
Defense Report

AUSA



FY '76 Defense Budget Impact

Final Congressional Action on the FY 1976 Defense Budget resulted in a cut of \$7.4 billion from the amount requested. The final figure was \$90.5 billion.

This budget will buy 10 per cent less goods and services than in 1960 and 40 per cent less than in the Vietnam War peak year of 1968. Stripping out inflation, spending in real terms will be at the lowest point since 1951. With this budget, defense spending will account for 24 per cent of all federal outlays, compared to 47 per cent in 1960, and will have the least impact on the US economy of any defense budget in the last 25 years. Some specifics:

Army: The request for \$23.6 was cut by about \$1.1 billion. Surprisingly, in view of the Congress' commitment to an all-volunteer force, a significant cut of \$53.8 million was made in recruiting funds. Weapons procurement was not spared with cuts being made in the Improved HAWK, M-60 Tank, M113A1 Personnel Carrier, and the UH-1H helicopter. R&D Program reductions were made in Chaparral, Site Defense, the Cannon Launched Guided Projectile, and the Heavy Lift Helicopter.

Navy: Received \$30.1 billion, a cut of \$2.6. Procurement funds for both the nuclear guided missile frigate and the strike cruiser were cut completely and nearly 25 per cent of the funding for the patrol frigate was deleted as was 75 per cent for the A-4-M Skyhawk aircraft. On the R&D side, the Fleet Ballistic Missile System and the Cruise, Phalanx, and Trident missile programs were cut.

Air Force: Funding was reduced by \$2.1 billion to \$27.4. A number of programs were hard hit, including the B-1 Bomber, the Airborne Warning and Control System (AWACS), Civilian Air Reserve Fleet Modernization, and the Sidewinder Missile.

The FY '76 Budget will probably be accepted as one the services can "live with," but it continues the downward trend in real dollars provided the military which began in 1968.