

FIXING THE 1995 DEFENSE BUDGET

(Updating *Backgrounder Update* No. 217, "Clinton's Defense Budget Falls Far Short," March 15, 1994)

In the coming days and weeks the Senate will draft its version of the Defense Authorization Bill for fiscal 1995. Its task should be to expose a number of false claims in the Clinton Administration's defense plan. The President's defense team alleges that its defense budget will fully fund a highly combat-ready force capable of winning two regional wars "nearly simultaneously." The facts do not support this assertion.

The Clinton Pentagon also insists that its budget proposal not only will give a high priority to missile defense, but will, in Clinton's words, maintain "the best equipped force... on the face of the earth." The facts do not support this assertion either. In fact, the Clinton defense plan will weaken America's military capability at a time the U.S. is being challenged increasingly by North Korea and other threats to its interests.

Unless the Senate takes action, the Clinton Administration's false promises will become the guiding principles of U.S. defense policy. The House of Representatives already passed its version of the Defense Authorization Bill on June 9 without addressing the many problems with the Clinton plan. The Senate has an opportunity to correct the mistaken course of the Clinton plan in its defense authorization bill.

FALSE CLAIMS AND A FEW FACTS

As the Senate considers the Clinton defense budget, it should be aware of the budget's many claims and of the facts which contradict them.

CLINTON CLAIM: The defense budget proposed for the next five years is adequate to fund its proposed force structure.

FACT: Clinton's five-year defense budget will be short by roughly \$100 billion.

When the Clinton Administration announced its 1995-1999 defense budget proposals on February 7, it called for spending \$1.295 trillion on defense over five years.¹ But this amount is not enough to fund the force structure proposed in the Administration's comprehensive "Bottom-Up Review" (BUR) of America's defense requirements, which was released on September 1, 1993. In fact, the budget proposal is as much as \$100 billion short, based on defense budget estimates made by former Secretary of Defense Les Aspin when he was Chairman of the House Armed Services Committee.²

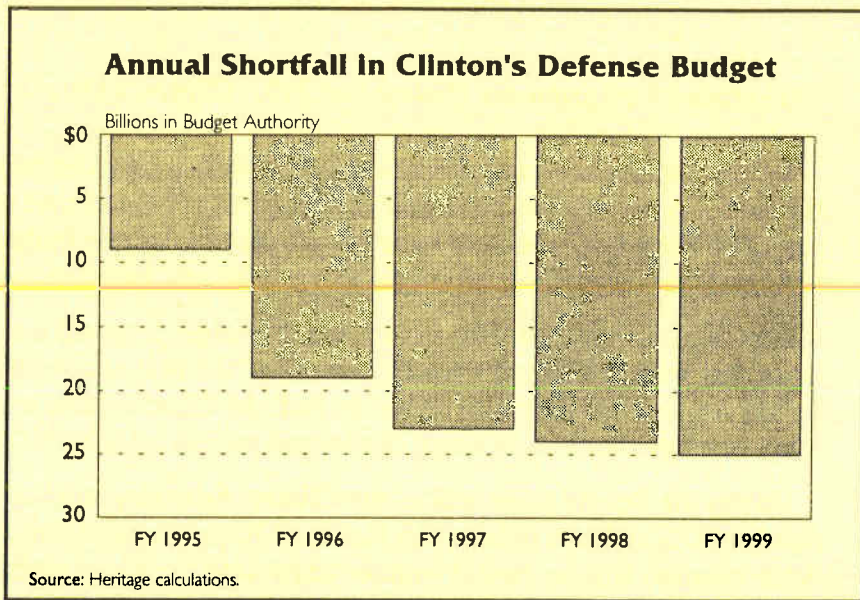
1 All figures are in budget authority, the amount allowed by Congress for a given period, as opposed to outlays, the amount actually spent.

2 For a complete description of the defense budget shortfall, see: Baker Spring, "Clinton's Defense Budget Falls Far Short," Heritage Foundation *Backgrounder Update* No. 217, March 15, 1994.

The Administration continues to assert that it supports the Bottom-Up Review force. But the projected shortfall in funding is too large for the Administration to paper over. The House Armed Services Committee in its report on the Defense Authorization Bill referred to the possibility of a funding shortfall, but it refused to state clearly that the budget is inadequate to support the BUR force. The House went on to cut the budget for fiscal 1995 by almost \$1 billion from the Administration's already insufficient requested level. This came after the House Armed Services Committee rejected a Republican proposal to increase defense spending in fiscal 1995 by \$6 billion. The proposal was rejected on a straight party-line vote. Thus, it is up to the Senate to resolve the problem.

SENATE ACTION: Add at least \$9 billion to the defense budget in fiscal 1995.

Recovering from a \$100 billion shortfall over the next five years will require increasing the defense budget by a substantial amount in 1995, which is the year under consideration. Even the \$6 billion proposed by the House Armed Services Committee Republicans will not be sufficient to put the Department of Defense on track to funding fully the force recommended in the BUR. Doing so will require between \$9 billion and \$10 billion in additional budget authority beyond that proposed by the Clinton Administration for 1995. This money represents but a down payment on what will have to be even more substantial



increases above the level proposed by the Administration in each of the fiscal years beyond fiscal 1995

CLINTON CLAIM: The force recommended in the BUR is large enough to address two "nearly simultaneous" major regional conflicts.

FACT: Clinton's Bottom-Up Review force can handle one major regional contingency.

The conventional force structure recommended by the BUR, which includes 15 Army divisions, 20 Air Force tactical wings, 346 Navy ships, and 174,000 active-duty Marines, is supposed to be able to handle two overlapping major regional conflicts. A major regional conflict is a war roughly similar to that experienced in Operation Desert Storm. But the force structure proposed in the BUR is not nearly large enough to pursue two such conflicts in the overwhelming manner seen in Desert Storm. The Joint Staff officer responsible for force planning, Rear Admiral Francis Lacroix, said as much when he told a House subcommittee on March 1 that the BUR force structure exposes U.S. troops to a "high element of risk."³ Addressing two "nearly simultaneous" conflicts will require conventional forces closer to those possessed by the U.S. in 1991. That force included 26 Army divisions, 34 Air Force tactical wings, 528 Navy ships, and 194,000 active-duty Marine Corps troops.⁴

³ "Bottom-Up Review More Risky Than Reported—JCS Official," *Defense Daily*, March 2, 1994, p. 318.

⁴ For a full discussion of the Bottom-Up Review, see Lawrence T. Di Rita, et al., "Thumbs Down To The Bottom-Up Review," Heritage Foundation *Backgrounder* No. 957, September 24, 1993.

The gap between the Administration's claims for the BUR force and its real capability is creating a dangerous dynamic on Capitol Hill. Those seeking even further reductions in the defense budget are attacking the need to fight two major regional conflicts, a fundamental assumption in the Bottom-Up Review. For example, seven members of the House Armed Services Committee, including Chairman Ronald Dellums of California, signed a statement in the committee's report on its version of the Defense Authorization Bill saying that they view the two-war criterion as "unnecessarily stringent."⁵ Their recommendation was that America need prepare for only one regional war. But the defense budget they propose could not sustain a force capable of winning one war.⁶ Thus, the end result is the focus on more budget reductions and not, as it should be, on whether any recommended force can perform its assigned mission.

SENATE ACTION: Adopt a congressional resolution stating that the BUR force is capable of addressing one major regional conflict.

While the BUR force is too small to handle two major regional conflicts, it may be capable of responding to one major regional conflict. Congress needs to acknowledge this explicitly. This will preempt the arguments of those seeking to cut the defense budget even further because they view the two-conflict scenario as unrealistic.

The House of Representatives acknowledged the unrealistic claims about the BUR force in a provision adopted on May 10. In it, the House concluded that the end strength for the Army recommended in the BUR is not large enough for two major regional conflicts.⁷ But the House statement still backs the claim that a force structure is needed to address two major regional conflicts. This is impossible to achieve without returning to the much larger force the U.S. possessed in 1991.

By attempting to defend the BUR's two-conflict premise, the House will only invite continued attacks on that premise. It is better that Congress expose the disingenuous claims of the Administration and level with the American people about the capabilities of U.S. forces. It can do so by adopting a resolution that spells out clearly that the BUR force is capable of fighting only one major regional conflict.

CLINTON CLAIM: The proposed defense budget for next five years will not result in a "hollow" military similar to the one that existed in the 1970s.

FACT: The military is already sliding toward a hollow force.

A hollow military force is one that lacks the weapons, equipment, and training needed to win in combat. Clinton Administration officials, starting with former Secretary of Defense Les Aspin and now with current Secretary of Defense William Perry, repeatedly have assured the nation that Clinton Administration defense budgets will not result in a hollow force.⁸ For example, Secretary Perry in February told the Senate Armed Services Committee: "The Services were told that readiness is the first priority and that all other guidance could be traded-off if they needed to program funds for improved readi-

5 House Armed Services Committee, Report of the Committee on Armed Services House of Representatives On H.R. 4301, House Report No. 103-499, May 10, 1994, pp. 555-561.

6 Representative Dellums on March 11 voted for an amendment to reduce the five-year defense budget by \$175 billion from the level requested by the Clinton Administration.

7 House Armed Services Committee Report on H.R. 4301, *op. cit.*, pp. 231-234.

8 For a lengthy discussion of readiness issues by Secretary of Defense William Perry, see the transcript of the Secretary's press briefing on FY 1995 budget attached to: Department of Defense, *FY 1995 Defense Budget*, News Release No. 043-94, February 7, 1994.

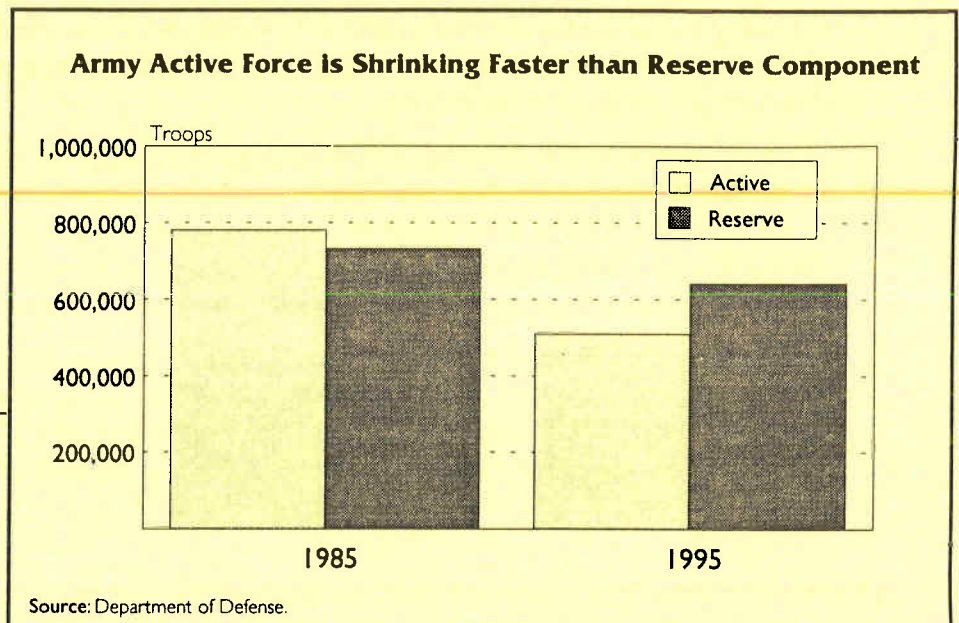
ness.”⁹ Administration officials claim that they want to keep funding for the operations and maintenance account, which is the most important component of the readiness budget, relatively high.

To be sure, the budget request for the 1995 operations and maintenance account reflects an increase of almost \$5 billion over 1994. But this increase does not tell the whole story. First, not all operations and maintenance funding goes to increasing readiness. Huge sums of money, in fact, will be allocated for non-military activities.¹⁰ For example, \$5.7 billion of the fiscal 1995 defense budget will be spent on environmental and other programs related to cleaning up military bases that are about to be closed.

There is a second reason why an increase in operations and maintenance funding will not boost readiness as much as the Administration thinks. U.S. participation in peacekeeping activities is undermining the ability of the services to train their troops for combat missions. For example, the Pentagon’s own outside group assessing military readiness—the Defense Science Board Task Force on Readiness—asserts that the frequency and length of Marine Corps deployments overseas is preventing Corps units from participating in required training activities.¹¹ The Marines have taken on extra duty lately in peacekeeping operations in places like Somalia.

Finally, readiness will suffer because the Administration plans to rely more heavily on reserve units that train only part-time. This problem is acute for the Army. For example, the reserve component of the Army in 1985 numbered 732,000 people. This compared to an active-duty component of almost 781,000. Thus, the Army re-

serve component in 1985 constituted about 48 percent of the total Army force. The Clinton Administration has requested an Army reserve component end strength in fiscal 1995 of 642,000 persons. The active-duty Army end strength requested for fiscal 1995 is 510,000 persons. Thus, the Army reserve component will constitute over 55 percent of the total Army force by the end of fiscal 1995 (see chart above). An Army that places greater reliance on the reserve component will of necessity be less combat-ready than an Army that relies more heavily on active duty troops. This is because active-duty troops train for combat full-time. Reserve troops train only part-time.



9 William J. Perry, “Statement of the Secretary of Defense William J. Perry Before the Senate Armed Services Committee In Connection with the Fiscal Year 1995 Budget for the Department of Defense,” February 8, 1994, p. 3.

10 For a description of defense funds spent on areas not related to defense, see: John Luddy, “This is Defense? Non-Defense Spending in the Defense Budget,” *Heritage F.Y.I.* No. 14, March 30, 1994.

11 Department of Defense, “Defense Science Board Task Force on Readiness Interim Report,” February 14, 1994, p. 6. Also see: “Readiness Task Force Releases Interim Report,” Department of Defense News Release No. 081-94, February 18, 1994.

SENATE ACTION: A three-part readiness package.

The Senate can stem the slide toward a hollow military by adopting a package of three amendments that could bolster combat readiness. The first amendment could prohibit any of the funds in the defense authorization bill from being used for environmental protection and restoration. These costs should be borne by the Environmental Protection Agency. This will immediately free up \$5.7 billion that could be used to bolster unit readiness.

The second amendment would require the Secretary of Defense to certify that all military units are meeting their combat training requirements before committing troops to new peacekeeping, peace enforcement, or humanitarian missions. Existing missions, however, should continue. The amendment should include a provision that allows the President to waive this requirement, if he certifies to Congress that vital U.S. interests demand it.

The third amendment to address military readiness would reduce the size of the Army reserve component by 20,000 troops. This would be the first step toward an Army with no more than 50 percent reserve component. Thus, the Army reserve component would not exceed 50 percent of the total Army force. This balanced Army force will ensure that the Army is relying on its fully trained, combat-ready active-duty troops.

CLINTON CLAIM: Theater missile defense is a high priority.

FACT: Funding for theater missile defense will be one-third lower than that proposed by the Bush Administration.

When former Secretary of Defense Les Aspin announced the termination of the Strategic Defense Initiative program on May 13, 1993, he claimed that the Administration would place a high priority on developing and deploying defenses against short - and intermediate-range (theater) missiles. This claim has turned out to be false. The Administration's fiscal year 1995 budget request allocates only \$2 billion to the theater defense program. Even the Bush Administration, which maintained theater defense as an equal priority with strategic defense, would have requested over \$3 billion for the theater defense program. Thus, Clinton will spend one-third less on theater defense than Bush, even though his Administration promised to make it a higher priority.

SENATE ACTION: Fund the theater missile defense program at the level recommended by the Bush Administration for 1995, or \$3.078 billion.

The Senate can force the Clinton Administration to live up to its commitment to provide defenses against theater missiles by adding \$1.037 billion to the theater defense account. The money would be added to the \$2.041 billion requested for theater defenses by the Administration, bringing theater defense funding to the \$3.078 billion recommended by the Bush Administration for 1995. This would increase in the entire Ballistic Missile Defense Organization (BMDO) budget from \$3.25 billion to \$4.29 billion.

CLINTON CLAIM: Defense budget cuts will not jeopardize the modernization of U.S. forces.

FACT: Funds for purchasing new equipment in fiscal 1995 will be two-thirds less than in fiscal 1985.

In his 1994 State of the Union Address, President Clinton promised to maintain the U.S. military as "the best equipped force...on the face of the earth." Yet, his 1995 budget request for funds to buy new equipment as older stocks become obsolete will be two-thirds less than in fiscal 1985. This two-thirds reduction in the procurement budget already is having an impact. For example, while the Pentagon bought 720 tanks in fiscal 1985, it will buy none in fiscal 1995. As a result, the age of the military's main battle tank, the M-1 *Abrams*, will average 13.4 years in 1999. The average age in 1990 was 5.1

years. The older tank fleet is certain to increase the cost of maintenance, putting additional pressure on an already constrained maintenance budget.

SENATE ACTION: Allocate two-thirds of the recommended \$9 billion increase in the 1995 defense budget to the procurement account.

The Senate should ask for an additional \$9 billion for the 1995 defense budget. Since the most pressing budgetary issue facing the armed services is the danger of budget cuts to modernization, at least \$6 billion of this \$9 billion should be allocated to the procurement account. This would raise funding in that account from \$43.3 billion to \$49.3 billion. This extra money could be used to fund the Navy's new aircraft carrier, ammunition for the Army and the Marine Corps, and the B-2 bomber.

CONCLUSION

The Clinton Administration is misleading Congress and the American people about the impact of its defense policies on the nation's military capability. If Clinton's proposed defense cuts go through, the U.S. will not have the military power promised by his Administration. The question for the Senate as it drafts its defense authorization bill is whether to confront this fact now—or sometime in the future when U.S. forces, weakened by defense cuts, cannot perform as the Clinton Administration has promised.

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