly affected by the resources

available for our military forces. Clearly, a dramatic increase in the projected threat would require additional resources, and a reduction in the threat (through unilateral action by adversaries or negotiated arms control arrangements) would enhance our ability to meet our objectives and pursue our strategy within existing resources. Under the budget guidance I have issued for the next four years, there will be difficult choices to make regarding priorities. Because constrained resources will demand that the U.S. take advantage of its traditional and enduring strengths while exploiting new opportunities, this section should also focus on how we can provide high value, competitive leverage from our defense investments in the 1990s. (U)

This section of the study should address what combination of military assets within my 4-year budget guidance provides the most effective deterrent. It should also provide both a mid-term (5-year) and a longer-term perspective on the impact of specific force posture decisions on our relative ability, given those decisions, to respond to unanticipated changes in the projected threat. Specifically, we need to keep in mind what our defense capability will be at the end of the next five years vis-a-vis our national defense objectives and strategy. The analysis in this section should reflect the substantial uncertainties in the current international environment and the potential need at the end of five years' time to meet new and adverse trends in the threat. How reversible are any decisions we may make now to reduce force structure? ~~(C)~~

Specifically, this section should address the following issues in light of the analysis in Section II:

(1) How can we make ICBMs survivable? On what degree of warning should they be survivable? How should they be based? How large a force is required? ~~(C)~~

(2) What should be the structure and objective of the SDI program? What level of priority should it have? ~~(C)~~

(3) What balance should exist between resources devoted to nuclear and conventional forces? What priority should be given to intelligence capabilities that relate to support of strategic or tactical forces? ~~(C)~~

(4) What priority should there be for our conventional force resources among: force structure, research and development, modernization, readiness, and sustainability? Is the near-term risk of war such that the U.S. could safely reduce readiness? For the same reason, should the U.S. favor R&D expenditure (somewhat) at the expense of procuring and fielding hardware? Should we substitute technology for manpower? ~~(C)~~

(5) Should we put greater emphasis on U.S. basing and the ability to mobilize and surge forces to critical areas? What are the savings? What are the additional costs? Should we shift more forces from active to reserve? Does the need for visible deterrence and rapid responses to situations in the Third World allow us to adjust the number of forces forward deployed? If we rely more on forces in the U.S. would we be less likely to deploy rapidly for fear of heightening a crisis? ~~(S)~~

(6) In which contingencies/areas (other than Europe and Northeast Asia) would threats to U.S. interests and Allies require a substantial commitment of U.S. conventional forces (e.g., Central America, Persian Gulf, Libya)? What is the conventional force structure best suited for dealing with this spectrum of contingency operations? Can we adequately meet special operations requirements (including support of drug interdiction)? What are the current and projected shortfalls (if any)? What is the proper tradeoff between these capabilities and those required for Europe and Northeast Asia? ~~(C)~~

(7) What U.S. force structure (within stated budget constraints) takes best advantage of U.S. competitive advantages? What combination of forces (if any) would be most likely to foster longer-term Soviet military developments least threatening to our interests? ~~(C)~~

The report on Force Posture Issues in a Constrained Resource Environment should be submitted in several sections, as follows:

-- Issues 1 and 2: March 31, 1989

-- Issues 3 and 4: April 7, 1989

-- Issues 5 and 6: April 14, 1989

-- Issue 7: April 21, 1989. (U)

IV. The Role of Arms Control in Promoting U.S. Defense Objectives and Strategy: This report should examine the degree to which arms control can and should be used to advance and support U.S. defense objectives and strategy. The following questions should be addressed:

General Issues

-- To what extent can arms control enhance national security and promote strategic stability? ~~(S)~~

-- What is the potential value of arms control in promoting such U.S. defense objectives as: (1) enhancing the predictability of the threat; (2) reducing or bounding actual capabilities of adversaries; (3) con-

straining the diffusion of threatening technologies; (4) restructuring forces in stabilizing or otherwise desirable ways; (5) enhancing force survivability; and (6) channeling the long-term military competition in directions that ease U.S. security concerns and/or that take advantage of U.S. competitive strengths without imprudently hampering emerging technologies? (C)

-- If arms control is to be used to limit or reduce both the strategic and conventional threat, assess the contribution or disadvantages of: (1) seeking deep reductions in Soviet forces; (2) encouraging Soviet force restructuring; (3) reducing Soviet weapon-to-target ratios; and (4) seeking to eliminate certain specific threats such as, for example, depressed trajectory missiles? (S)

-- Can other options for negotiated threat reduction be identified which differ from traditional approaches? In addition to negotiated agreements, are there less formal arms control approaches (e.g., parallel, informal restraints) that can contribute to threat reduction? In addition to traditional arms control restraints, such as limits on forces and force levels, are there additional devices (e.g., operational constraints, confidence-building and openness measures, etc.) that could serve U.S. defense interests? (C)

Specific Issues. The arms control review should either affirm or suggest options for modifying the premises underlying our approach to current or prospective negotiations. It should not, as part of this effort, address particular details of U.S. negotiating positions. The review should examine among other things:

1. START/Defense and Space

-- Is the existing U.S. approach to START consistent with the defense objectives and force structure analysis discussed in Sections II and III of this review? (C)

-- At what point do negotiated reductions in U.S. strategic force structure cease to be consistent with U.S. security requirements? What kind of force limitations should be sought, and what avoided, for their impact on the ability of the U.S. to develop and deploy systems that exploit our long-term competitive advantages? (C)

-- What is the security relationship and dynamic, if any, between START and the Conventional Forces in Europe (CFE) talks? (C)

-- Is the existing U.S. approach to the D&S

negotiations consistent with the defense objectives and force structure analysis discussed in Sections II and III of this review? (S)

-- To what extent are continued constraints on ballistic missile defense in the U.S. interest? (C)

2. Other Current or Prospective Arms Control Issues. The review should address security considerations that bear on:

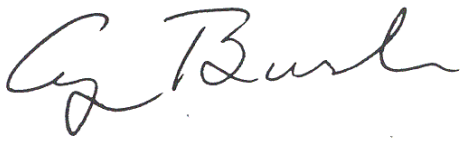
-- Further negotiated reductions in theater nuclear systems in Europe;

-- Further restrictions on nuclear testing;

-- A global ban on chemical weapons;

-- Conventional arms reductions in Europe; and

-- Restraining the proliferation of destabilizing technologies (nuclear and chemical/biological weapons and ballistic missiles). (C)

The report on The Role of Arms Control in Promoting U.S. Defense Objectives and Strategy should be submitted not later than April 21, 1989. (U)

Next Steps and Future Guidance. As important milestones in the review process are achieved, I will provide the appropriate guidance concerning modifications to the defense budget, including direction on the ICBM modernization program and Strategic Defense Initiative. I also intend the Secretary of Defense, aided by the Joint Chiefs of Staff, to review, as a separate matter, our targeting policy as set forth in NSDD-13 and provide recommended changes. In coordination with this review, I will direct the Arms Control Policy Coordinating Committee to review current U.S. arms control policies and positions to reflect my decisions and the results of this defense review as well as to resolve outstanding issues requiring resolution before resumption of negotiations. I intend that this work proceed in parallel with the defense review so that preliminary decisions on U.S. negotiating positions can be reached by late April. I will provide specific guidance on these efforts separately. (C)