

SCOMM

80:18

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSIONBILL NO. SSHJR 66Revision Date: March 4, 1992Title: Shift military money to domestic needsDepartment Affected: NoneBRU: NoneComponent: NoneSponsor: Representative B. DavisRequestor: House Special Committee onMil. and Vet Affairs

COMPONENT SERIAL NO.

0	0	0	0
---	---	---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0					
TRAVEL	0					
CONTRACTUAL	0					
SUPPLIES	0					
EQUIPMENT	0					
LAND & STRUCTURES	0					
GRANTS, CLAIMS	0					
MISCELLANEOUS	0					
TOTAL OPERATING	0					

CAPITAL	0					
---------	---	--	--	--	--	--

REVENUE	0					
FUND SOURCE:	0					

FUNDING: (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER	0					
FUND SOURCE:	0					
TOTAL	0					

POSITIONS:

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Thomas W. Wright, Committee StaffPhone: 465-4527Division: House Special Committee on Mil and Vet AffairsDate: March 4, 1992Approved by Commissioner: Representative Ivan M. Ivan, ChairAgency: House Special Committee on Mil and Vet AffairsDate: March 4, 1992

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/7/91

Page 1 of 1

ALASKA STATE LEGISLATURE

Office of Majority Whip

3111 C STREET, SUITE 508
ANCHORAGE AK 99503
(907) 561-2039

PO BOX V
JUNEAU AK 99811
(907) 465-3875/4894

VICE CHAIR
HEALTH, EDUCATION
& SOCIAL SERVICES

COMMUNITY AND
REGIONAL AFFAIRS

INTERNATIONAL TRADE
AND TOURISM

CHAIR
CHILDREN'S CAUCUS

REPRESENTATIVE BETTYE DAVIS

DISTRICT 14 SEAT B • EAST ANCHORAGE • MULDOON

S P O N S O R S T A T E M E N T

SSHJR 66 "urges the Congress to amend the Budget Enforcement Act of 1990 to allow savings in military spending to be spent for domestic needs as well as for budget deficit reduction".

Joint resolutions were introduced in both the House and the Senate. Senator Arlis Stugulewski introduced SJR 43, which has passed out of Senate State Affairs and is now in Senate Rules.

I believe the American defense budget can be substantially reduced without risking national security. It's time we reorder our national priorities; we must direct more money toward educating children and promoting healthy and stable families. Due to the end of the Cold War we can't afford such a large military budget at the expense of our national well-being.

Despite modest unilateral reductions in the U.S. nuclear arsenal, military spending for fiscal year 1992 is \$291 billion. Fifty cents of every federal tax dollar goes to the military and paying for past wars. One B-2 stealth bomber costs \$865,000,000, which exceeds the cost of Aid to Families with Dependent Children in 49 out of the 50 states in the union.

Huge needs exist in our economy. More of our kids need a lifelong start in increased accessibility to Headstart programs. Too many of our rural community health clinic don't have access to the most basic of life's needs, such as safe water. For America to be strong and competitive, we need to transfer military resources to programs that meet human needs.

Specifically, jobs, housing, health and nutrition, education, community development, environmental protection, prenatal care and child care are all areas that would benefit from a military reduction.

The joint resolution request that Congress and President Bush do the following:

- . reduce military spending to a level that is more appropriate to a post-Cold War situation;

- . reach a new budget agreement that would allow savings in military spending to be used to meet the nation's enormous social economic needs;
- . develop mechanisms to provide for the timely and orderly conversion of our economy from an emphasis on the military to one that is civilian oriented.

It is important for our children that the Alaska legislature pass this resolution and send an unified message to Congress. Lets join other organization like the National Urban League, Inc., American Nurses Association, Service Employees International Union, AFL-CIO and Women Legislators' Lobby in urging Congress to amend the Budget Enforcement Act of 1990, and support policies that invest the peace dividend in meeting urgent domestic needs.

Alaska State Legislature

House of Representatives

Rep. Ivan, Chair
Rep. Davidson
Rep. Foster
Rep. Gonzales
Rep. Gruenberg
Rep. M.W. Miller
Rep. Parnell



State Capitol
Juneau, Alaska 99801-1182
(907) 465-4527

Special Committee on Military & Veterans Affairs

SUMMARY OF HOUSE JOINT RESOLUTION 66

House Joint Resolution 66 urges Congress to amend the Budget Enforcement Act of 1990 to allow savings in military spending to be spent for domestic needs as well as for budget deficit reduction.

TO: Military and Veterans Affairs Committee
RE: Adoption of SS for HJR 66
Date: 3/12/92
Fr: James E. Fisher, 633 Harris St., Juneau, AK

I strongly recommend the adoption of SS for HJR66.

This type of declaration appears imperative, if one will only recall the steady drumbeat of such statements as:

-- ...this is a very dangerous world...

-- ...the US must keep up its guard against ...

--... the US should be ready to help in trouble spots across the world, i.e., the Yugoslavian situation...

These counsels appear obsolete at the least, and self serving at the most. Following such reasoning the US might continue to spend on military apparatus, supported by reckless Federal deficit borrowing that **absorbs financial resources critically needed for investing in our country to maintain -- and regain -- its first place in the world's economic firmament, and most important, world markets.**

Alaska should avoid much, if any, of adverse effects from the restructuring of U.S. military overseas deployment. See attached clipping from the Anchorage Daily News of January 29th, 1992.

HJR 66 is a "get with it" plea of a type which should be emphasized, as frequently is required for the obvious, by repetition over and over and over.

Military cuts aid Alaska, report says

By BRIGID SCHULTE
States News Service

WASHINGTON — As the nation begins beating swords into plowshares, Alaska should fare well through defense cutbacks, despite the high-level of military presence, because of its unique geography, according to a national report released Thursday.

The report, "Building a Peace Economy," by the non-profit Council on Economic Priorities, predicts the Southwest and Northeast will be hardest hit as the "Evil Empire" has been replaced by the less threatening Commonwealth of Independent States and the United States begins converting from a military to a civilian economy.

Idaho, Nebraska, South Dakota and Wyoming will be least affected by current 25 percent across-the-board defense cuts and future cuts, the authors predict.

The report ranks Alaska seventh in the nation for being vulnerable to defense-related cuts. That ranking comes from the fact that one in every 26 people in the state is an active-duty military employee — the second-highest ratio in the nation.

Most defense dollars in Alaska are thus spent on personnel — \$1.3 billion in fiscal 1990 — and not on the weapons systems that are being so severely cut in other areas of the country. In Alaska, the oil and construction industries receive 73 percent of all Pentagon procurement contracts, which amounted to \$400 million in fiscal 1990. No weapons systems are produced in the state.

Please see Page B-2, DEFENSE

B2 Anchorage Daily News Monday, January 27, 1992

DEFENSE: Cuts help

Continued from Page B-1

According to the report, "the key for most financially hard-hit states to stay afloat in the current conversion climate is to diversify defense-dependent economies — plans for which only Washington, Maryland, Connecticut and some cities have made."

"We used to talk about doves and hawks, but the issue now is, who is the eagle and who is the ostrich," said report author John Tepper Marlin. "The ostriches are saying we can't cut and the eagles are saying, the Cold War's over, we've got to plan ahead and diversify."

But in Alaska, where the military is one of the leading industries, accounting for 13 percent of the state's total output, the answer is not in diversifying, but in staying put.

Because of Alaska's location near the former Soviet Union and the booming Pacific region, Marlin predicts



that the military presence in the state will actually increase.

"Alaska benefits from troop transferrals from closed bases in other states and Europe," Marlin said in the report. "Alaska remains a key strategic location for troop reassignment because forces are easily deployable both to the Pacific — Tokyo is eight hours away — and to Europe — Frankfurt can be reached in eight hours by plane."

Marlin is lobbying for the federal government to either pay for or help provide job retraining programs primarily in the Lower 48.

"The federal government, which created the defense establishment, is morally obliged to be an active partner in the transition to peace," he said.



MAR 09 1992

ALASKA CHAPTER
NATIONAL ASSOCIATION OF
SOCIAL WORKERS

8923 Tanis Drive
Juneau, Alaska 99801
(907) 789-7099
FAX (907) 790-2209

March 8, 1992

Executive Director
William Diebels, LCSW

The Honorable Ivan Ivan
Alaska House of Representatives
P.O. Box V
Juneau, Alaska 99801

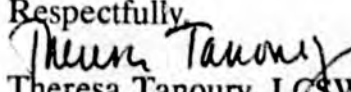
Dear Representative Ivan,

The Alaska Chapter of the National Association for Social Workers asks your support for **SS HJR 66**, *"Urging the Congress to amend the Budget Enforcement Act of 1990 to allow savings in military spending to be spent for domestic needs as well as for budget deficit reduction."* We believe it is time to 1/ bring down the walls for domestic discretionary spending programs for FY '93; 2/ cut military spending FY'93 significantly below cuts projected in the Budget Enforcement Act (BEA) and free up resources for economic conversion programs; and 3/ transfer military savings to permit a greater investment in domestic programs.

The 1990 Budget Agreement was based on security needs that have become outdated with the end of the Cold War and the disintegration of the Soviet empire. Under current plans, in 1996 we will *still* be spending \$85 billion defending Europe, \$12 billion on Norway, and another \$33 billion on Japan. In the next three years we can safely cut defense spending by at least \$60 billion to \$100 billion more.

According to our National office, next year, in FY'93, domestic programs are likely to face cuts unless the BEA is changed. Lower than projected inflation means that the domestic cap could be lowered \$2 billion since the BEA requires an adjustment to the spending cap when actual inflation is higher or lower than assumed in the Act. Additionally, Congress borrowed on next year's amount to make it through this year, putting an even greater squeeze on next year. On top of next year's squeeze is what is in store for FY 94-95. According to the Congressional Budget Office, domestic spending could be cut \$15 billion in FY 94 and \$22 billion in FY 95 if defense spending reductions continue according to the President's plan.

Please send the message that SS HJR 66 contains to the Congress and to President Bush. Thank you for your time.

Respectfully,

Theresa Tanoury, LCSW
Social Action Committee Chair

BOARD OF DIRECTORS

PRESIDENT
Nina Kinney, LCSW
Juneau

PRESIDENT-ELECT
Eileen Lally, Ed.D, LCSW
Anchorage

VICE-PRESIDENT
Colleen Patrick-Riley, LCSW
Anchorage

SECRETARY
Theresa Swedo, LCSW
Chugiak

TREASURER
Sharon Rebar, ACSW
Juneau

NORTHERN REGION
John Waters, ACSW
Fairbanks

SOUTHCENTRAL REGION
Tom Reffner, LCSW
Anchorage

SOUTHCENTRAL REGION
Angela Salerno, MSW
Anchorage

SOUTHEASTERN REGION
Wayne McCollum, LCSW
Douglas

WESTERN REGION
Lola Mallette, LCSW
Bethel

AT LARGE REPRESENTATIVE
Cecelia Esparza, ACSW
Kodiak

STUDENT REPRESENTATIVE
Faith Taves
Fairbanks

SERVICE EMPLOYEES

INTERNATIONAL UNION, AFL-CIO, CLC

1313 L STREET N.W. • WASHINGTON, D.C. 20005 • (202) 898-3200



JOHN J. SWEENEY
INTERNATIONAL PRESIDENT

RICHARD W. CORDTZ
INTERNATIONAL SECRETARY-TREASURER

November 18, 1991

Dear Representative:

On behalf of the 975,000 members of the Service Employees International Union (SEIU), I urge you to support policies which redirect the nation's fiscal priorities towards rebuilding America and revitalizing the middle class.

In light of recent world events, the projected level of defense expenditures is clearly unjustified. The excess funds from defense could be put to better use if they were freed to help meet domestic needs. In order to utilize a peace dividend, the Budget Enforcement Act must be modified to allow for a transfer of funds from the defense to the domestic discretionary spending account. By bringing down these walls, we could profit from the peace dividend while maintaining the overall deficit reduction goals established under the budget agreement.

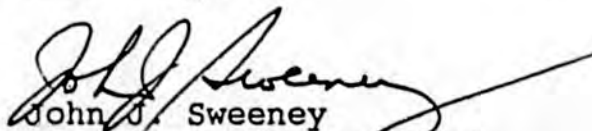
I also urge you to cosponsor H.R. 3732, the Budget Process Reform Act of 1991, which modifies the Budget Enforcement Act by eliminating the barriers among discretionary spending accounts for fiscal year 1993.

SEIU represents workers who are the backbone of the American middle class. These working men and women are struggling to maintain a decent standard of living during an era of declining wages, slow economic growth and rising income inequality.

We need greater investment in our schools, our children, and our infrastructure. Our cities and states need help solving their mounting fiscal crises. We also need to invest in a national healthcare system that guarantees every American access to quality, affordable care.

SEIU urges you to support budget policies that invest the peace dividend in meeting urgent domestic needs.

Sincerely,


John J. Sweeney
International President

Chairman
ROBERT C. LARSON
Senior Vice-Chairman
BERNARD C. WATSON

Vice-Chairmen
M. ANTHONY BURNS
WILLIAM R. HOWELL
DONALD R. KEOUGH

Secretary
LYNNETTE TAYLOR

Assistant Secretary
HOWARD C. DAVIS

Treasurer
FREDERICK D. WILKINSON, Jr.

Assistant Treasurers
W. DON CORNWELL
T. JOSEPH SI MROD

President & Chief Executive Officer
JOHN E. JACOB

Board of Trustees
Robert O. Aders
Francis H. Arnone
Jerome E. Bartow
Reginald K. Brack, Jr.
Sherry Bronfman
Daniel B. Burke
Richard M. Clarke
Charles M. Collins
Markita D. Cooper
James P. Dawson
Thomas R. Donahue
Wayne Embry
David E. Epperson
Elinor J. Ferdon
Bishop Richard Laymon Fisher
Jewell K. Garrison
Alton I. Hall, Jr.
Bettye J. Harris
Henry F. Henderson, Jr.
Willie W. Herenton
Dorine Joy Holsey, A.I.A.
Eleanor V. Horne
Lee F. Jackson
Caroline Jones
George R. Lewis
Ann Liberman
Margaret P. Lord
Charles Marshall
John G. Medlin, Jr.
R. J. Pritchard
Roy S. Roberts
Robert G. Schwartz
John L. Sims
Wayman F. Smith III
Burton B. Stanier
Nathaniel Trives
Calvin Tyler
Grace Vance
Lois Zenkel

Ex-Officio
LARRY DAIS

Honorary Trustees
COY G. EKLUND
LLOYD K. GARRISON
DAVID T. KEARNS
THEODORE W. KHEEL
LINDSLEY F. KIMBALL
HENRY STEEGER



National Urban League, Inc.

WASHINGTON OPERATIONS
1111 Fourteenth Street, N.W.
6th Floor
Washington, D.C. 20005

November 19, 1991

Dear Representative:

Our changed world requires a complete re-examination of our budget and spending priorities. Now is the time to commit to a program of long-term, strategic investment in the development of our human resources and the physical infrastructure that supports economic activity.

The National Urban League has taken the concrete step of developing a bold new initiative for investing in this Nation's human and physical infrastructure through a specific proposal, Playing to Win: A Marshall Plan for America. The Marshall Plan serves as a blueprint for an investment program for America, calling for an annual \$50 billion commitment of our resources, targeted to areas of greatest need. In a recent address, National Urban League President, John E. Jacob, argued that the progressive decline in America's relative economic strength means that unless we invest more in the nation's human and physical capital, we will face a bleak economic future. Failure to meet the challenge of global competitiveness could jeopardize our national security and our quality of life.

November 19, 1991
Page 2

To move forward with the Urban League's Marshall Plan, the Congress and the Administration must join together in modifying last year's budget agreement which is now obsolete in light of changes in the Soviet Union, the end of the Cold War, and the devastation of our communities. The National Urban League has joined other national organizations in drafting the following statement of principles to guide the re-ordering of our national priorities:

1. Congress and the Administration should reduce defense expenditures in FY1993 significantly below the levels projected in the President's FY1992 five-year plan. These savings should be used for needed public investment that can redress unmet domestic needs, build human capital and promote long-term economic growth.
2. Congress and the Administration should allow for the transfer of funds from defense to domestic discretionary spending programs in FY1993, while maintaining the overall deficit reduction goals set forth in the budget agreement.
3. Congress and the Administration should not use defense savings or other discretionary funds for tax cut purposes. Instead the Congress and the Administration should finance any personal income tax relief package by shifting the tax burden to upper-income taxpayers.

The National Urban League looks forward to working with you as we plan for our country's future economic well-being.

Sincerely,



Robert McAlpine
Director
Policy & Government Relations

RMC:sb

American Nurses Association

2420 Pershing Road, Kansas City, Missouri 64108

(816) 474-5720

Lucille A. Joel, Ed.D., R.N., F.A.A.N.
President

Fax: (816) 471-4903

Barbara K. Redman, Ph.D., R.N., F.A.A.N.
Executive Director



Washington Office:
1101 14th Street, N.W. Suite 200
Washington, D.C. 20005
(202) 789-1800
FAX: (202) 842-4375

November 19, 1991

Dear Representative:

On behalf of the American Nurses Association (ANA) and the 200,000 members of its 53 constituent state and territorial associations I am writing to urge you to consider a renegotiation of the Budget Enforcement Act of 1990 (BEA) to permit the nation's domestic needs to be better met.

The American Nurses Association is participating with a broad based coalition of organizations that believe the Congress and the Administration should reduce defense spending in the coming years to permit that funding to be transferred to meet the nation's unmet domestic priorities. We believe that the principles of deficit reduction set forth in the budget agreement should be maintained, but that the recent events in the Soviet nations warrant a reduction in the amount of money spent on defense and a greater emphasis on domestic needs that have suffered over the past decade.

Universal access to health care must be a major domestic priority. As front line providers, we see the tremendous need for better delivery of health care to unserved and underserved populations. We also know that financing health care reform will be a formidable task. ANA and over 50 nursing organizations have joined together to propose a reform of the health care system called *Nursing's Agenda for Health Care Reform* to address those issues.

A renegotiation of the budget agreement will allow our nation's domestic programs to benefit from the peace initiatives and the reduction in defense spending. I urge you to invest in America now by supporting these principles of the budget coalition.

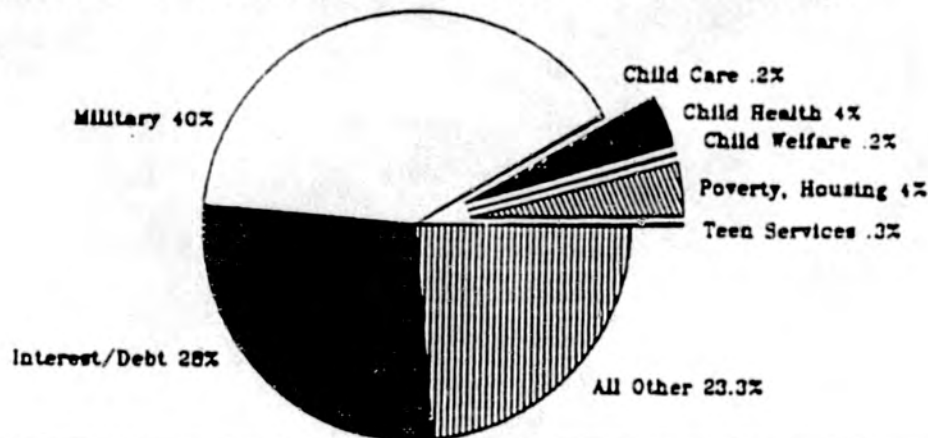
Sincerely,

Lucille A. Joel, EdD, RN, FAAN
President

LAJ:PMG/pal

Why Alaska's Children Deserve a Peace Dividend

Childrens Program Share of Proposed FY '91 Federal Income Tax Dollars



While poverty, child abuse and other children's problems increased dramatically in this decade:

The state has lost over \$ 230.58 Million in Federal Funds for Children's Services.

A 10% cut in Military Spending could reverse that trend and provide opportunities afforded children in other industrialized countries.

Developed by the National Priorities Project in cooperation with the
Child Welfare League of America.

Let's Invest in Kids

Given the dramatic changes in the Soviet Union and Eastern Europe, the real threat to America's security in the next decade arises out of our neglect of domestic needs: poverty, homelessness, hunger, drug abuse, and insufficient health and education services increasingly confront our nation's children. We need a federal budget that responds to these problems.

Members of Congress and national organizations, including CWLA, are launching the BUDGET FOR A STRONG AMERICA, which calls for an estimated cut of \$90 billion from the military budget over three years. The savings would be applied to deficit reduction and funding critical domestic programs.

Alaska's three year share would be approximately

\$ 405 Million

From these savings, CWLA is calling for a significant increase in funding for programs to families and children.

Problems in our State

Poverty, Homelessness, and Hunger

- An estimated 12.7 % children live in families with incomes below the poverty line.
- 20.1 % live in single-parent families.
- The monthly welfare benefit for a family of three is \$ 779; the average fair market rent is \$ 576.

Child Protective Services

- Between 1981 and 1985, the number of child abuse reports increased by 72.1 %.

Maternal and Child Health

- In 1984, 22.8 % of our babies were born to mothers who did not receive early prenatal care.
- 4.6 % of these babies were at risk due to low birthweight.
- 58.4 % of teenage mothers received early prenatal care.
- In 1984, the infant mortality rate was 10.8 % per thousand.
- 72.4 % of financially eligible pregnant women, infants, and children do not get nutritional supplements through WIC.

Child Care and Head Start

- An estimated 47.37 % of mothers with children under age 6 work outside the home.

Adolescent Services

- 13.2 % of students entering the 9th grade will not graduate from high school.
- 8.7 % of all births in 1986 were to teens.
- 16.7 % of youth age 16-19 were unemployed in 1988.

Source data: Children's Defense Fund

HOW LONG CAN WE CONTINUE TO SHORTCHANGE OUR CHILDREN?

Federal Programs that Provide Money to our State

Cumulative Change In Federal Aid, 1982-1988 (in Millions of Dollars)

AFDC and Child Support Enforcement	\$ -18.27	
McKinney Homeless Act	\$.87	
Food Stamps	\$ -13.51	
Section 8 Housing Program	\$ -7.20	
Community Development Block Grant	\$ -8.33	Subtotal \$ -46.44 M

Child Welfare Services	\$ 1.43	
Social Services Block Grant	\$ -4.48	
* Child Abuse Prevention and Treatment Program	NA	Subtotal \$ -3.05 M

Health Planning	\$ -2.99	
Maternal & Child, Community Health	\$ -2.94	
Medicaid	\$ -24.07	
Preventive Health Services Block Grant	\$ -.97	
Child Nutrition	\$ -.06	
WIC	\$ 5.87	
Special Milk	-1.22	Subtotal \$ -26.38 M

Head Start	\$.60	
** The Act For Better Child Care	NA	Subtotal \$.60 M

Vocational and Adult Education	\$ -3.56	
* Family Planning	NA	
** Adolescent Pregnancy Prevention Care and Research Act	NA	
Job Training	\$ -146.45	
Juvenile Justice Assistance	\$ -.91	
Drug Education	\$ 1.74	
Alcohol, Drug Abuse and Mental Health	\$ -6.13	
** Young Americans Act	NA	Subtotal \$ -155.31 M

TOTAL \$ -230.58 M

* Data not available on a state level.

** To be Enacted in the 2nd Session of the 101st Congress.

Source data: The American Federation of State,
County, and Municipal Employees.

HOW LONG CAN WE CONTINUE TO SHORTCHANGE OUR CHILDREN?

Federal Programs that Provide Money to our State

Cumulative Change In Federal Aid, 1982-1988 (in Millions of Dollars)

AFDC and Child Support Enforcement	\$ -18.27	
McKinney Homeless Act	\$.87	
Food Stamps	\$ -13.51	
Section 8 Housing Program	\$ -7.20	
Community Development Block Grant	\$ -8.33	Subtotal \$ -46.44 M

Child Welfare Services	\$ 1.43	
Social Services Block Grant	\$ -4.48	
* Child Abuse Prevention and Treatment Program	NA	Subtotal \$ -3.05 M

Health Planning	\$ -2.99	
Maternal & Child, Community Health	\$ -2.94	
Medicaid	\$ -24.07	
Preventive Health Services Block Grant	\$ -.97	
Child Nutrition	\$ -.06	
WIC	\$ 5.87	
Special Milk	-1.22	Subtotal \$ -26.38 M

Head Start	\$.60	
** The Act For Better Child Care	NA	Subtotal \$.60 M

Vocational and Adult Education	\$ -3.56	
* Family Planning	NA	
** Adolescent Pregnancy Prevention Care and Research Act	NA	
Job Training	\$ -146.45	
Juvenile Justice Assistance	\$ -.91	
Drug Education	\$ 1.74	
Alcohol, Drug Abuse and Mental Health	\$ -6.13	
** Young Americans Act	NA	Subtotal \$ -155.31 M

TOTAL \$ -230.58 M

* Data not available on a state level.

**To be Enacted in the 2nd Session of the 101st Congress.

Source data: The American Federation of State,
County, and Municipal Employees.

HOW DOES THE U.S. COMPARE TO OTHER COUNTRIES?

Poverty

67 industrialized nations, excepting the U.S., provide a monthly or weekly cash benefit to families for every child. Single mothers often receive additional assistance.

Of 8 industrial democracies studied by the Urban League, the U.S. had the highest child poverty rate. Programs for the poor in the U.S. gave assistance to fewer people and provided lower benefits.

Maternal and Child Health

The percentage of babies born at low birth-weight in European democracies is approximately 4% compared with 6.8% in the U.S. Each year, 555,000 American women give birth without health insurance protection.

Nearly 1/4 of all U.S. women do not receive early prenatal care. Many European nations provide maternity grants at the time of child-bearing. Some 15 other countries provide universal access to health care.

Child Care

In studying the status of child care workers in various countries, it appears that child care workers have greater prestige, higher pay and higher morale in those countries whose governments support child care. Child care workers are the second lowest paid professionals in the United States.

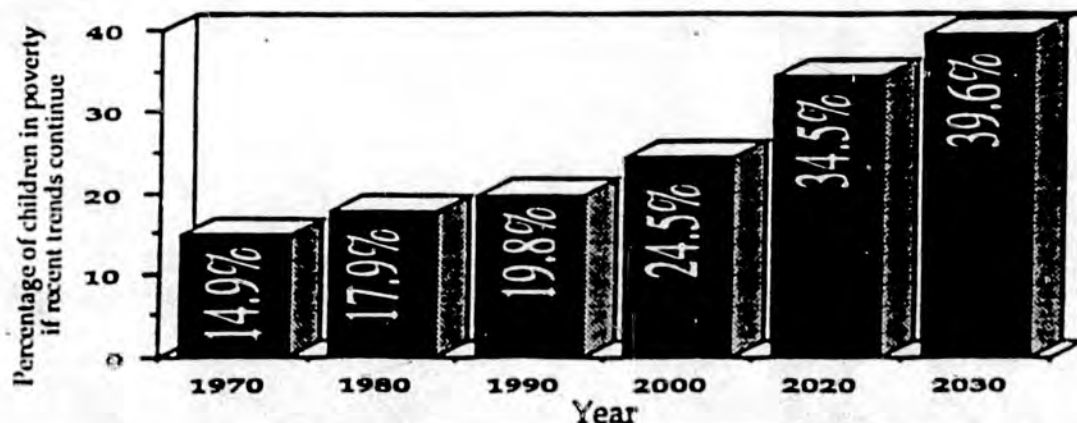
The U.S. and South Africa are the only major industrialized nations that do not guarantee some form of job-protected maternity leave. Of 135 nations providing leave, 125 mandate paid leave.

Teen Pregnancy

U.S. teenage pregnancy rates were higher than those for teenage women in Canada,

England, Wales, France, the Netherlands and Sweden.

THE FUTURE IS IN OUR HANDS Child Poverty in the U.S. 1970-2030



• In the year 2000, if recent trends continue, there will be 16 million poor children in the United States, 3 million more than in 1987. One in every four children will be poor.

• By the year 2030, there will be 25 million poor children. One in every three children will be poor.

Source: Children's Defense Fund, computations based on Census Bureau data.

Military cuts aid Alaska, report says

By BRIGID SCHULTE
States News Service

WASHINGTON — As the nation begins beating swords into plowshares, Alaska should fare well through defense cutbacks, despite the high-level of military presence, because of its unique geography, according to a national report released Thursday.

The report, "Building a Peace Economy," by the non-profit Council on Economic Priorities, predicts the Southwest and Northeast will be hardest hit as the "Evil Empire" has been replaced by the less threatening Commonwealth of Independent States and the United States begins converting from a military to a civilian economy.

Idaho, Nebraska, South Dakota and Wyoming will be least affected by current 25 percent across-the-board defense cuts and future cuts, the authors predict.

The report ranks Alaska seventh in the nation for being vulnerable to defense-related cuts. That ranking comes from the fact that one in every 26 people in the state is an active-duty military employee — the second-highest ratio in the nation.

Most defense dollars in Alaska are thus spent on personnel — \$1.3 billion in fiscal 1990 — and not on the weapons systems that are being so severely cut in other areas of the country. In Alaska, the oil and construction industries receive 73 percent of all Pentagon procurement contracts, which amounted to \$400 million in fiscal 1990. No weapons systems are produced in the state.

Please see Page B-2, DEFENSE

B2 Anchorage Daily News Monday, January 27, 1992

DEFENSE: Cuts help

Continued from Page B-1

According to the report, "the key for most financially hard-hit states to stay afloat in the current conversion climate is to diversify defense-dependent economies — plans for which only Washington, Maryland, Connecticut and some cities have made."

"We used to talk about doves and hawks, but the issue now is, who is the eagle and who is the ostrich," said report author John Tepper Marlin. "The ostriches are saying we can't cut and the eagles are saying, the Cold War's over, we've got to plan ahead and diversify."

But in Alaska, where the military is one of the leading industries, accounting for 13 percent of the state's total output, the answer is not in diversifying, but in staying put.

Because of Alaska's location near the former Soviet Union and the booming Pacific region, Marlin predicts



that the military presence in the state will actually increase.

"Alaska benefits from troop transferrals from closed bases in other states and Europe," Marlin said in the report. "Alaska remains a key strategic location for troop reassignment because forces are easily deployable both to the Pacific — Tokyo is eight hours away — and to Europe — Frankfurt can be reached in eight hours by plane."

Marlin is lobbying for the federal government to either pay for or help provide job retraining programs primarily in the Lower 48.

"The federal government, which created the defense establishment, is morally obliged to be an active partner in the transition to peace," he said.

Morale project shows USAF's champagne taste

WASHINGTON (AP) — The Air Force has spent hundreds of millions of dollars on gold-plated chandeliers, golf course projects and other luxuries to boost morale, internal Pentagon documents showed Sunday.

Back in 1985, the Air Force decided to refurbish its officers' club at the Mildenhall base in Britain at a cost of \$75,000. The service's champagne taste, however, hardly matched the appropriated amount.

Gold-plated chandeliers valued at \$145,000 were installed, solid oak paneling lined the walls and fireplaces with marble fixtures completed the decor. The final tally was more than \$2 million with U.S. taxpayers picking up the tab.

The internal Air Force audits, conducted in April and May of this year, reveal widespread waste and abuse in the Air Force management of its Morale, Welfare and Recreation Activities.

Golf course projects at Myrtle Beach Air Force Base cost nearly \$600,000, while parties for a departing officer at Ramstein Air Base in Germany totaled \$26,000.

In a letter to Defense Secretary Dick Cheney, Rep. Barbara Boxer, D-Calif., called for leadership from the highest levels of the Pentagon to crack down on these abuses.

According to the documents, strict restrictions on excessive spending on renovation projects have been either ignored or circumvented. Projects valued at more than \$500,000 must be reported to Congress. In some instances, however, major projects were split into smaller projects to avoid seeking congressional approval.

Even the Air Force auditors expressed dismay at the renovation projects.

In the documents, Air Force management at the base in England argued that the chandeliers couldn't be standard-issue.

"Low quality chandeliers

Gold-plated chandeliers valued at \$145,000 were installed, solid oak paneling lined the walls and fireplaces with marble fixtures completed the decor.

could not act as the main architectural highlight of a room as the existing chandeliers do. The crystal used would not have the capability to break apart the available light in a room into its primary colors (prism effect)," the Air Force said.

In response, the auditors said "spending an additional \$15,900 in appropriated funds to purchase chandeliers that have the correct 'prism effect' is not appropriate."

Other instances of abuse include relocation of a skeet shooting club at Tinker Air Force Base in Oklahoma. The estimated cost of the project was \$722,000 and it was included in the cost of a construction project for basing of the B-2 stealth bomber.

But when it was discovered that the project was \$1 million over budget, the Air Force proposed eliminating the work stations at the facility rather than the Skeet Club.

"I find it appalling that the weaknesses in the management and oversight of Morale, Welfare and Recreation operations have been repeatedly documented by Defense Department auditors, whistleblowers and Congress, that hundreds of millions of dollars are being illegally spent on parties, golf courses and officers clubs, yet internal recommendations to remedy the problems have been ignored," Boxer said.

ANCHORAGE TIMES 8-6-90



THE DEFENSE MONITOR

Order CDI's **videos**, "Arms for the Future" and "Military Spending After the War with Iraq". VHS, \$25 each.

The Center for Defense Information supports an effective defense. It opposes excessive expenditures for weapons and policies that increase the danger of nuclear war. CDI believes that strong social, economic, political, and military components contribute equally to the nation's security.

© 1991 CENTER FOR DEFENSE INFORMATION---WASHINGTON, D.C.

I.S.S.N. #0195-6450

Vol. XX, Number 2

1991

A New Military Budget for A New World

Defense Monitor in Brief

- The Administration's proposed 1992 Pentagon budget of \$291 Billion is \$5 Billion higher than last year's and does not include the cost of the war against Iraq.
- To date, the U.S. has paid \$17 Billion for the war against Iraq, but may end up paying Billions of dollars more if other countries fall short of their pledges of \$54 Billion.
- Adding veterans' benefits, plus the military's share of interest on the federal debt and other often overlooked expenses generated by the Pentagon, brings actual annual U.S. military spending to about \$415 Billion.
- The U.S. was able to defeat Iraq rapidly and decisively using only 17 percent of U.S. active and reserve personnel and approximately one-third of its major combat units.
- Over half of U.S. military spending is devoted to preparing for a war in Europe--the prospect of which has essentially disappeared with the collapse of the Warsaw Pact.

For 45 years the threat posed to Western Europe by the Soviet Union and its Warsaw Pact allies was used to justify high levels of U.S. military spending. The collapse of the Warsaw Pact and the signing of the Conventional Forces in Europe (CFE) Treaty have essentially eliminated this threat. The end of the Cold War confrontation in Europe and the prospective Strategic Arms Reduction Treaty (START) have similarly diminished the threat of nuclear war.

These dramatically changed circumstances should allow the U.S. to reduce its military budget deeply. Without the war against Iraq and the possibility of future wars in the region, the U.S. need prevent the U.S. from making these cuts.

As large and as costly as the U.S. deployment to the Persian Gulf has been, it does not approach the level of investment the U.S. has made over the past 45 years preparing for a possible war in Europe.

U.S. planners have traditionally assumed that a war in Europe would require 70 percent or more of U.S. conventional army, navy, and air forces. By comparison only about one-third of U.S. forces were sent to the Persian Gulf. Even this may have been considerably more than was necessary. It is clearly more than the U.S. would need to fight any other likely Third World adversary.

Thus, maintaining forces capable of fighting in the Third World need not

prevent the U.S. from reaping substantial savings due to the Cold War's end. This is especially true since the Cold War military budget always included funds and forces for fighting wars in the Third World--to be fought, if necessary, at the same time as a larger war in Europe. Indeed, since 1979 the U.S. has specifically planned and budgeted for a possible war in the Persian Gulf.

The U.S. has been given a much needed opportunity to begin addressing the economic, social, and environmental problems that now pose the most serious threats to America's security. We cannot afford to squander this opportunity by continuing to pay for an enormous unneeded Cold War military establishment in a post-Cold War world.

Administration Plans

The Bush administration is asking for \$291 Billion for the Pentagon in 1992, compared to \$286 Billion for 1991. The Pentagon claims that when the effects of inflation are taken into account, next year's budget will actually represent a one percent decline from this year. In fact, when the Administration's \$15 Billion "supplemental" request to cover part of the cost of the war against Iraq is added, the latest budget request clearly represents an increase in military spending.

According to the Administration's latest five-year plan, spending will reach \$298 Billion by 1996. Again, it argues that when inflation is taken into account this will actually represent a 14 percent decline. Such a reduction, even if real, falls far short of the level of cuts the U.S. can now safely afford to make.

Worse yet, there is good reason to believe that the Administration will exceed the spending levels it has projected for the coming five years. The Administration claims that these plans assume a "good-news scenario." Defense Secretary Cheney recently testified that "I would like to reserve the right to come back at some future time and say we can't go down as fast or as far as this program would take us."

In addition, the Pentagon may not be able to maintain the level of forces called for in its plans without exceeding projected spending levels. Under these plans the size of the U.S. military will decline. For example, between now and 1995 the number of warships will decline from 535 to 451, the number of Army divisions will drop from 28 to 18, and the number of tactical fighter wings will fall from 36 to 26.

Unfortunately, Administration plans also call for replacing existing weapons with newer and far more costly weapons. Thus the smaller forces proposed by the Pentagon could actually cost more than existing forces.

The Pentagon is formally constrained to live within its projected budget levels through 1993. This is be-

cause for the first three years of the five-year budget agreement reached between Congress and the Administration in 1990, the Administration is precluded from using cuts in domestic spending to finance increases in military spending. However, in fiscal years 1994 and 1995 it will be free to propose such "adjustments" so long as overall federal spending is kept within the budget agreement's spending cap.

In reality, by making larger cuts in force structure and reducing the rate at which existing weapons are replaced by more expensive ones, the U.S. could safely reduce annual military spending to some \$200 Billion within the next five to ten years.

Nuclear Forces

Spending on nuclear forces is perhaps the clearest area where cuts can and should be made to reflect the demise of the U.S.-Soviet military competition. The Soviet Union has already agreed to large cuts in nuclear forces as part of the upcoming Strategic Arms Reduction Treaty. It has also stopped or begun to slow the production of new nuclear weapon systems such as the Typhoon-class missile submarine, the Blackjack bomber, and the SS-24 intercontinental ballistic missile (ICBM).

Preparing for possible future wars in the Third World provides no justification for the enormous U.S. nuclear arsenal. Some Third World countries may develop and build small nuclear forces within the next five to ten years. But the U.S. could completely destroy any such country with a tiny fraction of the 12,000 long-range nuclear weapons it has today.

Moreover, a prerequisite for slowing nuclear proliferation is for the U.S. and the Soviet Union to acknowledge the unusable nature of nuclear weapons. This requires that they abide by the promise they made at the signing of the Nuclear Non-Proliferation Treaty in 1968 to work towards the cessation of their own nuclear weapons testing and production

programs. In addition, the U.S. could work to strengthen treaty-mandated safeguards intended to, for example, prevent the diversion of nuclear materials from civilian reactors to weapons manufacture in signatory countries.

Presently the U.S. spends about \$65 Billion a year on nuclear forces. This includes the costs of developing, producing, and operating the weapons and delivery systems plus costs associated with the communications, logistics, and other facilities needed to support these weapon systems. Given recent changes, the U.S. could reduce annual spending on nuclear forces to perhaps \$25 Billion by 1995.

End of the Soviet Challenge

A 1984 Pentagon report showed that when all of the direct and indirect costs of European-based U.S. forces and U.S.-based reinforcements were added together, the U.S. spent \$177 Billion a year, or about 60 percent of its military budget, on the defense of Western Europe. The dramatic reduction in Soviet capabilities means that this mission can now be carried out entirely with forces from the prosperous countries of Western Europe.

Under the Conventional Forces in Europe (CFE) treaty and a series of bilateral agreements and unilateral statements, the Soviet Union has agreed to remove all of its forces from Eastern Europe and cut its forces

The Cold War is Dead

"The Cold War is dead. I don't see any possibility for resurrecting the Warsaw Pact. It's my belief, and I think that of most of us in the administration, that the Soviets will continue to withdraw from Eastern Europe, that that perhaps is the most significant change we can count upon affecting our military strategy."

Dick Cheney
Secretary of Defense
March 7, 1991

No More Iraqs

No other Third World country that the U.S. might plausibly face in coming years is as strong as Iraq was at the start of the Persian Gulf War. None of these countries is capable of successfully challenging the far larger and more effective forces that the U.S. has today and will have tomorrow.

	Pre-War Iraq	Libya	Syria	Cuba	N. Korea	Iran	USA
Manpower*	1,000	85	404	181	1,111	504	2,050
Tanks	5,500	2,300	4,000	1,100	3,500	500	16,150
Aircraft	800	513	558	185	716	185	7,150

* Manpower in thousands. Sources: CDI, IISS, CRS.
Chart prepared by Center for Defense Information.

remaining in the European portion of the Soviet Union by some 25 percent by 1995.

The CFE treaty requires the Warsaw Pact to destroy some 35,000 tanks, artillery, and other conventional weapons, while NATO will have to destroy only about 2,800 such weapons. On paper, this will leave the two alliances with equal numbers of weapons. In fact, NATO will then enjoy a numerical superiority. This is because approximately 30 percent of the Warsaw Pact's force total will belong to Poland, Hungary, Czechoslovakia, Romania, and Bulgaria--countries that remain allies of the Soviet Union in name only.

These "allies" formally dissolved the military command structure of the Warsaw Pact as of April 1991. It is likely that the alliance will cease to exist even in name by the end of the year.

In reality, the de facto dissolution of the Warsaw Pact alliance, combined with unilateral withdrawals of Soviet troops, has already eliminated any plausible prospect of a Soviet invasion of Western Europe. A crackdown or change of government in the Soviet Union cannot reverse these changes.

As Defense Secretary Cheney testified in February 1991, "The Soviet ability to project power beyond their borders will continue to decline, at least where a conventional force is a concern. And that decline will continue whether it's done for policy reasons...or whether it's done because of the simple continued economic collapse of the Soviet Union."

Quality Improvements Slowed

Some Pentagon officials argue that cuts in Soviet weapons numbers are being offset by improvements in the quality of individual Soviet weapons. The notion, however, that Soviet improvements in quality are likely to be substantial enough to offset the collapse of the Warsaw Pact and CFE treaty-imposed reductions in forces is farfetched.

The Soviet military appears not only to be cutting the size of its forces, but slowing the rate at which it is developing new generations of weapons. According to the Pentagon's 1990 edition of *Soviet Military Power*, "the direction of change planned for the [Soviet] budget appears to indicate a real decline of military R&D spending," a critical component of new weapons development. A specific example of this slowdown can be seen in the case of Soviet fighter development.

In the 1988 edition of *Soviet Military Power*, the Pentagon stated that "the Soviets are expected to produce two new fighters in the mid-1990s.... Initial operational capability for both aircraft is expected in the late 1990s." In contrast, the 1990 edition of this report stated only that the prospect that the Soviets will develop two new fighters "remains a concern," and pushed back the earliest date they would expect to see these new aircraft to "sometime after the turn of the century."

The Persian Gulf War

The countries of the Third World do not pose a military challenge to the U.S. that is even remotely comparable to that posed in the past by the Warsaw Pact. The U.S. enjoys close economic and positive political relations with the vast majority of countries in the Third World.

Of the handful of Third World countries that have had mixed or hostile relations with the U.S. in the past, pre-war Iraq--with some 800 combat aircraft and 5,500 tanks--was probably the strongest. Nevertheless, using only about one-third of its ground and air forces, the U.S. was able to defeat Iraq in a six-week war.

Nor can U.S. success against Iraq be explained by the presence of allied support. U.S. Air Force, Navy, and Marine Corps aircraft delivered over 80 percent of the bombs dropped on targets in Kuwait and Iraq. U.S. forces played a similarly dominant role in the brief ground war.

No More Iraqs

If the war with Iraq cannot justify a Cold War-sized military budget, certainly no other Third World threat can plausibly do so.

The only Third World country with military forces clearly larger than those of pre-war Iraq is China. U.S. planners have not considered the possibility of war with China a serious prospect since the 1970s. Indeed, the U.S. has cultivated economic, political, and even limited military ties to China for more than a decade.

In any case China is bordered by several powerful countries, including the Soviet Union and India, and, unlike Iraq, is not located immediately adjacent to any areas comparable to the Persian Gulf in terms of their importance to the economic health of the U.S. and other industrialized countries.

Only a handful of other Third World countries even approach the military capabilities possessed by Iraq

at the start of the war. This observation is illustrated by the fact that only three Third World countries--Syria, North Korea, and India--have more than 2,500 tanks.

The likelihood of the U.S. becoming involved in a major war with any of these countries, especially India, is extremely low. In any case, if such a war did occur, the U.S. would certainly not need to send in as large a force as it sent to fight Iraq. This is especially true in the cases of Syria and North Korea.

Both of these countries border very strong U.S. allies which would inevitably become involved in any conflict. Israel has already demonstrated its ability to defeat Syria. With twice the population and a military budget three times larger, there is every reason to believe that South Korea would be capable of defeating any North Korean aggression.

That leaves only India. While nothing is impossible, a U.S. war with India seems farfetched indeed. India has one of the longest-standing democratic traditions in the Third World and followed an essentially neutral foreign policy even during the Cold War. India has close economic relations with the Western industrialized world and buys much of its military equipment from U.S. allies such as Britain.

In any event, the potential threat posed to the U.S. by India's military is constrained by two of the same factors that constrain the threat posed by China. First, India is bordered by two strong countries, China and Pakistan, both of which have fought India in the past and both of which have largely cooperative relations with the U.S. Second, like China, India is not located adjacent any countries or regions that can be compared to the Persian Gulf in terms of their importance to the U.S.

In sum, it is likely that any Third World military threat faced by the U.S. in the foreseeable future will be substantially less challenging than that recently posed by Iraq.

Peacemaking and Keeping

More importantly, the need for even small-scale military intervention by the U.S. is becoming increasingly questionable. Notwithstanding the war against Iraq, initiatives to solve Third World conflicts peacefully have proven increasingly successful in recent years. In 1990, negotiated settlements led to elections and an end to fighting in Namibia and Nicaragua. Significant progress has also been made toward the resolution of ongoing conflicts in Angola and South Africa.

In those few instances when military force may be required in the future, the United Nations could offer an attractive alternative to U.S. intervention. U.N.-sponsored forces from various countries have carried out peacekeeping duties in many regions, including the Sinai, Cyprus, and Namibia.

The U.S. clearly played the dominant role in the Persian Gulf war. But the President did seek and achieve U.N. approval for U.S. military action. Likewise, while small in comparison to the U.S. commitment, many other countries also sent forces to the Gulf. Rather than simply approving military action, a strengthened U.N. might be able to organize and command a truly multinational effort if and when military intervention is required in the future.

Gulf War Costs

Estimates for the cost of the war against Iraq range from about \$45 Billion to \$70 Billion. This year the Administration has asked for \$15 Billion, on top of the \$2 Billion it received last year, to begin paying these costs. This "supplemental" appropriation is over and above its \$291 Billion request for the 1992 military budget. Although U.S. allies pledged some \$54 Billion to cover the cost of the war, as of early April 1991 they had made only about \$31 Billion in payments. If these other payments fail to materialize, the Administration will need to request additional funds.

Cut Military Spending

"With the Cold War ending, the American and other Western European publics and their elected officials are rightfully expecting reductions in defense spending."

General Colin Powell
Chairman, Joint Chiefs of Staff
March 7, 1991

It is not difficult to see how the war could cost \$45 Billion or more. Modern military forces can consume vast amounts of costly ammunition and other supplies. It is not, however, clear that a \$15 Billion supplemental appropriation is justified or necessary even if the allies fall short of their pledges.

For the past 30 years the U.S. built up huge stockpiles of weapons in preparation for a possible war against the Soviet Union. During the last 10 years the U.S. has also acquired supplies for a possible war in the Persian Gulf.

Because the prospect of a NATO-Warsaw Pact war has now essentially been eliminated, it may be that only a modest portion of the ammunition and other supplies consumed during the Persian Gulf War need be replaced.

Second Rate Weapons

In arguing that the U.S. should continue to invest heavily in developing and building newer, more modern, and more costly weapons, Pentagon officials frequently point out that some Third World countries now also possess advanced weapons. Two factors, however, greatly limit the significance of this fact.

First, few Third World countries can afford to buy significant quantities of sophisticated weapons. The limits imposed by the high cost of these weapons can be seen in the example of tactical combat aircraft.

Modern combat aircraft are very expensive both to build and to operate.

The U.S. F-15E fighter, for example, costs some \$43 million to buy and \$12,000 an hour to fly. Despite their high costs, however, the U.S. has about 3,200 top-of-the-line combat aircraft--F-14s, F-16s, F/A-18s, and F-15s.

In contrast, Third World countries can afford only small numbers of high quality aircraft. The Pentagon has cited the possession by a number of countries of the Soviets' latest fighter, the MiG-29, as evidence of the Third World's advanced capabilities. But the largest buyer to date has been India, which has only 50 of these aircraft.

The other problem is that Third World militaries have not proven to be very effective at using complex high-technology weaponry. Clearly Iraq did not make effective use of its modern weapons, including the MiG-29.

Reducing Arms Sales

One way to limit the military danger posed by Third World countries is to limit arms sales. Each year the U.S., the Soviet Union and other industrialized countries sell Billions of dollars worth of weapons to the Third World.

It was because of the willingness of the industrialized world to make sales that the Persian Gulf region, and Iraq in particular, became so heavily armed in the 1970s and 1980s. During the Cold War, the U.S. and the Soviet Union often sold weapons to regional rivals. In the 1970s, for example, the U.S. was Iran's main arms supplier, while the Soviet Union was the main arms supplier to Iraq. In the end, this competition served neither U.S. nor Soviet interests.

By agreement, either tacit or explicit, the industrialized countries could limit arms sales to the Third World. Although the support of the major powers would be necessary for success, such an effort might be usefully organized and monitored by the U.N.

Other Challenges

If the U.S. faced no pressing economic, social, and environmental problems, then excessive military spending might not be a problem. But in fact the U.S. faces enormous challenges in these areas.

The U.S. economy is increasingly losing ground to foreign competition. One reason for this is the U.S. federal deficit, which is expected to reach nearly \$300 Billion in 1991. Cuts in military spending could contribute significantly to the reduction of the federal deficit. Reducing the size of the deficit would in turn free up money that could then be spent improving U.S. industry to make it more competitive.

There is also no shortage of social or environmental problems which need to be addressed. Cuts in wasteful military spending could allow the U.S. to make needed increases in spending on education, for example, or help pay the \$300 Billion it is expected to cost to clean up U.S. military bases and nuclear weapons facilities.

The five-year budget agreement reached in 1990 stipulates that any savings from cutting military spending must go first toward reducing the federal deficit. However, the budget agreement's separate caps on domestic and military spending are replaced with a single overall cap in fiscal years 1994 and 1995. It would then be possible to shift savings from the military directly into needed social and environmental programs without breaking the budget agreement.

Finally, money saved by cutting military spending could be used to reduce U.S. dependence on foreign oil. If the U.S. spent as much money on conservation and developing alternative energy resources as it does on maintaining forces for fighting in the Persian Gulf, it might well be able to eliminate any dependence on foreign oil.

Budget savings can be made both by cutting the size of U.S. forces and slowing the rate at which U.S. forces are equipped with new weapons. By making such cuts the U.S. should be able to reduce annual military spending from \$286 Billion in 1991 to approximately \$200 Billion in 1995. A positive and manageable step in this direction would be to reduce the 1992 military budget from the \$291 Billion requested to \$266 Billion. Done wisely,

Options for Savings in the 1992 Military Budget

The U.S. could cut \$25 Billion from the proposed 1992 military budget of \$291 Billion through the cancellation of unnecessary weapons alone. This would represent a positive step toward a more reasonable level of military spending.

Possible Fiscal Year 1992 Savings (in millions):

	Budget Authority
B-2 bomber	\$4,821.5
C-17 cargo plane	\$2,830.7
Trident II missile	\$1,270.6
DDG-51 destroyer	\$4,541.1
SSN-21 attack submarine	\$2,382.1
Advanced Tactical Fighter	\$1,637.2
Star Wars*	\$5,307.6
AMRAAM missile	\$1,030.7
Light Helicopter	\$549.5
MX ICBM rail-garrison	\$260.1
Midgetman ICBM	\$548.8
Total	\$25,179.9

* Includes the cost of the Tactical Missile Defense Initiative.

Sources: CDI, DOD.

Chart prepared by Center for Defense Information.

this first "peace dividend" would pave the way for more significant reductions in future years.

Nuclear Forces

The end of the Cold War, the prospective START treaty, and the irrelevance of nuclear weapons for fighting in the Third World should allow the U.S. to make deep cuts in its nuclear weapons budget.

B-2 Bomber: The most costly new U.S. nuclear weapon system is the B-2 "Stealth" bomber. The Air Force wants \$4.8 Billion for the program in 1992. Ultimately, it plans to buy 75 bombers for a total cost of at least \$65 Billion.

The fact that the U.S. already has over 12,000 nuclear weapons on land-based intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles (SLBMs), and existing U.S. bombers should alone be enough to justify cancellation of the B-2.

If not, the Persian Gulf War provides enough additional evidence. The war undermined two key claims for the B-2. The Air Force argues that the B-2 might some day be capable of finding and destroying Soviet mobile ICBMs.

The inability of the U.S. to find and destroy many of Iraq's mobile SCUD missiles, despite flying thousands of aircraft missions over a 42-day period, suggests that this B-2 mission—which would have to be accomplished in a matter of hours and in a nuclear environment—would be impossible.

Similarly, it is difficult to believe that the B-2 would be used to fight in a future Third World conflict when the Air Force never even suggested that its newest existing bomber, the B-1B, be used in the Persian Gulf war.

The Administration wants Billions more for other unnecessary nuclear weapons programs in 1992. These programs include: \$548.8 million to continue development of the new Midgetman ICBM, \$260.1 million for development of the MX rail-garrison

system, \$177 million for the new SRAM II bomber-launched missile, \$627 million for the bomber-launched advanced cruise missile, \$1.3 Billion for additional Trident II submarine-launched missiles, and \$5.3 Billion to continue R&D on Star Wars weaponry.

Army

The collapse of the Warsaw Pact and ongoing cuts in Soviet forces in Europe have directly and dramatically reduced the need for U.S. ground forces. After reductions mandated by the Conventional Forces in Europe (CFE) treaty are implemented, the forces of the European members of NATO will outnumber Soviet forces in Europe in all of the major weapons in which the Warsaw Pact used to lead NATO.

The CFE treaty covers Soviet forces stationed as far east as the Ural mountains and involves the destruction rather than the withdrawal of weapons. This means that the Soviets will not be able to fundamentally alter the European balance by either bringing in reinforcements or mobilizing reserves.

Thus changed circumstances in the post-Cold War world should allow the U.S. not only to remove U.S. troops currently stationed in Europe, but also to demobilize U.S.-based ground forces which are primarily intended to reinforce Europe in the event of war.

The U.S. sent about 10 divisions of Army and Marine Corps troops to fight in the Persian Gulf. This may have been far more than was necessary. It is certainly more than the U.S. would need to fight in any plausible future war in the Third World, since no other such country has ground forces as strong as those possessed by Iraq.

By the year 2000 a force consisting of 10 active and 4 reserve Army divisions and 2 active Marine divisions—down from 18 active and 10 reserve Army divisions and 3 active and 1 reserve Marine divisions—should be more than adequate to meet U.S. needs.

Light Helicopter: One of the most expensive new weapons which the Army wants is the new Light Helicopter (LH). This year the Administration wants \$550 million to continue research and development of the LH. Eventually, the Army plans to build about 1,300 Light Helicopters at a cost that could exceed \$34 Billion.

The existing Apache helicopter is still relatively new, having been first deployed five years ago. It also reportedly worked well in the war against Iraq. There is simply no need to begin work on a replacement at this time.

The Black Hawk utility helicopter and the new ATACMS conventionally-armed ballistic missile are two other unnecessary Army weapons. The Army is requesting \$508 million and \$180 million, respectively, for these two programs in 1992.

Navy

The end of the Cold War confrontation in Europe and cuts in Soviet forces have also substantially reduced the need for U.S. naval forces. The potential threat posed by Third World naval forces is probably even less significant than the minimal danger posed by Third World ground forces.

U.S. and allied navies far exceed, both in quantity and quality, the naval forces of the Soviet Union.

While cuts in Soviet shipbuilding are not yet apparent, this may simply reflect the time lag inherent in ship construction. As the Defense Intelligence Agency acknowledged in 1989, "most of [the Soviet Union's] impressive naval shipbuilding program was well underway by the time Gorbachev came to power."

In any case, the disappearance of the Soviet ground threat to Western Europe has greatly diminished the potential threat posed by the Soviet Navy. In the past, the main concern of Western analysts was that Soviet attack submarines might be able to prevent vital U.S. supplies and reinforcements from reaching Europe in the

Forces for the 1990s

	Today	Pentagon Plan 1995	CDI Plan 1995
Army Divisions	28	18	14
Marine Divisions	4	3.5	2
Tactical Air Wings	36	26	16
Aircraft Carriers*	13	11	6
Personnel	2,050,000	1,650,000	1,200,000
Nuclear Forces			
Ballistic Missile Submarines	34	21	18
Strategic Bombers	293	207	0
ICBMs (land-based)	1,000	700	0
Military Spending	\$286 Bil.	\$295 Bil.	\$200 Bil.

All figures include active and reserve elements, except personnel which are active duty only.

* In addition the U.S. currently has two carriers undergoing extensive overhaul and another used for training. Future force levels assume one carrier in overhaul and one used for training.

Sources: CDI, DOD, IISS.

Chart prepared by Center for Defense Information.

event of a Soviet ground offensive. With the Soviets' capability to invade Western Europe eliminated, the mission of protecting the sea lanes thus becomes far less of a concern.

No Third World navy is remotely comparable to the U.S. Navy. The tonnage of the combatant fleets of the three largest such navies are 325,000 (China), 170,000 (India) and 121,000 (Taiwan). By comparison the U.S. combatant fleet displaces some 3 million tons.

Today the U.S. Navy includes 13 readily deployable aircraft carriers (plus one used for training and two undergoing extensive overhaul) and about 90 attack submarines. By 1995 a navy less than half this size, organized around 6 aircraft carriers and 40 attack submarines, should be more than adequate to meet U.S. needs.

Seawolf Submarine: Perhaps the clearest example of a new weapon that has been rendered obsolete by the end of the Cold War and would be of little value in a war in the Third World is the new SSN-21 Seawolf attack submarine.

The Seawolf is designed to hunt Soviet submarines and is far more sophisticated than need be to fight the small and generally old submarine forces found in the Third World.

Originally the Navy wanted to buy at least 29 SSN-21s, at a total cost of \$44 Billion. While reportedly it now plans to buy fewer, no new figures have been released. Canceling the Seawolf would save \$2.4 Billion in 1992.

The 1992 budget also includes other unneeded Navy weapons: \$4,541 Billion for 5 new DDG-51 destroyers, \$251 million for the LSD-41 amphibious ship, and \$300 million for 12 new land- ing craft.

Air Force Cuts

Its success in the Persian Gulf war leaves no doubt that the U.S. Air Force is the strongest and most effective air force in the world. It also strengthens the conclusion that the U.S. can well afford to reduce the overall size of the Air Force and cancel the proposed Advanced Technology Fighter (ATF).

The Air Force currently has about 3,900 tactical combat aircraft organized around 36 active and reserve fighter wings. The equivalent of perhaps 10 of these wings was sent to the Persian Gulf. Given the lopsided nature of the Air Force's success, fewer aircraft might have been sufficient.

The U.S. should be able to reduce its Air Force to some 1,750 combat aircraft organized around 16 tactical fighter wings by 1995. Along with about 1,250

Navy and Marine Corps aircraft associated with six carrier battle groups and two Marine divisions, such an Air Force would be more than adequate to meet U.S. requirements.

Advanced Tactical Fighter (ATF): Current plans call for buying 750 ATFs at a total cost of \$102 Billion. At \$136 million each, the ATF will be by far the most expensive tactical fighter ever built. This year the Air Force wants \$1.6 Billion for the program.

The ATF was originally proposed to counter future Soviet aircraft. But, according to the Pentagon, the Soviets have apparently slowed development of a new generation of fighter aircraft. Given that slowdown and the fact that the Soviets have agreed to cuts in their air force as part of the CFE treaty, the U.S. can safely cancel the ATF.

The ATF represents only the most costly example of unnecessary Air Force spending. Other examples in the 1992 Air Force budget include \$2.8 Billion to buy new C-17 transport aircraft, \$813 million for the AMRAAM air-to-air missile, and \$397 million for the Joint Surveillance Target Attack Radar System aircraft.

Future Military Spending

The world has changed dramatically over the past few years. The recent war against Iraq and continuing unrest in the Soviet Union and Eastern Europe have obscured a central reality of this changed world. The reality is that the new world is, in military terms, a far safer place for the U.S. than the world it replaced.

The Soviet threat has greatly diminished and, fortunately, there is no Third World challenge either in existence or on the horizon to replace it.

At the same time, the U.S. faces growing economic, social, and environmental challenges. If the U.S. restructures its military forces to reflect the safer world that exists today, it will have the resources it needs to begin to solve these more serious threats to America's security.

Professionals' Coalition Education Fund



David Cohen
President

Robert K. Musil, Ph.D.
Executive Director

CAN WE CUT DEFENSE?

1. How big is the federal budget and what are its main parts?

The overall federal budget for the year beginning October 1, 1991 (FY92) is about \$1.59 trillion. Its largest parts are Health and Medicare costing about \$202 billion; Social Security payments which are about \$350 billion; National Defense which is just under \$300 billion; and interest payments on the national debt which currently cost another \$300 billion. When these are offset by some interest income from trust funds the net debt payment is about \$210 billion. All other federal programs, domestic and international, cost about \$225 billion.

Revenues for the budget come from federal income tax, both personal and corporate, from interest on trust funds, and Social Security and Medicare taxes on wages and employers. The remainder, or deficit, is borrowed by the government from citizens in the form of government bonds.

2. How much does the current budget plan call for in the coming year and over the next few years?

The National Defense function of the budget (the 050 account), which includes spending for the Department of Defense and for nuclear weapons programs conducted by the Department of Energy, calls for \$291 billion in FY93. The details will be announced by the Administration in the early part of 1992 (with some highly touted but token cuts in defense likely) and debated and voted on by the Congress until final passage before the start of FY93 in October, 1992. The current plan also calls for \$295 billion in FY94 and \$298 billion in FY95. In other words, for the three year period from FY93 through FY95 -- after the collapse of the Berlin Wall and the reversal of the Soviet coup -- the Administration is still planning to spend \$884 billion on defense.

3. Just how big a part of federal spending is defense spending? I see different percentages from different sources.

Defense spending makes up about 18-20% of total federal government spending. This is the figure stressed by those who wish to make military spending seem small and manageable. However, critics of military spending usually stress the percent of controllable federal spending allocated for defense. The controllable part of the federal budget, commonly referred to as discretionary spending, is made up of defense, domestic, and international programs. Discretionary spending totals about \$510 billion annually and is paid for by federal

income taxes and deficit spending. These programs are authorized and appropriated annually by the Congress.

Entitlements constitute the other major part of the federal budget. They include Social Security, Medicare and some other items which are financed by separate taxes that can only be spent for these purposes. Entitlements are not annually appropriated by the Congress. Spending for entitlements rises and falls with the number of persons entitled to these benefits by law. Congress can only change expenditures for these programs by legislating new eligibility requirements.

Taken as a portion of discretionary or controllable spending, defense makes up nearly 60%. You have probably also seen pie charts from various peace groups that count defense spending as a portion of all non-entitlement spending -- discretionary spending plus interest payments on the debt -- which is about \$800 billion. Critics of the military then add other military-related items not listed under the defense budget function such as veterans payments, Selective Service, portions of the space budget devoted to defense (satellite launches, etc.) and interest on the debt attributable to past wars. This leads to a calculation of total military spending of some \$400 billion or about 50% of the amount that you pay in personal income taxes on your wages.

4. What are current and constant dollars and what are baseline dollars?

Current dollars are like those in which you count your own salary. If your salary stays at \$40,000 for the next few years, you will complain to your boss that you are stuck at the same salary and need a raise to keep up with the cost of living. But each year, in current dollars, your salary will be \$40,000.

Constant dollars, on the other hand, are those that have been statistically adjusted to count for inflation, either forward or backward in time. In current dollars, the defense budget will be about the same in FY92 and FY93 -- \$291 billion. In constant 1992 dollars, the defense budget will drop from \$291 to \$278 billion. In short, the Pentagon's \$291 billion in FY93 will only be able to purchase \$278 billion worth of FY92 programs.

Baseline dollars are the amount calculated in current dollars that would be needed to keep the same level (or baseline) of programs and operations after counting for inflation during the coming year. Thus the baseline defense budget for FY93, based on the FY91 level of \$285.5 billion, is \$307 billion (FY91 plus 7% for two year's inflation.) Those wishing to emphasize the shrinkage of defense programs and spending will refer to the FY93 budget of \$291 billion (in current dollars) as a \$16 billion or 5.4% cut from baseline. To go back to your \$40,000 salary for a minute, your baseline for the coming year (at 3.5% inflation) is \$41,400. In constant FY92 dollars, your \$40,000 salary would only be worth \$38,600. You could claim that you are taking a cut in pay. It's a strategy that works for the Pentagon, why not for you?

5. Aren't nuclear weapons the biggest part of military spending, and what are other big areas of defense spending?

No. At \$70.3 billion or 24%, conventional Army units account for the largest part of military expenditures. In the jargon of the military, nuclear weapons and their delivery systems (missiles, bombers, submarines) are called strategic nuclear systems. These account for \$45.2 billion of the FY92 budget or about 16% of the military budget. Navy aircraft carrier battle groups, which include 14 aircraft carriers and their attendant sailors, planes and escort ships, account for \$53.5 billion, or 18%. Air Force fighter wings account for another \$48.5 billion, or 17%.

6. I've heard that at least half of the defense budget or around \$150 billion goes to defend NATO. If that's true and the Warsaw Pact is gone, why can't we cut defense in half almost immediately?

Several reliable sources estimate that about one-half of our military forces are designated for use in NATO contingencies ranging from nuclear war to amphibious landings. It is also true that the traditional threat of a conventional Soviet invasion of Western Europe has all but evaporated and that nuclear war with the Soviets is less likely than it has ever been in the past. The problem with the "cut the defense of Western Europe and save \$150 billion" argument is that it is important to understand that most of the forces designated for NATO are also designated for other uses as well. Whether it is the 82nd Airborne Division, a Marine Corps brigade, portions of the Atlantic fleet or missiles in the silos of North Dakota, forces with multiple roles cannot simply be eliminated. There are significant savings to be had in removing substantial US forces from Europe, but some of these forces are designated for other contingencies such as the Middle East. You'll need other arguments to get rid of them.

7. The Administration keeps talking about major defense cuts, yet the amount spent on the military continues to be about the same. Which is true?

Both are true. The amount of spending planned for the US military over the next several years is a relatively steady \$290-295 billion. These levels are slight cuts in constant dollars of some 2-3% annually. They also represent slightly larger cuts from baseline or the amounts DoD would have gotten each year if you keep adding inflation to the previous year. Under the Budget Enforcement Act of 1990 and the Pentagon's Future Years Defense Plan (FYDP), US forces (division, carriers, wings, troops) will actually shrink about 25%. But US military spending will only drop about 10% between 1990-1995. For there to be a "peace dividend," as is commonly understood, military spending will have to be cut even further.

8. My representative says military spending has shrunk both in real terms and as a percent of GNP. How can this be after the massive military buildup under President Reagan?

Your representative is right depending on when you start counting. Military spending went up around 40% during the first Reagan Administration. Then, thanks in part to massive protests and lobbying by the peace movement, military spending slowly shrank some 16% during the second Reagan and early Bush Administrations. Obviously, military spending, even after a 16% cut since its peak in 1985, still stands much higher than it did at the beginning of 1981.

Military spending has also shrunk as a percentage of GNP from 7.8% in 1970 and 5.6% in 1975 to 5.4% in 1990. It was 6.2% in 1985 compared to 9.1% after Korea and 38% in WWII. But this is an relatively meaningless figure since the overall American economy has continued to grow throughout the post-war period with the exception of several recessions. Thus military spending as a percent of GNP would have shrunk even if military spending stayed the same.

Similarly, the old argument that the former Soviet Union spent a far greater proportion of GNP on their military than the US was misleading. It was primarily because their overall economy (GNP) has been much smaller, they have had to defend a giant land mass bordered by adversaries such as NATO and China, their military is highly inefficient, and their military budget has been filled with many other categories such as internal security.

9. Translated into constant 1992 dollars, how does the current military budget compare to those of previous periods?

Constant dollars, remember, are adjusted for inflation. Measured this way, your steady salary in current terms, will decrease as it is projected into the future. Similarly, your \$40,000 salary would, in constant terms, appear much larger back in 1950. The height of spending during the Vietnam War (1969) was about \$79 billion in current dollars. Keep in mind that people were spending \$.29 a gallon for gas in those days. To pay for the US military of 1969 in constant FY92 dollars would cost about \$325 billion. These are sometimes called real costs or real dollars.

So, shown in constant 1992 dollars, the peaks of US military spending in the post-war period were about \$440 billion during the Korean War, \$325 billion at the height of Vietnam, and \$370 billion at the height of the peacetime Reagan buildup in 1985. Constant dollar military spending is now about the same as in the Vietnam War years of 1966 and 1970, and higher than at any time from 1954-1966, the height of the Cold War when the US considered both the Soviets and China as enemies and planned for a possible 2 1/2 wars worldwide. When the current Pentagon FYDP is completed in FY95, military spending in real terms will stand at about 1956 levels.

10. Isn't it nearly impossible to cut military spending given the enormous influence of what President Dwight D. Eisenhower called the "military-industrial complex"?

No, it is just very difficult. Military spending fluctuated throughout the Cold War, though at very high levels. Substantial drops occurred after the Korean and Vietnam Wars and from the record peacetime levels of the first Reagan Administration. Citizens' movements and world public opinion have been successful to a degree in influencing the amount and kinds of military spending in the US.

Defense-dependent states (California, Texas, Georgia, Connecticut) have argued forcefully for many weapons systems. But particularly expensive ones that lack convincing rationales such as the MX missile or B-2 bomber have been cut nevertheless. Recent complaints from the Pentagon about drastic cuts, though exaggerated, are proof of changing political and budget realities.

11. How much will we have to cut from defense spending in the next three years to keep domestic programs like Head Start or Food Stamps even with inflation or possibly increase them?

Under the Budget Enforcement Act of 1990 (BEA), military spending is planned to cost \$884 billion in current dollars over the next three years. Domestic spending is slated to cost \$600 billion and international spending about \$75 billion. That comes to a three-year total of \$1.55 trillion. At the same time, in order to reduce the federal deficit, caps have been established on all three kinds of spending, and the three categories will compete for the same pool of funds under a single cap in FY94 and FY95. The total cap for all three kinds of spending in the next three years is \$1.51 trillion; \$40 billion under the current levels. Therefore, at least \$40 billion in defense spending has to be cut in order for domestic programs to just stay even.

12. Can we cut defense spending more than this and what are some realistic goals?

Yes, we can cut defense spending more than the multiple-year plan (FYDP) presented by Secretary of Defense Richard Cheney. That plan was costed out and presented to Congress before the collapse of the Soviet Union and before the defeat of Iraq, the fourth largest military force in the world and previously the leading and most serious Third World military threat. As Gen. Colin Powell, Chairman of the Joint Chiefs of Staff, said after the Persian Gulf War, "I'm running out of bad guys. I'm down to Castro and Kim Il Sung."

How much can be realistically cut is clearly a political judgement and depends upon the occupant of the White House in 1993, the mood of Congress, public opinion, and the actions of concerned citizens.

Credible defense analysts at the moderate-to-liberal Brookings Institution and elsewhere have suggested that military spending can be safely cut by a total of nearly \$300 billion to an annual level about one half of current spending within the next ten years. Other analysts suggest similar levels could be safely and effectively reached in shorter periods such as five years. For the coming year, FY93, estimates of possible cuts range from about seven billion dollars being considered by liberal Budget Committee chairs Sen. Jim Sasser (D-TN) and Rep. Leon Panetta (D-CA) to the roughly 8-12% reductions (\$25-35 billion) proposed by the Professionals' Coalition for Nuclear Arms Control and the Monday Lobby Group, to some \$55 billion being talked about by Rep. Ron Dellums (D-CA), Chairman of the House Armed Services Committee Subcommittee on R&D.

13. What are the best targets for elimination in the FY93 defense budget?

The best targets are big ticket weapons systems that were designed primarily for all-out conventional or nuclear war with the former Soviet Union and its allies in the defunct Warsaw Pact. These include the B-2 bomber, the submarine-launched Trident nuclear missile, new Seawolf attack submarines, the Advanced Tactical Fighter or F-22, the C-17 cargo plane, and a colossal nuclear-powered aircraft carrier. Troop cuts and reductions in operations and maintenance should follow.

Items that will be much harder to cut include R&D for future weapons systems, and the multi-billion dollar "Star Wars" system (\$5 billion for FY93 and \$100 billion overall according to estimates from the Federation of American Scientists). Congress will also be reluctant to make further cuts in troop levels too soon, believing that large layoffs and serious morale problems in the All-Volunteer Force could be politically disastrous.

14. What, then, are realistic cuts?

A likely scenario is that activists will demand \$100 billion in cuts beyond the Cheney Future Years Defense Plan over the next three years, starting with \$25-35 billion in FY93. This year peace groups are likely to slowly negotiate down toward \$15-20 billion, settle for \$8-12 billion, and be prepared to come back to fight again in FY94. Keep in mind that the Congressional Budget Resolution must pass both houses of Congress, thus it needs bi-partisan support. Swing votes from moderate Democrats and moderate to liberal Republicans will be critical.

It is important to build coalitions with those organizations who could use the extra billions from defense in their part of the budget. It is also important to understand that many groups and individuals are interested in seeing defense savings used to reduce the deficit and cut taxes.