



## PEACE AND SECURITY IN THE 1980s

Address by Ronald Reagan  
to the

CHICAGO COUNCIL ON  
FOREIGN RELATIONS

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If I were delivering a State of the Union address and doing my utmost to present our contemporary situation as accurately and comprehensively as I could, I would have to tell you that inflation and interest rates are possibly higher than at any time in our history. Our rate of increase in productivity, once the very foundation of our industrial might, is now less than half that of most nations competing with us in world markets, and less than one-third of that of Japan.

Our energy policy is a web of confusion in which the cost of one Federal agency alone — the Department of Energy — is equal to almost ten cents for each gallon of gasoline we buy. We live in an energy-rich nation, but our government tells us we can reduce our dependence on foreign oil imports only by turning down the thermostats and by driving less.

Well, so much for the good news. The bad news is that we now face a situation in which our principal adversary, the Soviet Union, surpasses us in virtually every category of military strength.

While the Soviets arrogantly warn us to stay out of their way, we occupy ourselves by looking for human rights violations in those countries which have historically been our

friends and allies. Those friends feel betrayed and abandoned, and in several specific cases they have been.

A Soviet satellite state operates freely just ninety miles off our coast; our embassies are targets for terrorist attacks; our diplomats have been murdered, and half a hundred Americans are captive going into the fifth month now at our Embassy in Iran.

We all have been dishonored, and our credibility as a great nation compromised, to say the least. Our shield has been tarnished.

We are a proud nation, with much in our history of which to be rightly proud. But in our National Capital, pride in our country and our heritage seems to be out of fashion.

That is not true of our people. All over America I have found the people hungry to be told the truth about our situation and ready to respond in the country's hour of need. The American people are not ready to consign the American dream, with all that it means to us and to oppressed people everywhere, to the dustbin of history.

May I suggest an alternate path this nation can take; a change in foreign policy from the vacillation, appeasement and aimlessness of our present policy?

That alternate path must meet three broad requirements.

**First**, it must be based on firm convictions, inspired by a clear vision of, and belief in, America's future.

**Second**, it calls for a strong economy, based on the free market system, which gave us an unchallenged leadership in creative technology.

**Third**, and very simply, we must have the unquestioned capability to preserve world peace and our national security.

When I say our foreign policy must be based on convictions, I speak of our belief in the principles and ideals which made this nation what it is today. We must take the lead in pointing out to other nations, and particularly those of the Third World, the superiority of our system. For too long at official levels we have been apologetic about, if not downright hostile toward, American capitalism as a model for economic development.

We must also use our ability to communicate with the world — through the Voice of

America, Radio Free Europe and Radio Liberty — to call attention to those nations that also were once poor but now enjoy a standard of living far above that of their neighbors who put their faith in communism. We can, for example, point to a Singapore, a Taiwan or a South Korea, as nations that shunned Marxism and socialism and have won their prosperity by means of private enterprise, thrift and hard work.

Coming to the second of our broad requirements, we cannot meet our world responsibilities without a strong economic policy which is effective at home and in the world marketplace. We cannot go on allowing government to spend beyond its means while our currency depreciates in value literally by the day and week.

The Carter Administration explains away much of our inflation as caused by the need to import oil. We import less than one-half of what we use. Germany imports 96 percent and Japan 100 percent, but their inflation rates are only a fraction of ours. As a result, their workers save a much higher percentage of their earnings than Americans do. Their industry invests more in capital equipment and research, and their governments take only two-thirds the percentage of total output in taxes as does ours.

We are losing out in global economic competition not only because we have become overgoverned, over-regulated and overtaxed, but because our method of taxation has discouraged investment, risk and enterprise, and the result of overtaxation has frightened people from the private sector, which accounts for our production, to the public sector, which is not only the least productive segment of our economy, but actually devotes much of its activity to impeding production and stimulating consumption. Today only about 79 million Americans work and earn in the productive private sector. About 82 million get a portion of their income from government.

An unbalanced administration of the anti-trust laws has led to compulsory licensing of new technologies that benefits foreign competitors. Our foreign competitors are free to pool their resources so as to drive American business out of foreign markets. Our anti-

trust policies — designed to foster competition in the American market — are applied to American firms in the world market in such a way as to make them noncompetitive with other industrialized nations.

We must put our economic house in order so we can once again show the world by example that ours is the best system for all who want security and freedom.

Communism is good for guaranteeing lifetime jobs for dictators, but it is terrible for economic development. This is a fact that we have to get across to the people throughout the world, and especially in the poorer countries. The American success story used to be a shining example, something that other people aspired to. It was and can still be the American dream. But the world must see that we still believe in that dream.

And this brings us to the third requirement for our policy. The best foreign policy cannot preserve the peace and protect the realm of freedom unless it is backed up by adequate military power.

The Carter Administration and the Democratic-controlled Congress have neglected our military strength and have cut back our defense programs. For nearly two decades the Russians have been building theirs to an extent never before witnessed by the world. And only now, since the Soviet invasion of Afghanistan, and the President's discovery that the Soviets can't be trusted, has he indicated that he recognizes the importance of a strong defense.

But his actions do not match his new rhetoric. Now he calls for a military budget increase, which, allowing for inflation, leaves us totally unable to match the Soviet buildup.

He sternly announced the suspension of action on the SALT II treaty — for a while. Now he has called again for its ratification.

The President at the same time, however, declared that he will keep the United States second to none in military strength. How can he keep us where we are not? We are already second to *one*, namely, the Soviet Union — and that is a very dangerous position in which to be. Besides, Soviet investments in strategic arms are continuing at a rate nearly three times as large as ours, and their in-

vestment in conventional arms will be nearly twice as large. So what we have been told is simply untrue.

We also should have learned the lesson that we cannot negotiate arms control agreements that will slow down the Soviet military buildup, as long as we let the Soviets move ahead of us in every category of armaments. Once we clearly demonstrate to the Soviet leadership that we are determined to compete, arms control negotiations will again have a chance. On such a basis, I would be prepared to negotiate vigorously for verifiable reductions in armaments, since only on such a basis could reductions be equitable.

This is how we can find peace and security through strength.

There are no easy solutions, and I do not believe in deceiving the American people. To rebuild our military strength will take determination, prudence, and a sustained effort. We simply have to face the harsh fact that our defense posture must be invigorated across the board.

To prevent the ultimate catastrophe of a massive nuclear attack, we urgently need a program to preserve and restore our strategic deterrent. The Administration proposes a costly and complex new missile system. But we can't complete that until the end of this decade. Given the rapidly growing vulnerability of our land-based missile force, a faster remedy is needed.

We have to maintain a superior navy. We are a nation with vital interests and commitments overseas, and our navy must stay ahead of the Soviet buildup. This means commissioning the ships and developing technology which will enable the United States to command the oceans for decades to come.

We must restore an active Ready Reserve Force and provide the necessary incentives to retain skilled men and women in the armed forces. I believe we can make a voluntary force work. But we can't when we force people to serve at a pay scale lower than welfare. A noncommissioned officer on a carrier is put in charge of a \$25 million aircraft. He often works sixteen hours a day. He earns less than a cashier at a supermarket. Is it any wonder the armed forces are losing two-

thirds of their personnel?

To me, it makes far more sense to fix this urgent problem of personnel retention and to restore the strength of the reserves, than to debate whether we should hire hundreds of bureaucrats to compile a gigantic roster of young men and women for a possible future draft.

We have to take full advantage of the contributions that American science and technology can make to the defense of the United States and to the preservation of peace.

And we must once again restore the United States intelligence community. A Democratic Congress, aided and abetted by the Carter Administration, has succeeded in shackling and demoralizing our intelligence services to the point that they no longer function effectively as a component part of our defenses. With all of the terrorist and military threats confronting us, we need a first-class intelligence capability, with high morale and dedicated people. We have the means to regenerate our intelligence organization, and I would surely employ those means.

But while we do all these things and they are essential, we must above all have a grand strategy; a plan for the dangerous decade ahead. We must be prepared with contingency plans for future Iran and Afghanistan. It is painfully apparent that we have been surprised repeatedly and faced with situations we have never anticipated and for which we have no ready plan of action.

When it was learned that the Soviet Union had added to its air force and submarines in Cuba — which we meekly accepted as within their rights — and then a combat brigade of ground troops, President Carter said this was unacceptable to the United States. He has since accepted the unacceptable with no further protest.

Totalitarian Marxists are in control of the Caribbean island of Grenada, where Cuban advisors are now training guerrillas for subversive action against other countries such as Trinidad-Tobago, Grenada's democratic neighbor. In El Salvador, Marxist totalitarian revolutionaries, supported by Havana and Moscow, are preventing the construction of a democratic government.

Must we let Grenada, Nicaragua, El Salvador, all become additional "Cubas", new outposts for Soviet combat brigades? Will the next push of the Moscow-Havana axis be northward to Guatemala and thence to Mexico, and south to Costa Rica and Panama? —

In the United Nations — where we pay the lion's share of a bloated budget — Puerto Rico and Guam are alleged to be instances of colonialism, yet hardly a single speech is being given, hardly a word is said about the vast expanse of the colonial empire of the Soviet Union.

Recently, the Administration took great pride and hailed as a victory a United Nations resolution condemning the invasion of Afghanistan, even though that resolution did not even mention the Soviet Union by name.

These humiliations and symbols of weakness add up. The unwillingness of the Carter Administration to make our case is pervasive. We apologize, compromise, withdraw and retreat; we fall silent when insulted and pay ransom when we are victimized.

Confronted by so many pressing crises, we would all like to find solutions. What can be done, tomorrow, to free our diplomats in Teheran? What can be done now to turn back the Soviet invasion of Afghanistan?

We can neither solve these present crises, nor cope with graver future ones unless we regain a reputation of reliability toward our allies. This means avoiding what we did in Taiwan, and what we did to Korea with the mistaken plan for withdrawing troops, or to the German Chancellor with the incredible flip-flop on the "neutron warhead" or to Israel with that incredible and scandalous vote in the United Nations.

Our grand strategy must recognize those areas of the world which are necessary to any plan for preserving world peace.

Here in our own hemisphere I urge a North American Accord to bind the three great nations of this continent closer together. I have already spoken of Central America and of the Caribbean, and certainly we must regain the friendship and trust of the nations of South America.

In the Middle East our alignment with Israel must be continued for the benefit of both countries. Israel, a stable democracy

sharing our own values, serves as a vital strategic asset with its highly trained and experienced military forces, and is a deterrent to Soviet expansion in that troubled part of the world.

We must continue efforts to win the friendship and trust of the other nations of the Middle East, but we must not attempt to impose our solution to the problems there. This can be said of the trouble in Lebanon, where we should offer our help but without dictating terms, and it also applies to the tragedy involving two of our NATO allies over Cyprus.

We did not seek leadership of the Free World, but there is no one else who can provide it. And without our leadership there will be no peace in the world.

Finally, we must rid ourselves of the "Vietnam Syndrome". It has dominated our thinking for too long.

The conduct of American foreign policy is essentially a task of effectively managing our resources — material, human and moral — and implementing policies which use those resources in the pursuit of our national interests.

Congress plays a decisive partnership role in foreign policy, not only because it must allocate budget resources, but also because it has an important voice in shaping a national strategy.

I believe my positions on foreign and defense policy will generally be closer to the majority view in Congress than the positions of the Carter Administration. I recall here how Congress overruled the Administration on the withdrawal of troops from Korea, the Congressional opposition to the cancellation of the B-1, the doubts in Congress about draft registration, and many other issues where, in my view, Congress is far ahead of the Carter Administration.

I have long felt that our foreign policy must be changed, and I have consistently stressed the urgency of strengthening our defenses against Russia's growing military might. I have made a strenuous effort to alert my fellow Americans that the policy of detente is, to a large extent, an illusion and not a reality of East-West relations.

I have spoken always with confidence and

conviction about these matters because I have felt the danger before us has been clear and present. With millions of Americans, I have hoped that we would change course quickly before the situation got worse. We did not, and the situation has in fact become worse — but it is by no means irretrievable.

Today, even though our nation's security has greatly deteriorated during these past years, my confidence in the strength and patriotism of the American people remains unshaken.

If told the truth, the American people will support a foreign policy reflecting their pride and patriotism, a foreign policy that is a charter for our nation's great future, not an installment plan for America's decline.

When our national recovery begins, you will see a rallying of the spirit not only in this great nation, but among all oppressed people, and a revival of our alliances throughout the world.

Once we act again as the leader of the Free World, I believe we will no longer stand alone; we will be supported by a grand coalition of other nations and peoples who want to work with us to preserve their freedom.

We have the resources, we have the wisdom, and we have the conviction to preserve peace and security in the coming decade. We have only to get on with the tasks before us.

Reagan for President - United States  
Senator Paul Laxalt, Chairman; Bay  
Buchanan, Treasurer. A copy of our  
report is filed with and available  
from the Federal Election Commis-  
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