
Defense Report

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Cutting Military Retired Pay—It Could Weaken Our Fighting Strength

In its latest attempt to play games with military retirement benefits, Congress has now painted itself into a corner where drastic action must be taken before May 1st or the Armed Forces will be forced to “lay off” 330,000 active and 176,000 reserve military personnel.

The 1986 Military Authorization Bill directed the DoD to submit legislation to achieve \$2.9 billion savings by changing the military retirement system for new people entering military service. The Appropriations Bill which followed deleted the \$2.9 billion from the DoD budget, but provided temporary authority to transfer up to that amount from prior year balances to cover costs incurred until Congress actually enacted retirement changes.

That relief is only temporary since the bill requires that after 1 May, the services must revert to the Authorization Act spending limits. In other words, unless Congress acts promptly, the military personnel account will be \$241 million in the red for each month since the start of the fiscal year last October.

The DoD submitted its report on military retirement on schedule, but Congress has not yet acted. Unless it either enacts changes to the retirement law or lifts the cap on obligations, the services have no recourse but to separate large numbers of people involuntarily. In the Army's case, Chief of Staff Gen. John A. Wickham, Jr., reported to Congress that he would have to fire 120,000 active and 112,000 reserve soldiers. Such a loss would cripple Army readiness.

The best move Congress can make is to permit the Armed Forces to use the prior year money to cover obligations incurred during Congressional procrastination. This could be easily done by revoking the requirement that they revert to the lower authorization level on 1 May. This would eliminate the serious impairment of recruiting and retention of our Armed Forces which will almost certainly result from hasty, ill-considered legislative action.

The worst thing Congress could do is to do nothing. To allow these draconian military personnel cuts would be even more devastating than the erosion of benefits embodied in the proposed retirement changes.