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MEMORANDUM

NATIONAL SECURITY COUNCIL

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ACTION

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 21 Sep 2018 Authority: EO 13526 + 506552

Declassify: X Deny in Full: _____

Declassify in Part: _____

Reason: _____

MDR: 18 -M- 1708

MEMORANDUM FOR WILLIAM P. CLARK

THROUGH: RICHARD T. BOVERIE

FROM: ROBERT W. HELM

SUBJECT: Defense Budget Planning

Secretary of Defense Weinberger and OMB Director Stockman will present their differing views on the proper level of defense spending for FY 1984 and FY 1985 to the President tomorrow, July 20, at 11:00 A.M.

Secretary Weinberger will present his position, which the President has said he strongly agrees with, that the President's original topline defense spending projections be used by DOD to build the FY 1984 defense budget.

Stockman will argue that the economic situation and looming deficits make defense cuts inevitable in the future and that they should be accommodated now in order to promote efficient force planning and budgeting. He will maintain that Congress expects the President to follow the Budget Resolution targets and that doing so is essential to maintain the credibility of the Administration's entire program to achieve a declining pattern of deficits over the next several years.

The memo at Tab II discusses the issues in greater detail.

Recommendation

That you sign the information memo to the President at Tab I.

Approve _____

Disapprove _____

Attachments

- Tab I Memo to the President
- Tab II Defense Budget Memo

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date:

SEP 21 2018

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~~Review on July 20, 1988~~

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INFORMATION

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date:

FROM: WILLIAM P. CLARK
SUBJECT: Defense Budget Planning

SEP 21 2018

Issue

Cap and Dave Stockman will present their opposing views on what should be used as the topline planning guide for preparing the FY 1984 and FY 1985 defense budget.

Facts

Dave Stockman proposed that the lower Congressional Budget Resolution figures for national defense be used to prepare the FY 1984 and FY 1985 defense budgets.

Cap objects (Tab A) and maintains that your original budget projections for these budget years should be the topline guide.

In previous discussions with the Senate leadership, you agreed to accept the Budget Resolution figures for defense spending for FY 1983 but did not commit yourself to the much lower Budget Resolution figures for the outyears.

Discussion

Dave Stockman will argue that Congress expects you to follow the Budget Resolution targets, that looming deficits make defense reductions inevitable, and that doing so is essential to maintain the credibility of your goal of declining deficits. Cap maintains that the Budget Resolution is not binding on you, that defense has already taken two deficit-imposed reductions, and that cuts of the large magnitude proposed by Stockman would devastate your efforts to rebuild the nation's defenses.

This is an important issue which should be resolved now and adhered to if possible. It is not desirable to have a repeat of last summer's highly publicized defense budget debate. Such situations erode the credibility of your defense program and encourage the Congress to seek additional cuts. It is also important that Cap, from a defense management standpoint, not be required to redo the entire DOD budget four months from now. The decision must be final and binding.

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~~Review on July 20, 1988~~

Prepared by:
Robert W. Helm

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