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MORE NON-DEFENSE SPENDING IN THE DEFENSE BUDGET

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Since its Reagan-era peak, funding for the military has fallen by 35 percent, from \$390 billion in 1985 to \$252 billion in 1995 (in constant 1995 dollars).¹ While some of this reduction was justified after the collapse of the Soviet Union, it is becoming clear that these cuts have gone too far, too fast. After two years of denial, the Clinton Administration officially acknowledged the truth about the impact of these cuts on America's military readiness: on November 15, Secretary of Defense William Perry revealed to Congress that one-fourth of the Army's combat forces are not fit for battle.²

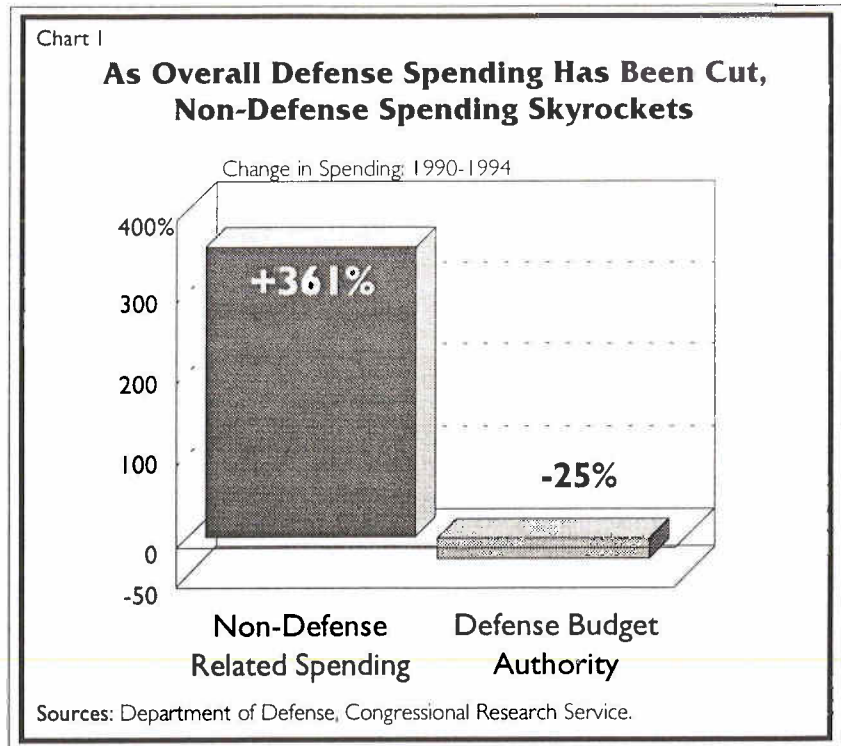
Secretary Perry's announcement came just one week after the election of the 104th Congress. The new Republican majority was elected on a platform that calls for less government, lower taxes, and a stronger military. Clearly, to restore the combat readiness of America's armed forces, more will have to be spent on defense. But while increased defense spending is necessary, the Pentagon must apply every dollar it has to its primary mission: responding to threats to America's interests anytime, anywhere. As it begins the formidable task of rebuilding America's defenses, the new Congress can start by attacking the billions of dollars in non-defense "pork" spending now buried in the defense budget itself.

In a study released in March 1994, The Heritage Foundation drew attention to the billions of dollars in Pentagon funds being used to pay for items and programs that have nothing to do with defending America. Citing a General Accounting Office (GAO) study, the Heritage paper noted that between fiscal 1990 and 1993, \$10.4 billion in the defense budget was used for such civilian activities as World Cup Soccer, the Summer Olympics, and the National Defense Center for Environmental Excellence. From 1990 to 1993, spending for these types of programs rose by 238 percent even as overall defense spending fell by almost 20 percent. In 1993 alone, Congress required the Department of Defense to spend \$4.6 billion on non-defense items—enough to buy one nuclear aircraft carrier or maintain two additional Army divisions, and \$800 million more than was spent on ballistic missile defense.³

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- 1 Office of the Comptroller, Department of Defense, *National Defense Budget Estimates for FY 1995*, March 1994.
- 2 Secretary of Defense William J. Perry, letter to Representative Ronald V. Dellums, Chairman, House Armed Services Committee, November 15, 1994.
- 3 See John Luddy, "This Is Defense? Non-Defense Spending in the Defense Budget," Heritage Foundation *F.Y.I.* No. 14, March 30, 1994.

After two years of Clinton defense cuts, there is an urgent need to focus defense dollars on real defense needs. Unfortunately, recent Congressional Research Service (CRS) studies reveal that Pentagon spending on non-military items has risen dramatically even while total defense budgets have been cut. From fiscal 1990 to 1994, in constant 1995 dollars, total defense spending fell 25 percent, from \$339 billion to \$254 billion, while non-defense spending identified by CRS rose 361 percent, from \$3.6 billion to \$13 billion. For fiscal 1995, CRS has identified \$11 billion in the defense appropriations bill for “items that may not be directly related to traditional military capabilities,” more than three times the highly touted \$3.2 billion increase for “readiness” that the Administration requested for the Pentagon from fiscal 1994 to 1995.⁴



Non-defense spending takes on even greater significance when the five-year budget is considered. The Clinton Administration released its Bottom-Up Review (BUR) of defense strategy and military forces in September 1993. The BUR calls for a military large enough to win two “nearly simultaneous major regional conflicts” like Desert Storm. Experts across the political spectrum now agree that the Administration’s proposed budget will not support such a force.⁵ Estimates of the funding gap between the Administration’s proposed defense structure and its fiscal 1995-1999 defense budgets range from the Pentagon’s own estimate of \$49 billion, to The Heritage Foundation’s \$100 billion, to the General Accounting Office’s \$150 billion. Assuming that non-defense spending stays at constant levels through 1999, this could amount to as much as \$60 billion in constant fiscal 1995 dollars between 1995 and 1999. This is more than half of the shortfall projected by The Heritage Foundation for this period and more than one-third of the higher GAO estimate of a \$150 billion shortfall (see Chart 2). Since the Administration plans to reduce real defense spending from now through fiscal 1999, spending on non-defense items will consume an increasing percentage of scarce defense funds, further undermining day-to-day military readiness and long-term combat capabilities.

Spending \$11 billion of the defense budget on non-military activities is difficult to justify at a time when the services have huge maintenance backlogs and insufficient training funds and are delaying much-needed modernization of weapons and equipment. The Pentagon on December 9 announced the delay or cancellation of seven major weapons programs, including the top priorities of

4 Information derived from two memoranda with same title: Keith Berner and Stephen Daggett, “Items in FY1995 Defense Legislation That May Not Be Directly Related to Traditional Military Capabilities,” Congressional Research Service, March 21, 1994, and October 31, 1994.
 5 See Lawrence T. Di Rita, Baker Spring, and John Luddy, “Thumbs Down to the Bottom-Up Review,” Heritage Foundation *Backgrounders* No. 957, September 24, 1993.

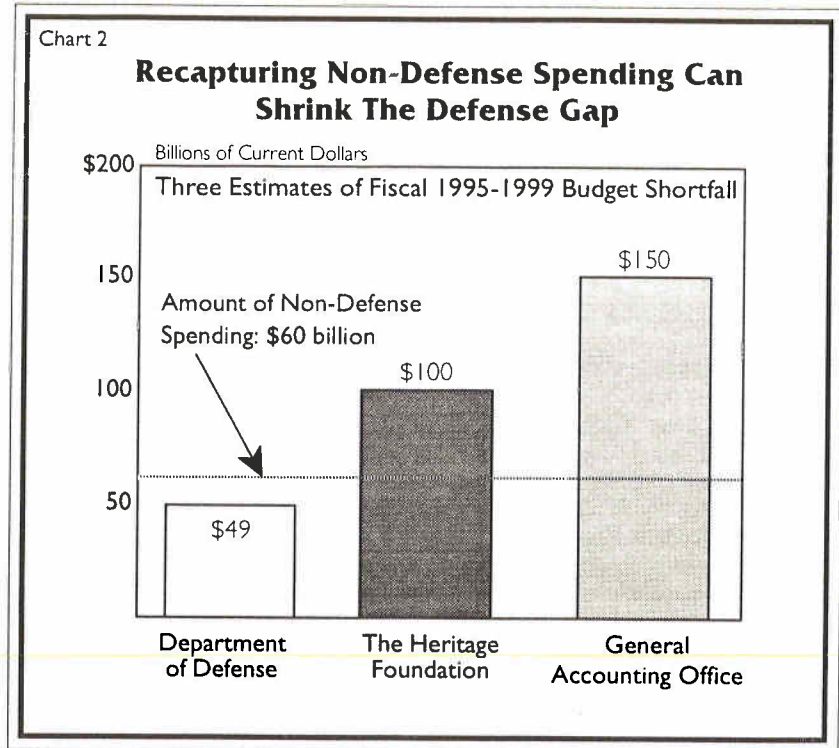
each of the services, in order to save \$7.7 billion over five years—far less than the \$11 billion spent in a single year on non-military programs.⁶ Immediate readiness is also in jeopardy. In November, Secretary of Defense Perry informed Congress that one-third of the Army's divisions are not prepared to go to war.⁷ Examples of readiness problems in the armed forces abound.

X When U.S. forces were rushed to Kuwait last October, Deputy Secretary of Defense John Deutch claimed that the readiness of U.S. forces is “as high

as it's ever been—higher, in my judgment, than they were in 1990, when we were worrying about Iraq the first time.”⁸ Yet the first Army brigade sent to Kuwait last October had platoon leaders who had never trained with their troops in the field, platoons that had never been evaluated in a live-fire training exercise, and tank crews that had not completed vital crew drills.

- X In a training exercise for the 2nd Armored Division, insufficient funds for fuel, ammunition, and maintenance forced one tank battalion to conduct platoon training without actual tanks. Instead, crews walked through the range pretending to be in tanks.
- X Because of funding shortfalls, the Army was able to train enough helicopter pilots to meet only 69 percent of its requirement for 1994; as recently as 1992, the Army met 92 percent of this requirement.⁹

Horror stories like these have begun to get attention in the media, the Congress, and even the White House. If the President and Congress are serious about meeting critical training, maintenance, and equipment shortfalls, they can start by taking a hard look at Pentagon money now being spent on medical research, the Summer Olympics, and research on electric vehicles. Regardless of their inherent worth, these civilian projects should be included in the domestic budget where they belong. Today, more than ever, they have no place in the defense budget.



6 Department of Defense news release, “Modernization Priorities in the FY 1996-01 Budget,” December 9, 1994.
 7 Secretary of Defense William Perry, letter to Representative Ronald V. Dellums, Chairman, House Armed Services Committee, November 15, 1994.
 8 Deputy Secretary of Defense John Deutch, Pentagon press briefing, October 13, 1994.
 9 Examples are found in Representative Floyd Spence, House Armed Services Committee, “Military Readiness: The View from the Field,” December 1994, pp. 4-7.

APPENDIX

Some Non-Defense Programs Funded by the Defense Department in Fiscal 1995

Non-Environmental Programs

Rifle Practice	\$2,544,000
Summer Olympics	\$14,400,000
Special Olympics	\$3,000,000
50th Anniversary of WWII	\$5,000,000
Memorial Day and July 4th Concerts	\$950,000
LA Youth Programs	\$10,000,000
Mentor Protege Program	\$30,000,000
Electric Vehicles	\$15,000,000
Natural Gas Vehicles	\$10,000,000
Breast Cancer Research	\$150,000,000
Prostate Cancer Research	\$4,250,000
Women's Health Research	\$40,000,000
Ovarian Cancer Research	\$7,500,000
Cell Regulation Research	\$2,000,000
Mammography Research	\$2,000,000
Coastal Cancer Control Program	\$5,000,000
Osteoporosis	\$5,000,000
Lyme Disease Research	\$500,000
Bone Marrow Research	\$34,000,000
Mammography Development	\$2,000,000
Breast Cancer Center	\$5,000,000
AIDS Research	\$33,410,000
Ranch Hand II Epidemiology Study	\$3,160,000
Medical Free Electron Laser	\$25,938,000
Cooperative DOD/VA Medical Research	\$50,000,000
Los Alamos Meson Physics Facility	\$20,000,000
Project Plowshares	\$5,000,000
End Item Industrial Preparedness	\$35,820,000
Industrial Preparedness	\$191,785,000
Joint Seismic Program	\$12,000,000

National Airspace System Plan	\$30,980,000
Historically Black Colleges & Universities	\$25,000,000
Experimental Evaluation of Major Innovative Technology	\$683,971,000
Maritime Technology Office	\$12,000,000
Electric Vehicles	\$15,000,000
Advanced Concepts Technology Demonstration	\$32,100,000
High Performance Computing Modernization Program	\$73,048,000
Consolidated DOD Software Initiative	\$27,500,000
Kaho'olawe Island Trust Fund	\$50,000,000
Native American Environmental Programs	\$8,000,000
Defense Reinvestment	\$623,700,000 ¹⁰
Materials and Electronics Technology	\$260,853,000
Manufacturing Technology	\$382,629,000
Computing Systems & Communication Technology	\$400,912,000
Semiconductor Manufacturing Technology	\$90,000,000
Advanced Simulation	\$30,937,000
Small Business Innovative Research	\$161,000,000
Office of Economic Adjustment	\$39,127,000
Junior ROTC	\$59,800,000
National Guard Youth Opportunity Pilot Program	\$71,400,000
Personnel Assistance Programs	\$1,040,573,000

Environmental Programs

(includes Environmental Restoration, BRAC Restoration, Environmental Compliance, Environmental Conservation, Pollution Prevention, and Environmental Technology) \$5,267,400,000¹¹

10 These defense conversion programs subsidize manufacturers' reinvestment in non-defense industries.

11 The inclusion of these programs in this study does not mean they are without merit. Rather, Congress should review them in the context of national environmental cleanup priorities. The proper place to do so is in the budget for the Environmental Protection Agency.

