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THE CARTER DEFENSE BUDGET

Outgoing President Gerald R. Ford submitted his defense budget recommendations to the Congress only a few days before leaving office. His proposed budget for Fiscal Year 1978 was scrutinized for several weeks by members of the Carter "transition team"--many of whom now occupy senior positions in the Department of Defense--prior to its formal transmission to the Congress. On February 23, 1977, Secretary of Defense Harold Brown announced the Carter Administration's modifications to the Ford budget for FY '78. The results of the Carter modifications to the Ford budget provide some important clues about the kind of defense posture the Administration is likely to adopt in the FY '78 and subsequent budgets when they have full control over the budget formulation process.

Like all budgets for government departments, the defense budget is a massive document particularly when the detailed "budget justification books" are included to support the funds requested for each important program category or "line item." As a consequence, budget formulation is a year-round exercise by the Department of Defense. Unlike many other government agencies, where a substantial fraction of their expenditure is made on an "entitlement" basis, not requiring regular Congressional appropriation, virtually all of the funds expended by the Department of Defense require annual Congressional appropriation. Thus, there is an annual requirement for justification of programs that contributes a massive publication of information on virtually every aspect of the annual Defense Department program. More than thirty volumes of testimony are published annually by the Senate and House Armed Services and Defense Appropriations subcommittees.

THE CARTER DEFENSE OBJECTIVES

The Carter Administration has expressed its objectives for defense in general terms that leave considerable room for speculation about their

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ultimate intentions. Hence, the alignment of their intentions with their actions is best calibrated against their budgetary recommendations.

1. A primary objective of the Administration as set forth in the inaugural address of President Carter is to eliminate all nuclear weapons from the earth. The expectations of the Administration do not include the notion that their objective will be realized for many years, but they wish to insure that defense policies are not incompatible with this objective.
2. Strategic Arms Limitation should be the primary vehicle for the elimination of all nuclear weapons. This implies that bilateral dealings with the Soviets on this subject are to be the preferred forum for discussion over multilateral groups, such as the Consultative Committee on Disarmament in Geneva, or perhaps some new international arms control body.
3. Defense policy should be adjusted to permit very large changes in nuclear forces if such a change can be negotiated with the Soviet Union.*
4. The Carter Administration seeks to diminish the concern over the magnitude of the Soviet threat reported by the Ford Administration. Excessive focus on the growing Soviet threat leads to intense pressures for more defense spending from the Congress, a most unwelcome development from the perspective of the new Administration. The Congressional testimony of Secretary of Defense Brown on the subject of Soviet civil defense provides a useful example of this. Brown sought to reassure the Congress that he believed that any improvements in the Soviet civil defense effort could be met by simply retargeting existing nuclear weapons against the new shelters away from their original targets. This testimony has been given despite studies in the hands of the Office of the Secretary of Defense that indicate that a tenfold increase in the number of nuclear weapons may be required to sustain the same level of damage to the Soviet civilian population and industrial infrastructure as could have been done prior to the start of the Soviet civil defense program.

*The Carter Administration has instructed the Department of Defense to conduct studies of the feasibility of reducing 200-250 nuclear weapons, all deployed on U.S. submarines. The study has been completed with results that have met with favor in some quarters of the Carter Administration despite serious, practical difficulties.

4. NATO's conventional defense should be improved substantially. An important motivation for Vice President Mondale's trip to the major NATO capitals was to emphasize this policy objective.
5. Defense programs which may have an impact on Soviet-American arms controls will be slowed down or terminated if their impact may complicate negotiations.

The character of the cuts proposed by the Carter Administration tends to support their general policy preferences except for the NATO objective, where the reductions proposed by the U.S. may weaken the alliance rather than strengthen it.

THE CARTER RECOMMENDATIONS

The changes recommended in the Ford budget by the Carter Administration are small in comparison to the total defense expenditure, accounting for less than a 3% reduction, \$2.8 billion, or only about one-half of the 1976 election campaign proposal of a \$5-7 billion reduction. The Ford budget proposed Total Obligational Authority (TOA) for FY '78 of \$123.15 billion. This figure would be reduced by the Carter Administration to \$120.3 billion.

The proposed reductions fall most heavily on the research and development and procurement expenditure, the "hardware" accounts, and minor reductions in the operation and maintenance accounts, or the "readiness" accounts.* This emphasis suggests the symbolic character of the initial reductions made by the Carter Administration; the cuts focus more directly on the image that is intended to be conveyed than reduction in U.S. military capability that would be the substantive rationale for the cuts.

A. Strategic Forces: These forces, both in research and development and procurement, are the core of U.S. nuclear deterrent forces. It is in strategic nuclear forces that the rhetoric of the Carter Administra-

*Most military equipment is purchased through procurement accounts and is the source of the most contentious disputes about future U.S. defense policy. Operations and Maintenance expenditures influence the level of readiness of U.S. forces for war. As O&M are reduced, training and alert status are reduced. Thus, the B-52 aircraft assigned to the Strategic Air Command are held to an "alert" force of less than one-third of the total number of aircraft available (i.e. those available for immediate employment) because inadequate O&M funding is available to keep a higher fraction of the force on alert.

tion weighs most heavily, and therefore it is not surprising that these forces bear the largest burden of reductions. Most importantly, the Carter Administration seeks to communicate to the Soviet Union its good faith in negotiating for a reduction in strategic arms by (a) proposing to terminate the Minuteman III production line, the only strategic weapon still in production in the Western World in Fiscal Year 1977, a decision reversed in less than three months due to Congressional pressure, and (b) proposing to slow down development of the intended replacement for the Minuteman III, the Missile-X system (M-X) currently in R&D, a posture that is being sustained.

The proposed reduction in the U.S. ICBM program reflects the relaxed view of the Soviet strategic nuclear threat held by senior officials within the Carter Administration. Administration witnesses before the Congressional Committees reviewing the FY '78 defense budget have supported the view that there is little diplomatic or military advantage for the Soviets to gain by their massive strategic nuclear weapons buildup; so the details of the buildup, or our response to it, is neither important or time-sensitive.

Similar responses may be found in other areas affecting strategic forces. The needed overhaul of the Polaris submarine system is proposed by delaying the requirement of overhauling them through a lower rate of use.

The B-1 bomber is to be slowed down, reducing the first production run from eight to five aircraft. As with the land-based ballistic missile force, no sense of time-urgency affects the Carter Administration budget planning. Even though the growth in the capability of Soviet strategic nuclear forces endangers the survival of the B-52 force on the ground and the modernization of the Soviet air defense system poses an ever-increasing danger to the B-52 force when it arrives on target, the dominant belief in the Administration is that numerically large disparities in strategic forces do not matter.*

The budgetary reductions implied by the proposed cutbacks in strategic forces are less significant than their symbolic value. They express the intent of the Administration to diminish the emphasis on nuclear weapons as the primary focus of national security. The Administration's approach is novel in that this form of disarmament is unilateral rather than negotiated as previously required by earlier American presidents. There has not been any explicit favorable Soviet reaction,

*The Boeing B-52 was designed in 1948 and initially deployed in 1954 as a high-altitude bomber. When Soviet air defenses made it necessary to fly at extremely low altitudes to avoid high altitude air defense in the late 1950s, the B-52 was modified (B-52G/H) to meet this requirement. The very large size of the B-52 makes it visible on modern radars so that it is now vulnerable in many areas, even when flying at very low altitudes; hence the need for the B-1 bomber.

even though this initiative is more forthright and significant than any previously undertaken.

B.3.3 General Purpose Forces: The Carter defense budget is ambiguous with respect to the General Purposes Forces. Although the statements of the Vice President indicate a commitment of the Administration to strengthen the U.S. posture in NATO, most of the cuts proposed would be consistent with the abandonment of a forward-based posture by the U.S. in Europe.

The budgetary emphasis on improved funding for the Civil Reserve Air Fleet (CRAF), the modification of large civilian aircraft for use as military transports in time of emergency, reinforces the often expressed fears in Europe that the U.S. will withdraw its forces to the continental United States, and offer to bring them back only in the event that war breaks out. This would, in the European view, weaken the U.S. commitment to Europe and substantially reduce the ability of the U.S. to contribute to the defense of Europe in the crucial early days of a conflict. Such a delay may mean that U.S. power is never brought to bear in a European conflict.

The acceleration of the pre-financing of aircraft shelters in Europe, the reduction in the rate at which the F-15 air superiority fighter is produced, the cuts in the Hawk anti-aircraft missile battery procurement, and the reductions in the range-finder and computer procurement for the M-60 series tank all are consistent with a reduction in the capability of U.S. forces to fight in Europe, not an improvement as Administration spokesmen have argued. Each of these programs is most urgently required in Europe if the United States is to upgrade the capability of its forces to meet the potential of Soviet forces in Europe for surprise attack.*

THE CARTER VS. FORD DEFENSE BUDGETS FOR FY 78

When one examines the Carter defense budget versus the budget submitted by his predecessor, one can discern a substantial difference in views about the military posture of the United States. The Ford budget, and in particular the detailed support provided for it in the Annual Defense Report of the former Secretary of Defense Donald H. Rumsfeld, suggests a grim view of the potential character of the Soviet threat and the potential risks being assumed by the United States as our

*The report of Senators Bartlett and Nunn, "Nato and the New Soviet Threat," published in the Congressional Record on January 25, 1977, contains dramatic evidence of the improvement in Soviet capabilities since 1968.

military capabilities are permitted to erode through disinvestment. These documents reflected attention to the fact that unless negotiated limits to strategic forces attenuated Soviet growth, their forces would pose a clear and direct threat to U.S. strategic forces by the early to mid-1980s.

By making only modest, not worst-case, assumptions about Soviet engineering capabilities, the massive ballistic missile payload advantage in the hands of the Soviet Union would convert into a vast advantage in deliverable warheads. The Soviets could disarm the United States in a first strike to the point where a U.S. retaliatory strike primarily by submarine-launched ballistic missiles would cease being a rational response. The Carter defense budget is unconcerned by these trends unless the disparities become extremely large.

The Carter Administration employs a distinctly different calculus for understanding nuclear deterrence. From the perspective of the Carter Administration, deterrence can be maintained so long as some important fraction of Soviet urban areas can be successfully attacked by residual (i.e., those remaining after any "plausible" Soviet first strike) U.S. forces. The Carter Administration does not hold the view implied by the Ford budget documents that the Soviet Union may not share our perception of the constitution of deterrence and, thus, may not be deterred by the same factors as we currently believe.

Similarly, the Carter Administration does not share the Ford Administration's sense of urgency about the buildup of Soviet forces in Europe (see Backgrounder No. 2). The Carter Administration finds that the United States was able to achieve little in the way of diplomatic advantage in the years when we held a substantial military advantage and believes the Soviets will learn the same lesson. Thus, despite the Vice President's rhetoric, there is no pressing need to upgrade our military potential in Europe. The intention of the Carter Administration in pressing for an early conclusion of a comprehensive ban on all nuclear tests emphasizes the point. Commitments made by the Ford Administration to upgrade the capability of tactical nuclear forces in Europe will have to be withdrawn because the weapons cannot be developed without additional underground nuclear testing.

In short, the Carter defense budget rejects the most important premise about the character of the military threat facing the United States, adopting instead a military posture which reflects the hope that some early agreement can be found that would eliminate the need to improve the capability of U.S. forces to the point where they would offset the increments added to Soviet military power since the late 1960s. To date, there is no evidence that such a posture would be successful.

Indeed, because the Soviet Union's leadership does not share the world view of the American leadership, there is a possibility that the cuts in American defense capability initiated by the Carter Administration

could be misinterpreted by the Soviet Union as a lack of resolve. Should the Soviet leadership assimilate such a perspective, the prospects for increased tension and clashes of interest with the Soviet Union become greater rather than less, a result directly opposed to the one sought by the Carter defense posture in the first place.