

## Defense: a crisis budget, or a budget in crisis?

by Leo F. Scanlon

If anyone doubted that the cost-cutting mania of the U.S. financial and political establishment was leading toward surrender to the Soviet Union, a review of the 1989 defense budget should be sufficient to demonstrate the point. The cost-cutting thrust of this budget is both a supplement to, and motivation for, many people to accept strategic debacles such as the INF Treaty and the impending START agreement. In effect, the Defense Department is adapting to the Kissingerian view that the United States must adapt to a reduced international role, a decline to the level of a second-rate power.

The budget submitted to the Congress by Secretary of Defense Carlucci represents a sharp departure from the proposals submitted over past years by Caspar Weinberger, both in the concept and the execution of the program. For the first time in many years, it is stated that the primary purpose of the budget proposal is to comply with the fiscal restraints imposed on the nation by the economic policies of this administration, and secondarily, to shape the necessary cuts in a way which will not upset the illusion of the Reagan defense build-up.

The concept is formulated in a general way by Secretary of Defense Carlucci, who writes: "While we would like to reduce the risks to our security interests to an absolute minimum, we must also recognize that we have entered a period of constrained resources that will see our military force structure shrink and our overall defense capabilities reduced." While this may seem to be an unusually blunt statement, it is actually euphemistic in the extreme.

Admiral William J. Crowe, chairman of the Joint Chiefs of Staff, told the Senate Budget Committee, "Four years of negative growth in U.S. spending for defense is just beginning to play out in terms of reduced military capabilities. Simply put, this year's budget manages to limit short-term risks by relying on yesterday's programs and nourishing some

of our more promising R&D efforts. . . . We cannot, however, begin to field these new systems—or avoid further precipitous cuts in force structure—unless Congress provides the necessary resources."

The problem is that the current defense budget is the product of the November 1987 "Budget Summit," where, in the shadow of the October stock market crash, the White House and Congress agreed to impose sweeping austerity measures throughout the budget. Thus, this proposal is \$33 billion *less* than last year's proposed spending level.

Admiral Crowe further warned, "In essence, it is important to understand that this is only the beginning of greater downstream risks in the defense planning and programming process. . . . Several years of negative growth in defense spending inevitably will lead to dangerously reduced capabilities and force structure."

Again, this is a very mild description of the process which has been unleashed in recent years. In order to have any reference for what is happening to the defense budget, it is necessary to go back to the last period of wholesale defense budget cuts—the Nixon administration—for a model.

When Defense Department officials go to the Congress to warn of the dangers inherent in cuts in defense spending, they ritually refer to the "spending cuts of the '70's" which are the cause of all problems now facing the military. A casual reader of the chronicles might think that this refers to the Carter administration. A chart on page 122 of the budget proposal, which shows the real growth in defense budget authority since 1970, proves to be quite a shocker to such a reader of "the chronicles."

This collapse of defense spending occurred at the close of the Vietnam war, from 1969 or so until 1976. In this period, the Nixon-Ford era, the real growth in defense spending ranged between a -10-12% and a -3-4%—never

reaching zero! The last year of this period (FY1976, or a budget created in 1975) and the first year of the Carter administration (FY1977) saw major increases in defense spending, up to positive 5%. In real terms, the Carter administration was able to spend more than the Reagan administration has succeeded in wringing from the Congress.

One of the not insignificant developments in this period was the return of two U.S. brigades to Europe, Brigade '75 and Brigade '76, forward brigades for the 1st Cavalry and the 4th Mechanized Divisions, an accomplishment that has been quietly forgotten in the second term of the Reagan administration, for reasons which will be examined below.

## **The U.S. is leaving Europe**

One of the little-noticed features of the "Reagan build-up" is that the last-mentioned brigade is no longer in Europe! There is only one army in Europe which has cut an active brigade-size unit on NATO's central front in this decade, and that is the U.S. Army. The cited brigade was a frontline brigade for the defense of the Fulda Gap, facing Soviet T-80 tanks. It disappeared into the intermediate-range nuclear force buildup during the early 1980s, and could not be replaced because of manpower limitations imposed by legislation sponsored by Sen. Ted Stevens of Alaska. (He is planning to do the same thing to U.S. forces in Japan.) The INF weapons systems have been withdrawn by Reagan—but the manpower will not be replaced.

Although this type of sleight-of-hand is not normally pointed out publicly, every relevant official in Europe and the Soviet Union knows that it has occurred, and that more will follow. And, as the timing of these events shows, the putative policy of the party in power in the United States has no bearing on such matters. What does? The financial and diplomatic maneuvers which are conducted between the Russian and Euro-American elites.

The previous collapse in defense spending occurred at the same time as a series of events remarkably similar to those which mark the end of the Reagan administration. The collapse of the Bretton Woods monetary system, heralded by the removal of the dollar from gold, and related moves orchestrated by Paul Volcker, George Shultz, and other Nixon/Reagan officials, was the first phase of the long-term crisis which reasserted itself beginning in October 1987. Budget crises, responded to with wage controls and other austerity measures, shaped the spending policies on the surface.

More importantly, a series of "regional matters agreements" were negotiated with the Soviets, signalled by the 1969 announcement by Nixon and Kissinger, of the "Guam Doctrine," an assurance to the Soviets that the United States would abandon its costly venture in Vietnam. Strategic affairs were dominated by the ABM treaties and the SALT negotiations, which shackled U.S. technological and scientific research, obviating the need for expanded defense spending on R&D. The confluence of these policies drove the brutal defense cuts which severely crippled the military

forces of the United States.

The austerity policies of the Nixon-Ford-Carter administrations did not resolve the crisis of the world monetary system, nor have the inflationary policies of the Reagan administration, and in neither case have concessions to the Soviets been justified on strategic grounds. In spite of that, the policy elite in the United States insists on using the same methods to deal with this crisis. This time, the disastrous effects will be manifest sooner.

## **Manpower problems**

The collapse of the draft contributed to what began to be called the "hollow army"—tables of organization and equipment with no troops. The current leadership of the Pentagon is committed to avoiding that horrifying situation at all costs, but the problem is a formidable one. The modern volunteer army is the first in U.S. history to allow enlisted men, below a certain rank, to support a family. The wage bill for this is high. The bill for support services is also high. These costs are fixed costs which cannot be deferred, and which become proportionally larger as the budget shrinks. The current strategy is to preserve the structure of the military, even if it means axing vital procurement programs. Since current plans are based on incremental increases in defense authorization—increases which will never occur under the current economic policies of the administration—this strategy is already causing problems.

The DoD proposal warns, "Just as in the 1970s we are being forced to delay important programs, reduce training, defer maintenance, and curtail plans to complete stockpiles of ammunition, spare parts and other essential equipment. These stretchouts are adding greatly to our costs. . . ." The one solution which has not been whispered in public, is to return to a draft army—a policy which is feared by an establishment which knows that there is little or no popular support for the military initiatives it is contemplating south of the border. Senior military officials admit that the fiascos of the Reagan administration, such as the Beirut disaster, would have had incalculable political effects if the victims had been draftees.

Added to this general problem is the congressionally mandated 6% cut in officer strength; a policy which will hit very hard at experienced officers in the rank of major, lieutenant colonel, and colonel, and lieutenant commander, commander, and captain in the Navy. This will contribute to the erosion of the aviator community in all the services, and will hurt the Navy's efforts to retain invaluable nuclear-trained officers. The negative effect on the future of the officer corps will be identical to the demoralization of the early 1970s.

Force structure cutbacks will occur on a wholesale level, with the scrapping of plans to activate a Light Infantry Division scheduled to be deployed to Alaska, and the planned deactivation of the New Mexico National Guard Rolad Air Defense Unit. Needless to say, procurement plans for items like advanced sensor equipment for the Guard and Reserve

## The programs cut

The following is a list of program terminations, by service, under the administration's defense budget.

### Army

Aquila Remote Piloted Vehicle (planned to be a major purchase from Israel, to compensate for its loss of the LAVI jetfighter).

Anti-Tactical Missile (replaced by upgrade of the Patriot)

EH-60 helicopter (vital to replace aging fleet of Vietnam era craft)

M-198 howitzer

120 mm Mortar,

Copperhead projectile (R&D completed)

### Navy

A-6F aircraft (important modernization of tactical fleet anti-radiation seeker)

High frequency anti-jam radio (both items vital on the ever-evolving electronic battlefield)

Skipper naval airship (important platform for radar

defense against cruise missiles, and for anti-drug surveillance)

### Air Force

ASAT (the Soviets have four systems, all U.S. surveillance and battle management satellites are vulnerable, with no countervailing threat)

Minuteman III upgrades

AGM 130

Airborne command post replacement

C-27 aircraft (the Air Force must plan on using charter planes to move troops and equipment)

Other cuts in the Air Force programs are related to the dramatic collapse of U.S. space capabilities which is ongoing, and will be treated in future articles.

### Security assistance programs

We simply quote Admiral Crowe's testimony to the House Foreign Affairs Committee:

"To put all of this into perspective, the security assistance request for FY1989 is not one I would have recommended to the Secretary of Defense, the National Security Council, or the President. It is too lean given our basic national interests, our global security commitments, current threats to international peace and stability, and planned (budget-driven) reductions in our conventional force structure."

have been delayed until approximately the year 2000.

Termination of equipment purchases is the next target, after the manpower costs have been squeezed as much as possible. In the 1970s, this was partly done by slowing down the rate of replenishing supplies lost in the last years of the war, and was not noticed because of the anti-war sentiment of the era. More importantly, the strategic agreements reached by Kissinger with the Soviets on SALT and ABM matters, masked the impact of the witch-hunt against scientific research carried out by McNamara several years earlier. By 1969, almost every major development project, from water projects to the space program, was on hold. The military lost more than its share nonetheless.

### Cuts to hit civilian economy

Current defense planners foresee a negative effect from this round of budget cuts which will last well past the year 2000! And that is based on wildly optimistic assumptions about future U.S. budget deficits. The program terminations proposed so far will have an enormous effect on the civilian economy, with many of the cuts targeted at systems which have been fully developed and are ready to go into production—thus employing thousands. While this "meat-ax" approach saves more money more quickly than stretching procurement out over a number of years, it has a correspondingly more radical impact on the economy. This is a fact which the Pentagon correctly points out for propaganda purposes, but

has never presented the numbers to illustrate the point.

It has also been pointed out by defense analysts that the savings achieved by stopping a program which has already undergone its R&D phase, are the most illusory, as the R&D is the most costly part of any weapons development program, and is recouped only if the weapon is produced in large volume. These are the most expensive "savings" possible (see box).

What will the allies think of all of this? One must remember that it was the United States which closed down the lines of communication across France during the 1950s for budgetary reasons—a decade before France withdrew from NATO. The Reagan administration sleight-of-hand with U.S. troop strength in the 1980s has been cited. It is an open secret that the Dutch Army currently deploys more Leopard II tanks in Europe than the U.S. deploys M1A1 Abrams tanks, and so on. The allies will draw the conclusion that is being scripted for them—a Europe left to make its own arrangement with the major military power on the continent, the Russian Empire, will have little choice.

### Where the debate was scripted

The current Congress is made up of representatives panicked over the collapse of federal spending and support measures in their home districts, and they are more than ready to enact radical and extreme proposals for destroying vital elements of the defense infrastructure, in the hopes that this will

free up a penny or two of funds for their constituents. Absent the effect of an enormous crisis, this Congress will support the proposals now circulating for removing U.S. troops from Europe, and it will seriously consider removing major elements of U.S. military capabilities from Japan and other parts of Asia. It will support these proposals because they are being presented by the same murky grouping of private institutions and select members of the government which crafted this budget proposal.

As usual, the Georgetown University-linked Center for Strategic and International Studies (CSIS), has written the script which will be played out, living theater style, in the defense departments and parliaments of the NATO nations over the coming months. As readers of this publication are aware, the political dramas which erupt into the headlines of the newspapers and electronic news media are rarely "authentic" events. The CSIS is the most important of several institutions which hold political "war games" to study and script the responses which mere elected governments will be allowed to act out in the face of a crisis.

A recent CSIS production, designed to shape the after-effects of the current defense cuts, was published on Dec. 18, 1987 under the title, "NATO: Meeting the Coming Challenge." It was prepared by the Project on a Resources Strategy for the United States and Its Allies. The team doing the script was led by David M. Abshire, former U.S. ambassador to NATO and special counselor to the President, and also included Robin Beard, former NATO assistant secretary general for defense support. To lend verisimilitude to the production, Phillip Karber, a former director of the National Defense University, and arguably one of the sharpest defense analysts in Washington, was brought in as a contributing editor.

The study is actually the blueprint for the transition to the next U.S. administration. The fine tuning of the script will await a series of international conferences, to set the stage markers and prompts, for whichever of the establishment's actors will actually "play" the role of President.

The report begins by setting the stage thusly: "Confronting severely constrained defense resources in the years ahead, a new Administration and new Congress will be forced to conduct an 'agonizing reappraisal' of America's national security objectives, commitments and strategy. Excruciating choices will have to be made, choices with long lasting implications for the nation's security.

"Effective choices for the nation's security will be those which better coordinate, integrate and allocate national resources. . . . A defense resources strategy—must be developed and implemented, one which gets the most out of limited defense resources."

The writers then go on to identify the sub-theme of the coming policy period. "Developing an effective defense investment strategy is complicated in many Alliance countries by the cracks that have appeared in the defense consensus. Severe budget problems interact with increasingly strident

partisan politics to wrack many Alliance nations. In the United States, issues of defense investment and burdensharing are bound to enter the political arena in the 1988 election. Every candidate is sure to demand a better return on the taxpayers' dollars invested in defense."

Not surprisingly, the U.S. Congress just happens to have a "burdensharing committee" which is chaired by Pat Schroeder (D-Colo.)

CSIS promises, "Future reports will consider other aspects of the European security environment, including arms control, from this Resources Strategy perspective." Assuredly, this report will appear prior to the writing of the cue cards for the President's next meeting with Gorbachov. "Additional reports will also focus on the choices, tradeoffs, and implications of U.S. defense investments and those of its allies in the Persian Gulf and the Pacific." And they will appear as soon as the "regional matters" negotiations between the State Department and the Soviets are concluded prior to the summit.

### The 'post-INF' NATO

The CSIS script-writers propose two conferences to shape the NATO "consensus" on the issues facing a post-INF Europe. The first issues to be faced are the need to "enhance its crisis management effectiveness," a term which covers a small array of bureaucratic proposals, culminating in the creation of a "small crisis management secretariat" to support the NATO Secretary General and NATO headquarters.

This first summit will occur in early 1988, probably shortly after the Congress confirms the austerity budget proposed by the administration, and will "be based on careful prior consultation among Allies to establish mutually agreed priorities." There will be an array of proposals for various conventional arms modernizations, matters which will be necessary and useful, and which will occupy the time of various staff officers throughout the alliance.

Finally, "A second Alliance heads-of-government meeting could be scheduled late in 1988 or early in the next U.S. administration to review progress on implementing the Action Plan and chart the way ahead." All of this will be busy-work, designed to obscure the fact that on the policy level, there will be no actual military defense of Europe allowed by NATO. This issue will be determined, according to the Establishment, by the diplomatic negotiations between the United States and Europe.

This is illustrated by the fact that the CSIS study conspicuously avoids mentioning the revolution in Soviet arms and military organization which is being driven not by diplomatic negotiations, but by the dogged pursuit of military applications of scientific research flowing from their "SDI" program—a program which has no match in the West.

The final sentence of the report's summary gives the clearest indication of who is setting the defense agenda for these thinkers: "Gorbachov has anchored his agenda on two summits; NATO should be wise enough to do the same."