

BUDGET CUTS COULD SPELL END OF AMERICAN GLOBAL POWER

(Updating *Backgrounder* No. 1019, "A Game Plan for Restoring America's Defenses," February 3, 1995)

Formulating a sound national security policy is no simple matter. It requires more than merely deciding how much to spend on defense. Vital national interests must be identified. A strategy for defending these vital interests must be fashioned. The forces to execute the strategy must be designed and explained to Congress and the American people. Only when all these steps in the process have been accomplished can the President and Congress determine how much money is needed to fund the nation's defense requirements.

The budget policies of both the Clinton Administration and Congress, however, reverse the process of formulating national security policy. Both start by asking not how much defense capability the nation needs, but how much, given other priorities, they are willing to spend on national security. While affordability always enters into the process of deliberating on the defense budget, it should not be the starting point in making national security policy. The starting point should be a rational assessment of the country's defense needs.

This "budget-driven" approach carries with it potentially severe implications for the nation's defense posture. If the President and Congress do not change course on defense budget policy, the result will be forces smaller than those needed to execute the national strategy, a collapse of the strategy itself, and ultimately the exposure of America's vital national interests to foreign threats. While there is still time to alter course, Congress needs to address this pressing problem during the next 18 months. If it fails, by early in the next decade the United States may find itself no longer a global military power capable of defending all of its vital interests.

Changing the course of the defense budget was going to be the job of a special commission created by the National Security Revitalization Act (H.R. 7), adopted by the House of Representatives on February 16, 1995. But the Senate version of the Defense Authorization Bill includes no provision for a special commission. While the failure of the Senate Armed Services Committee to include this provision is regrettable, a study similar to the one that was to be undertaken by the special commission can still go forward. Congress could appoint a staff group similar to one that studied the requirements for reorganizing the military in 1985.

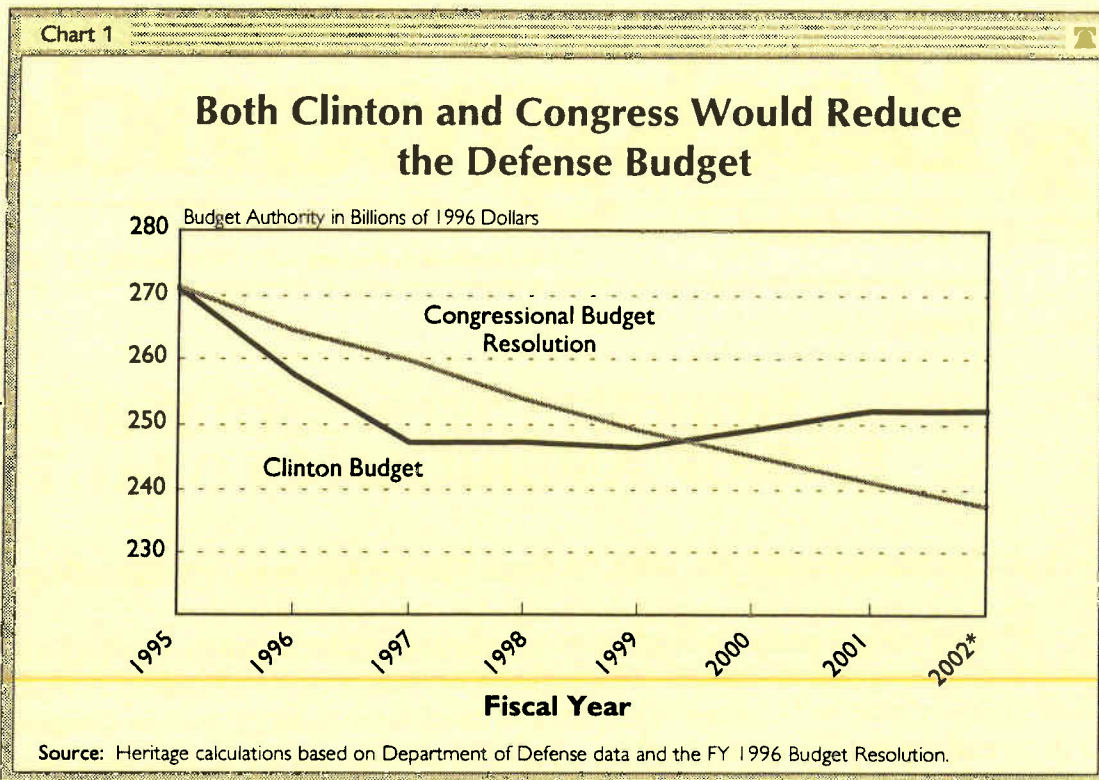
Clinton and Congress: Different Paths to the Same Result

Congress on June 29 adopted a budget resolution that establishes the nation's fiscal blueprint for fiscal years 1996-2002.¹ This blueprint includes budgetary guidelines for defense spending. Anticipating Congress's action, President Bill Clinton submitted a new budget plan of his own on June 13. However, Clinton's spending on defense remained essentially the same as he had proposed in his original fiscal 1996 budget in February 1995. The congressional budget resolution would provide \$1,904.2 billion in budget

authority for defense over the next seven years, while the Clinton proposal would provide \$1,894.6 billion.² Thus, Congress added \$9.6 billion to Clinton's request for defense—an increase of only 0.5 percent. For all intents and purposes, Clinton's seven-year defense budget request and the congressional budget resolution on defense are roughly the same.

While the amount spent on defense is about the same, the

two budget proposals differ sharply as to how and when the funds would be distributed over time. The Clinton Administration would impose steep reductions in the early years, later holding the line on further cuts. The congressional budget resolution, by contrast, spreads out defense budget reductions evenly over the next seven years (see Chart 1). This is why the Defense Authorization Bill for fiscal 1996, which reflects the requirements of the budget resolution for the coming fiscal year alone, will provide almost \$7 billion more in budget authority than requested by the Clinton Administration.³ The Clinton Administration would provide more for defense than the budget resolution in fiscal years 2000, 2001, and 2002. Ultimately, both proposals anticipate a defense budget in 2002 that is less than 60 percent of what it was in fiscal 1985.



The Retreat of America as a Global Military Power

Since the Clinton Administration's and Congress's defense budget proposals are similar, the ultimate outcome for defense likewise would be similar: a forced retreat of the U.S. from its position as a global military power able to defend its global interests. If enacted, these defense budget proposals would cause at least six results.


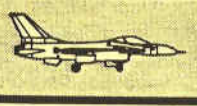
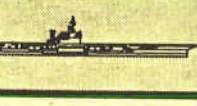

RESULT #1: Force structure levels would have to be reduced by roughly 20 percent from those recommended in Clinton's Bottom-Up Review (BUR). In September 1993, the Clinton Administration announced the findings of its comprehensive Bottom-Up Review of defense policy. The study called for the Army to field the equivalent of between 15 and 16 divisions, the Air Force to deploy 20 tactical

1 House Report No. 104-159, *Concurrent Resolution on the Budget for Fiscal Year 1996*, June 26, 1995.

2 This comparison estimates the Clinton requested level for fiscal 2002 because the June 13 proposal provided only outlay figures and not budget authority figures. Budget authority represents the amount of money the Pentagon may assume obligations to spend. Outlays represent the amount the Pentagon actually spends. The budget authority figure better represents how much money the Pentagon has to spend over a given period of time.

3 The House approved its version of the Defense Authorization Bill on June 15, 1995. The Senate Armed Services Committee reported its version of the Defense Authorization Bill on July 12.

What Clinton/Congressional Budget Will Buy vs. Bottom-Up Review Force

	FY 1991 Actual	Bottom-Up Review Force	What Budget Will Buy
 Army Divisions*	26	15	12
 Air Force Tactical Wings	34	20	15
 Navy Ships	528 Ships 15 Carriers	346 Ships 12 Carriers	300 Ships 9 Carriers
 Marine Corps Personnel	194,000 Active	174,000 Active	140,000 Active

* Accounts for separate brigades not organized into divisions.

fighter wings, the Navy to retain 346 ships (including 12 aircraft carriers), and the Marine Corps to maintain 174,000 active-duty personnel. However, the Clinton Administration is not providing nearly enough money to sustain its recommended force structure. Analysts at The Heritage Foundation estimate that the five-year (FY 1996-2000) funding shortfall will be around \$110 billion.⁴

The defense funding levels envisioned in the congressional budget resolution will not make up this shortfall. In fact, Congress is moving in the same direction as the Clinton Administration, albeit at a slower pace.

Assuming a defense budget that balances the requirements for readiness and modernization, these funding levels will force the adoption of a smaller force structure.⁵ This smaller force structure would include the equivalent of 12 Army divisions (instead of the 15-16 envisioned by the BUR); 15 Air Force tactical fighter wings (instead of 20); 300 Navy ships (instead of 346); and 140,000 active-duty Marines (instead of 174,000) (see Chart 2).

4 Baker Spring, "Clinton's Defense Budget Falls Far Short Again," Heritage Foundation *Background Update* No. 242, March 7, 1995.

5 The Clinton Administration has been able to maintain a larger force structure than its budget otherwise would allow for the last two years by accepting lower levels of readiness and, more significantly, slashing modernization funding for new weapons and equipment to levels that cannot provide for the force over the long term.

RESULT #2: Military personnel levels would have to shrink by roughly 15 percent below those recommended in the Bottom-Up Review. The Bottom-Up Review recommended that military personnel levels be reduced to 2,366,000 positions (active and reserve components combined) by the end of the decade. However, as a result of the impending defense budget cuts, personnel levels will drop—as will overall force structure levels—by almost 15 percent from levels recommended by the BUR, to 2,050,000 positions.

RESULT #3: The U.S. will not have enough military forces to fight a major regional conflict on the scale of the Persian Gulf War without abandoning its security commitments in non-combat theaters. Given the smaller conventional forces mandated by defense budget cuts, the U.S. would be hard-pressed to field the force it assembled to fight and win the Persian Gulf War. The only way it could do so would be to take forces from other regions that were not immediately threatened. But this would mean possibly abandoning security commitments in other parts of the world.

A couple of examples demonstrate this point. During the Persian Gulf War, the equivalent of ten Air Force fighter wings were deployed in the combat theater. But these ten equivalents were drawn from 20 established fighter wings.⁶ For every fighter wing engaged in combat, the Air Force needed the equivalent of another wing to provide backup for maintenance and replacement in case aircraft were shot down, and to train and rotate crews. Even using a more liberal three-to-two ratio, as some defense analysts do, the U.S. would be barely able to muster the tactical air forces needed to fight a single regional conflict with the smaller force. Deploying ten tactical fighter wings in a future regional war would tie up 15 wings. Thus, virtually everything would be absorbed by a single conflict. The likely result would be for the Air Force to pull all of its tactical aircraft from, say, Europe and Asia if the conflict occurred in the Persian Gulf.

The situation would be no less grim for the U.S. Army. The Army deployed seven divisions in the Persian Gulf.⁷ All seven were active divisions. Given the time to bring reserve component units up to full combat readiness, a future major regional conflict would place a premium on active divisions to perform combat missions. However, Clinton's and Congress's budgets would support only eight active Army divisions and the equivalent of four divisions in the reserve component. If seven active divisions are needed for a regional conflict, as occurred during the Gulf War, virtually all of the Army's active divisions will be absorbed. The eighth active division will have to remain in the U.S. to train the reserve units that may be needed to reinforce active-duty troops engaged in combat.

The implication is clear: If a war broke out in the Persian Gulf, the Army would be unable to meet its commitments to other U.S. allies in Europe and Asia if they were threatened at the same time. Of the eight active divisions the budget would allow the Army to retain, three would be deployed in Europe and Korea even though they were needed in the Persian Gulf. Like the Air Force, the Army would have to abandon these theaters to fight in the Persian Gulf.

Finally, the budget plans of the Administration and Congress would leave the U.S. Navy very thin. The budget would allow the Navy to maintain eight active carriers and one training carrier. Typically, two or three of these would be unavailable at any one time because of necessary maintenance. Therefore, if two aircraft carriers were in port for maintenance, only six would remain for active duty. But during the Persian Gulf War the Navy deployed six carriers to the region.⁸ In other words, practically the entire U.S. Navy would be needed to fight and win a single regional conflict on the order of the Per-

6 The entire Air Force had the equivalent of 34 tactical fighter wings in 1990/1991.

7 The Army possessed 26 divisions in 1990/1991.

8 The Navy possessed 15 aircraft carriers (including a training carrier) in 1990/1991.

sian Gulf War, leaving only one training carrier to defend American interests in the Atlantic and Pacific Oceans.

Result #4: The regional-based national security strategy will collapse. Immediately following the end of the Cold War, there was a consensus that U.S. conventional forces must be prepared to confront aggression in regions of vital interest to the United States. This consensus was reflected in the Bush Administration's "Base Force" and the Clinton Administration's 1993 Bottom-Up Review force. Both Bush and Clinton agreed that America needed enough military power to fight and win more than one major regional war, whether in Europe, Asia, or the Persian Gulf.

However, if current defense budget resolutions are maintained, this goal will not be achieved. The consensus established immediately after the Cold War will be shattered. There will not be enough military forces to win more than a single regional conflict at any one time.

Result #5: With the collapse of the regional-based strategy, the alliance structure will be gravely jeopardized. If the Persian Gulf War took place in 2002 under projected defense budgets, the U.S. would have to withdraw and use the forces that are in Asia and Europe. As this reality dawns on America's allies in Europe and Asia, the credibility of the U.S. security commitment will come into question. America's allies surely will ask: What is the value of a U.S. security guarantee when American forces, under some circumstances, will not be able to fulfill their obligations? As a result, these allies may seek other ways to meet their security needs.

The most likely casualty is NATO. The Europeans already are uncertain about America's credibility and staying power. The more apparent it becomes that the U.S. will be unable to meet its NATO commitments, the more Europe will be inclined to try new, untested defense structures built on the European Union and not NATO. Under these circumstances, an independent European nuclear force, with Germany's direct involvement, is not out of the question.

In Asia the consequences of declining American military credibility are equally disturbing. Japan has two options. It could re-arm and become a major regional military power in its own right, something that would cause concern throughout Asia, or it could accommodate stronger regional military powers such as China and Russia and play one against the other whenever possible. Without America's protection, South Korea would likely want to expand its military power rapidly, in hopes of deterring a North Korean attack, but this certainly would lead to instability on the Korean Peninsula. The implication is clear: If American military power in Asia wanes, the results will be a new arms race, greater instability, and the greater likelihood of war.

The same adverse dynamic would arise toward U.S. friends and allies in the Middle East if a future regional conflict occurred outside the Persian Gulf. The Gulf Arab states would likely expand their existing policy of playing their stronger and more radical neighbors, Iran and Iraq, against each other. This policy, however, failed when Iraq invaded Kuwait. Israel, being prepared to defend itself as long as the U.S. continues material assistance, should be able to provide for its security.

The hard fact remains that while the level of threat has decreased with the end of the Cold War, U.S. commitments to maintaining the security of Europe, Asia, and other regions have not. If the U.S. allows these commitments to come into question, the alliances it still needs may fall apart.

RESULT #6: U.S. vital interests would be threatened. Since the end of World War II, the U.S. has recognized that its security was linked inextricably to events in Asia, Europe, Latin America, and the Persian Gulf. Thus, the U.S. has recognized the need not only to maintain a balance of power in these regions, but to protect access to resources located in them, such as oil. Moreover, U.S. strategy has assumed that American economic prosperity depends on a free and open system of international trade.

However, the Clinton and congressional budget resolutions would threaten each of these vital interests. A budget-driven withdrawal of U.S. forces from Europe, Asia, or the Persian Gulf would be tantamount to writing off these regions as unworthy of defense. Two world wars in this century should have taught Americans that this is a dangerous thing to do. No less so than during the 1930s, America cannot put its head in the sand. In fact, the security of the United States is more intertwined with that of the rest of the world today than in any other time in history.

A less apparent but no less important benefit of U.S. global military power is the security of the international economic and trade system. Some expect that the free trade system will survive even if the U.S. abandons its security commitments. This is overly optimistic. The global trade system is supported by a well-defined and strongly supported security structure. If this structure collapsed, the trade system could collapse with it. The result could be the emergence of hostile trading blocs, with trade used not as a means to prosperity, but as a weapon in political wars.

Conclusion

Congress cannot afford to ignore the emerging crisis in the defense budget. Urgent attention needs to be paid to ensuring that defense budgets reflect accurately the requirements of a sound national security strategy.

The question of how best to resolve this crisis could be addressed by authorizing a congressional staff study on how to close the gap between defense budgets and national security requirements. The study could weigh the benefits of increasing the budget against the risks of reducing U.S. security commitments. The staff could be appointed by the chairmen of the House National Security Committee and the Senate Armed Services Committee. This group would be similar to the one which produced a report in 1985 on military reorganization.⁹ The two chairmen should direct their staffs to pool their efforts and produce a report before the consideration of the budget resolution by Congress next year. The entire Senate could show its support by adopting a sense of the Senate resolution asking the two chairmen to appoint such a staff group as it considers the Defense Authorization Bill in the coming days.

If current defense budget trends continue, America's days as a global military power capable of defending all its global interests will be numbered. No amount of rationalization can cover up this hard, cold fact. New technologies will not save America from this disastrous outcome. Nor will new strategies that downplay threats to American interests. Only a sound strategy that matches means and ends can ensure the survival of American freedom and prosperity through the next century.

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⁹ The 1985 staff study led to adoption of the Goldwater-Nichols Bill, which established sweeping reforms in the organization of the military.