

The Heritage Foundation **Backgrounder**

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UPDATE

3/31/95

Number 244

DEFENSE FREEZE WOULD HARM NATIONAL SECURITY

(Updating *Backgrounder Update* No. 242, "Clinton's Defense Budget Falls Far Short Again," March 7, 1995)

On March 19, the Chairman of the House Budget Committee, Representative John Kasich of Ohio, appeared on NBC News' Sunday talk show "Meet the Press." When asked about defense spending, he suggested that he might be willing to support a freeze on defense budget outlays over the next five years. This would mean that defense spending would not be adjusted for inflation, which would result in around a 15 percent real reduction in spending over five years. Such a freeze, if it were to become the official proposal of the Budget Committee, would be alarming. It would, in fact, harm U.S. national security. A defense freeze would not even fund President Bill Clinton's proposed military force, which most experts agree will not be able to win two regional wars "nearly simultaneously" as advertised in the Pentagon's "bottom-up" review. The inevitable result of a defense freeze would be the reduction of U.S. military commitments overseas and the inability to defend U.S. national security interests.

It becomes clear, upon examination of the facts about the defense budget and national security, that a defense freeze that fails to account for inflation is based on erroneous assumptions. Policymakers need to be apprised of these facts in order to make sound judgments about the level of defense spending this nation needs.

FACT #1: The currently estimated budget authority for defense in fiscal year 1995, in real terms, will be 35 percent below what it was ten years ago.

When it comes to contributing toward deficit reduction, the defense program gave at the office. No other broad category of spending can make this claim. Under proposed Clinton budgets, entitlement spending will increase by 38 percent and domestic discretionary spending by 12 percent in real terms, while defense will decline by 35 percent during the 1990s. Proponents of a defense freeze apparently think that the Clinton approach is on target because a defense freeze would result in an outlay level for defense in fiscal year 2000 that is only one percent higher than the Administration's. While advocates of a defense freeze would spend more than Clinton on defense in the next five years, they may settle for Clinton levels in the years after the five-year period. The implication is inescapable: If a defense freeze were approved, the Republican majority in Congress will have settled for a long-range national defense strategy defined by a Democratic President.

FACT #2: The Clinton Administration's defense budget underfunds its own defense program by over \$100 billion.

The General Accounting Office (GAO) released a study last year estimating that the Clinton Administration's defense program for fiscal years 1995-1999 is underfunded by \$150 billion in budget authority.¹ Several months earlier, The Heritage Foundation estimated the shortfall at roughly \$100 billion.² Estimates for fiscal years 1996-2000 reveal the same general level of shortfall.³ Since a defense freeze would not make up for these shortfalls, its proponents must accept Clinton's Bottom-Up Review at its word or admit that the defense freeze is not enough. But no reputable defense analyst believes the Bottom-Up Review program is fully funded. Therefore, the only available course will be to cut weapons, force structure, and readiness in the outyears as it becomes clear that there is not enough money to pay for the force.

What programs are proponents of a defense freeze willing to cut from the Bottom-Up Review program? How far down are they willing to go to accommodate a defense freeze? Will they reduce the Army to fewer than the equivalent of 15 divisions the Clinton Administration says is needed? Will they reduce the Air Force to fewer than the 20 tactical fighter wings recommended in the Bottom-Up Review? Do they favor a Navy with fewer than the 346 ships recommended by the Bottom-Up Review? These are the practical implications of the defense freeze ideal, as they are of the Clinton Administration's proposal. Given the Clinton defense budget's \$100 billion shortfall, force structure is certain to be scaled back if the budget remains at current levels. The defense freeze ultimately will lead a Republican Congress to accept a smaller and weaker military than even the Clinton Administration claims it wants.

FACT #3: The Department of Defense has cut over one million personnel in the last ten years.

The Pentagon has reduced its personnel by about 25 percent since 1985. This includes both civilian and military employees. Active-duty military personnel alone have been reduced by an average of over 5,000 persons per month over the last ten years. No other federal government agency has shed its employees at such a rate. Often ridiculed as a bloated bureaucracy, the Pentagon actually has been shrinking rapidly, and this has led to the very efficiencies Kasich and others charge need to be instituted at the Department of Defense. The result: 25 percent fewer people now are performing national security tasks in a world where the threat has changed but America's global commitments remain undiminished.

FACT #4: By the end of the current fiscal year, the military force structure will be reduced by 30 percent from 1988 levels.

Just as military personnel levels have been reduced, so has the size of the armed forces. The Army fielded 28 divisions at the end of fiscal 1988; by the end of fiscal 1995, it will retain only 20 division equivalents.⁴ Whereas the Air Force possessed almost 38 tactical fighter wings in 1988, it now is down to around 20 wings. The Navy had a fleet of 566 ships at the end of fiscal 1988; by the end of fiscal 1995, it will have only 373 ships.

To be sure, the end of the Cold War required reductions of force levels, but to go any farther is to deny this nation the ability to win the wars of the post-Cold War era. The shrinkage has been so severe

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- 1 General Accounting Office, "Future Years Defense Program: Optimistic Estimates Lead to Billions in Overprogramming," July 29, 1994.
 - 2 Baker Spring, "Clinton's Defense Budget Falls Far Short," Heritage Foundation *Background Update* No. 217, March 15, 1994.
 - 3 Baker Spring, "Clinton's Defense Budget Falls Far Short Again," Heritage Foundation *Background Update* No. 242, March 7, 1995.
 - 4 Army National Guard units organized around divisions during the Cold War are being organized into brigades.

that many even doubt the planned force can fulfill the Clinton Administration's assigned mission of fighting and winning two overlapping major regional conflicts.⁵ Lawmakers and Administration officials alike should declare officially that the post-Cold War demobilization is over and that America needs to think more seriously about the kinds of military forces it needs to maintain its strength and military commitments abroad.

FACT #5: A defense freeze could result in a 15 percent loss of buying power by military personnel at the end of the decade.

Since a defense freeze would bar adjustments for inflation, the Pentagon would be faced with a choice: Either cut military pay, which will not be adjusted for inflation, or pay for salary increases out of other accounts, such as readiness or procurement. If pay were not adjusted for inflation for five years, the nation's soldiers and sailors would lose 15 percent of their purchasing power. The Clinton Administration tried to forego a military pay adjustment in 1994, but Congress refused. The same thing would happen again if the Pentagon, trying to accommodate a defense budget freeze, froze military pay. Faced with congressional opposition, the Pentagon simply would raid other accounts for money.

FACT #6: Procurement funding has been reduced by over 70 percent in real terms since 1985.

Proponents of a defense freeze may believe that they can increase military pay by cutting procurement funding. Indeed, Chairman Kasich talked about procurement reform in the context of possible savings during his "Meet the Press" interview. While the Chairman is correct in asserting that there is a need for procurement reform, it is not wise to pay for salary increases by taking funding away from procurement accounts. Put simply, the turnip of procurement already has been bled dry. Procurement funding has been reduced by 70 percent since 1985; another 10 percent would sentence the military to continuing to buy new weapons in extremely limited numbers throughout the next five years. For example, the Navy procured 29 ships in 1985; in fiscal 1996, it will procure only seven. A defense freeze means the Navy will purchase no more than this number of ships annually.

FACT #7: A defense freeze would deny any new defense initiatives.

Many in Congress do not consider the Clinton defense program the last word on national security. They wish to support new initiatives that the Clinton Administration either has not proposed or has opposed. One such initiative is the development and deployment of a national missile defense system. A defense freeze would leave no room for such initiatives. If the defense budget were frozen at current levels, the nation would not be able to build an effective defense against ballistic missile attack.

Conclusion

The Department of Defense should not be criticized for contributing to the budget crisis. In fact, it should be hailed as a model for deficit reduction. If only the Department of Housing and Urban Development or the Department of Health and Human Services were reducing its personnel by 25 percent. The nation need not spend more than is necessary on national security, but it must at least spend the minimum. To do otherwise is an abdication of the single most important constitutional duty of the federal government—to provide for the national defense.

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⁵ General Accounting Office, "Bottom-Up Review: Analysis of Key DoD Assumptions," January 31, 1995.

