

FIVE MYTHS OF DEFENSE SPENDING

The Administration's proposed \$305 billion defense budget for fiscal year 1985, which increases real defense outlays by 13 percent, by all accounts, will be in for very rough treatment by the congressional budgeteers. Senators Domenici and Hatfield, for example, propose holding the defense budget to 5 percent real growth (cutting almost \$22 billion), while a group led by Paul Warnke, former SALT II negotiator, seeks a \$28 billion cut.

The debate over the defense budget, however, threatens to become shrouded in a haze of misperception and myth. Popular notions of recent trends in defense spending and the military balance are clearly at odds with reality. Debate over defense spending must separate myth from reality.

Myth #1: The U.S. now has spent enough to "catch up" to the Soviets, making further increases in the defense outlays unnecessary.

Fact: The U.S. has not caught up.

Production rates for fiscal year (FY)	1984		1985		1974-1982	
	U.S.	USSR	U.S.	USSR	U.S.	USSR
tanks	720	1,920	720	2,300	6,400	17,350
tactical aircraft	330	680	350	840	3,050	6,100
major warships	3	9	5	9	72	85
other armored vehicles	1,290	4,070	1,546	4,550	4,800	36,650

Added to preexisting Soviet advantages, the vast numerical disparity in recent production rates is particularly significant in light of the shrinking (or nonexistent) technological edge that the U.S. relied on to offset the Soviet advantage in numbers.

Myth #2: The "dramatic U.S. build-up" has corrected the adverse trends in the strategic nuclear balance.

Fact: The strategic nuclear balance is, in many ways, marginally worse than when President Reagan took office. The number of U.S. land and sea based ballistic missiles and strategic bombers actually have declined since 1980 as older strategic weapons are retired faster than their replacements are brought on line. Nothing has been done to correct the most worrisome U.S. strategic weakness--the vulnerability of land-based ICBMs.

Myth #3: Huge defense spending increases are the major source of the large federal deficits.

Fact: The defense budget is smaller in terms of share of gross national product and percent of the federal budget than it has been for most of the past three decades. In the 1950s defense budgets averaged about 9 percent of GNP, in the 1960s about 8 percent, and in the 1970s about 6 percent. Under President Reagan, the defense budget has averaged about 6 percent of GNP. Because of dramatic increases in domestic spending, the DoD share of federal outlays is only about half of what it was at its peak. It thus is intellectually ingenuous to blame the Pentagon's shrunken burden on the economy and federal budget for the huge deficits.

Myth #4: Congress has given President Reagan everything he's wanted in defense.

Fact: Congress has cut massively the Reagan defense requests.

	FY 1982	1983	1984	1985
Final Reagan request	226	257	281	305
Final action	219	245	264	283*
Final reduction	7	12	17	22*

(in billions of dollars; *-based on 5 percent real growth)

Just a year ago the Administration projected a defense budget of \$330 billion for FY1985. With the further cuts from \$305 billion Congress is considering, the defense budget could, in just year, slash \$30 billion from what the Administration had wanted.

Myth #5: Billions of dollars can be cut from the defense budget by eliminating waste and corruption.

Fact: There is waste in the defense budget. Savings from eradicating waste and fraud, however, should be used to rebuild U.S. military strength more efficiently and rapidly. Recent Pentagon management improvement programs have been somewhat successful. As for remaining inefficiencies, Congress itself must shoulder part of the blame. The inefficiency of the budget process, resistance to multi-year procurement, and support of "pork barrel" defense projects all contribute to defense budgets unresponsive to critical U.S. defense needs.

Though these myths are demonstrably false, defense budget cutters constantly cite them. U.S. defense expenditures should be keyed to the threats to the nation and to America's international commitments. They should not be based on misguided efforts to reduce the deficit or to bring "runaway" defense spending under control without reference to those threats and commitments.

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For further information:

"The Restoration of Defense Spending in 1984," National Security Record, January 1984.
Anthony H. Cordesman and Deborah M. Kyle, "The Real Defense Debate," Armed Forces Journal International, March 1984.