

9. The Military Budget

The "peace dividend" resulting from the end of the Cold War could be substantially larger if the United States adopted a more rational and cost-effective security strategy. Contrary to the conventional wisdom, the Pentagon is not underfunded; the United States spends far more on the military than does any other nation in the world. There is, to be sure, a growing gap between military capabilities and security commitments, and the U.S. military is being stretched dangerously thin, but the proper solution to that problem is to eliminate unnecessary commitments, not burden taxpayers with larger defense budgets.

The 104th Congress should resist calls to increase military spending and should instead take the following actions over the next two years:

- **Reduce the defense authorization budget from the fiscal year 1995 figure of \$263.8 billion to \$205 billion in FY97; the long-term goal would be a budget of \$140 billion (1995 dollars) in FY2000.**
- **Eliminate from the military budget all non-defense-related spending—some \$5.8 billion in FY95, using the most conservative definition.**
- **Terminate the production of such expensive weapons systems as the Seawolf submarine, the B-2 bomber, and the Trident D-5 missile. They were designed to neutralize military capabilities unique to the Soviet Union, and they have little relevance in the post-Cold War era.**
- **Terminate the purchase of C-17 intertheater cargo planes; the phasing out of unnecessary global security commitments would substantially reduce the need for such airlift capability.**
- **Reduce U.S. force levels to 1.2 million active-duty personnel; the long-term goal would be a force of 850,000 active-duty personnel by FY2000, including no more than 4 Army divisions and 2 Marine divisions.**

- **Eliminate 2 aircraft carrier battle groups and reduce the Navy to 290 ships; the goal by the end of the decade would be 6 aircraft carriers (including 1 carrier used for training purposes) and a 220-ship Navy.**
- **Reduce the number of Air Force, Navy, and Marine tactical air wings to 21, with a long-term target of 15.**
- **Increase funds for the development of an anti-ballistic-missile defense system by at least \$1.1 billion in the FY96 budget, with additional increases as necessary in the FY97 and subsequent budgets.**
- **Resist efforts by the Pentagon to retain funding for unnecessary weapons systems and superfluous military units by excessively cutting spending on operations and maintenance; that approach would erode readiness and increase the likelihood of "hollow forces."**
- **Return all savings from reduced military spending to the taxpayers in the form of lower tax rates.**

The Myth of the Underfunded Military

One of the most tenacious myths, especially among conservatives, is that there has been a dangerously excessive reduction in U.S. military spending since the late 1980s. By almost any measurement, that is not the case. True, the defense budget has shrunk in recent years. Military spending peaked in real terms in FY86 and has since declined by 28 percent. But that decline followed a period of massive spending hikes that began during the last year of the Carter presidency and accelerated during the Reagan administration. The defense budget increased more than 40 percent in real terms during those years, and by FY88 the United States was spending more on the military than it did at the peak of the Vietnam War.

The subsequent decline, in other words, was from an extraordinarily high starting point. Even without taking into account the \$25 billion in additional funding over the next six years recently recommended by President Clinton, the defense budgets contemplated in the administration's Bottom-Up Review would have kept spending levels at 85 percent of the average Cold War era level—despite the demise of the superpower threat to America's security.

U.S. Military Spending: In a League of Its Own

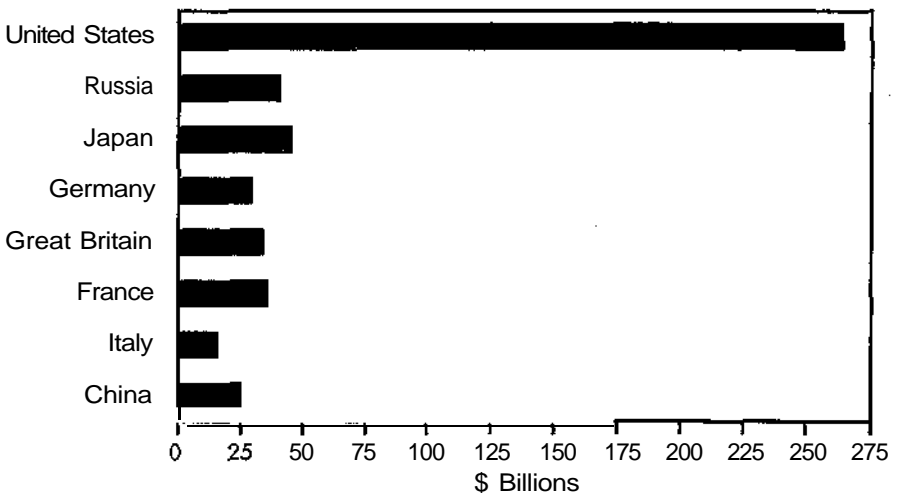
Lawrence Korb, who was an assistant secretary of defense in the Reagan administration, has pointed out that the United States spends more on the military than all of the other industrialized nations *combined*. Figure 9.1 confirms that Korb is not exaggerating.

The great disparity in spending between the United States and other industrial nations places an enormous burden on American taxpayers. It costs each American more than \$1,000 a year to pay for the military. Yet it costs each German or Japanese less than \$360 a year.

The Price of "Global Leadership"

Although it would be unwise to shortchange national defense, the enormous difference between U.S. military spending and that of other major economic powers is hard to justify. The democratic nations of Western Europe and East Asia can clearly provide for their own defense and take responsibility for the security and stability of their respective regions.

Figure 9.1
Military Spending of Industrialized Countries



SOURCES: Figures are from International Institute for Strategic Studies, *The Military Balance, 1994-1995* (London: Brassey's, 1994); Center for Defense Information, "1995 Military Spending: The Real Story," *Defense Monitor* 23, no. 5 (1994); and other sources.

NOTE: Estimates of Russian and Chinese military spending vary widely, and official budget figures published by those countries almost certainly understate actual spending. The figures cited are in the middle of the range of estimates.

Instead, they have chosen to rely on U.S. security guarantees rather than to spend additional money on the military.

That is clearly an attractive arrangement for them, but the benefits to the United States are, to put it mildly, less apparent. The principal justification offered by U.S. policymakers is that a dominant U.S. role around the world helps preserve "stability" and prevents the reemergence of the destructive great power rivalries that led to previous wars. According to that reasoning, the United States does not want Japan or the major powers of Western Europe to play more active military roles, because that might prove disruptive to international stability.

Although there is some validity to that argument, the costs and risks entailed in preserving U.S. dominance are extremely high. Not only does such a strategy require U.S. forces to risk involvement in actual or potential conflicts that have little direct relevance to America's security, but it requires the United States to maintain a much larger—and more costly—military than would otherwise be necessary.

It is Washington's global policing role that accounts for the huge disparity between U.S. military spending and the spending levels of other industrial countries. To take just one example, it is not possible to justify the existence of 12 aircraft carriers without reference to the various U.S. security commitments in Europe, East Asia, the Persian Gulf, and elsewhere.

Put simply, Washington's global commitments require a certain force structure to be credible. And the various obligations are quite expensive. Even with the drawdown of U.S. forces in Europe since the end of the Cold War, America's commitment to NATO still costs nearly \$90 billion a year. The commitments to Japan, South Korea, and other allies in East Asia run more than \$35 billion a year, while the increasingly difficult mission of stabilizing the Persian Gulf region costs at least \$40 billion a year.

Phasing out those commitments and demobilizing at least some of the military units and weapons systems that are designated for such missions would enable the United States to make sizable cuts in U.S. force structure and the defense budget. Instead of encouraging the prosperous and capable West European and East Asian nations to remain forever dependent on the United States for their security, Washington should encourage them to take responsibility for their own defense and the security of their regions. Such a devolution of responsibility is an essential foundation for major reductions in U.S. military spending.

Weapons to Fight the Last War

Although the elimination of obsolete and unnecessary security burdens around the world would be the source of most potential savings, there are also some other opportunities to save. One area involves weapons systems that were designed for an all-out conflict with the Soviet Union. For example, the B-2 stealth bomber was developed for the explicit purpose of penetrating sophisticated Soviet radar defenses during a nuclear war and taking out hardened targets. Indeed, the principal reasoning of the bomber's supporters was that such an aircraft would be needed to eliminate targets that had survived the initial U.S. ballistic missile strikes.

The notion of spending billions on a plane whose mission was to improve the chances of "victory" *after* a thermonuclear exchange was bizarre enough even during the Cold War. With the collapse of the USSR, the danger of World War III has receded dramatically, and the need for a bomber to deliver a nuclear payload with pinpoint accuracy is now extremely remote. Northrop, the principal contractor, and other proponents have, predictably, switched their justification for the plane, touting it now as an efficient conventional bomber. But no other potential U.S. adversary has the radar defenses that the B-2 was designed to overcome—and even Russia's capabilities appear to have eroded. Moreover, at more than \$1 billion a plane, the B-2 is an unjustifiably expensive conventional bomber. Congress should refuse to purchase any additional B-2s.

Another weapons system designed for an all-out struggle against the Soviet Union is the Seawolf submarine. As has that for the B-2 bomber, the rationale for the Seawolf has largely disappeared with the end of the Cold War. The Seawolf's mission was to counter the most modern submarines in Moscow's fleet. Yet Russia is scaling back its **military** expenditures, and the readiness of Russia's existing naval forces has eroded significantly in recent years. The prospect of the United States' having to counter a large fleet of new-generation Russian submarines is increasingly improbable. And there is no comparable threat from the navy of any other nation. Building Seawolf subs seems to have more to do with preserving jobs at the Groton shipyard in Connecticut than it does with bona fide U.S. defense needs. Unfortunately, that is an all too common problem.

Eliminating Military Pork

The defense budget has often been used as a massive federal jobs program or as a source of political pork to help ensure the reelection of

congressional incumbents. The most egregious example of waste in the military budget is the growing array of items that have nothing to do with national defense. By even the most conservative estimates, spending on such items accounts for \$5.8 billion, and by some definitions (including dubious "gray area" expenditures) nearly \$8 billion. Nondefense expenditures in the FY95 budget include funds for a wild horse roundup in New Mexico, seismic research, U.S.-Japanese management training, and small business development in Hawaii. Every penny of such frivolous expenditures should be deleted from the FY96 defense budget.

Other expensive elements of military pork are not so easily identified, but they involve billions of dollars in potential savings. Any weapons program that the United States does not need for national defense but still funds to keep the relevant military contractors and subcontractors (and their employees) happy rightfully belongs in that category. The same is true of dozens of unneeded military bases throughout the country that are kept open because they provide jobs and other economic benefits to the surrounding communities. American taxpayers cannot afford to bear the burden of such thinly disguised social welfare spending in the name of national defense.

Toward a More Rational Defense Budget

For the first time in nearly six decades, the United States does not confront a major power that poses a serious threat to its security. Nor is such a threat likely to emerge in the foreseeable future. The United States already has a military force that is vastly more powerful and technologically sophisticated than that possessed by any other country. America, in short, has a more than ample security "cushion"—if Washington does not dissipate resources and lives by subsidizing the defense of other nations and pursuing the futile mission of attempting to police an inherently turbulent world.

Congress should exploit America's advantageous position in the post-Cold War era to radically downsize the military budget. Even with the reductions recommended in this analysis, the United States would still have a \$140 billion defense budget (1995 dollars) in FY2000—approximately three times as much as any other country is likely to be spending. That should give America an entirely adequate margin of safety.

It is crucial that the reductions in force structure and spending levels be made the right way, however. Congress must avoid the mistake made in the 1970s, when forces were simply "hollowed out" by excessive cuts

in operations and support categories. Instead, the goal should be smaller forces with state-of-the-art weapons manned by well-motivated, well-paid personnel.

Instead of attempting to maintain an oversized active-duty force, we need to rely substantially on the reserves and the National Guard. Those forces represent a relatively low-cost insurance policy that would enable the United States to expand its military force structure if the global threat environment turned more ominous. Active-duty units, on the other hand, ought to be viewed as instruments for inflicting immediate punishment if an aggressor trespasses on a vital U.S. interest and constitute the core of expanded forces if an unexpectedly large contingency arose. Those units must, therefore, always be kept in a high state of readiness.

There needs to be an uncompromising eradication of military pork wherever it is found in the defense budget. It is also important to eliminate an array of expensive weapons systems that were designed for a Cold War confrontation that is no longer probable. But the bulk of the potential savings are contingent on the adoption of a new security strategy for the United States. Washington should take advantage of a post-Cold War world in which there are new, multiple centers of power. America can receive indirect benefits from more vigorous defense efforts of other major democratic nations that, to protect their own vital interests, will be compelled to contain threats and promote stability in their respective regions.

The United States need no longer play the role of Atlas, bearing all the world's security burdens. It is time for long-beleaguered American taxpayers to enjoy the full potential peace dividend from the end of the Cold War.

Suggested Readings

- Carpenter, Ted Galen. *A Search for Enemies: America's Alliances after the Cold War*. Washington: Cato Institute, 1992.
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