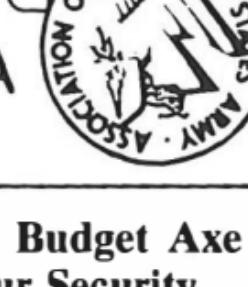


# Defense Report

## AUSA



### The Gramm-Rudman Budget Axe — A Serious Threat to our Security

In the revived Gramm-Rudman-Hollings budget reduction law Congress has put the Defense Department in a precarious position that drastically curtails the Armed Forces' ability to "provide for the common defense."

To meet the deficit goals for 1988, the law mandates that some \$23 billion be cut from the budget and that half that amount be taken directly from the defense budget. The rest of the government stands the remainder of the cuts.

A basic decision already made is to protect the number of military personnel, thus the size of the active Army will remain at 780,800. Military personnel pay accounts will also be exempt from automatic cuts.

What this means is that the Army budget will take its cuts from investment accounts, (e.g. the purchase of those modern weapons, vehicles and radios needed to counter the potential military threat) and from the research and development, the construction and the operating accounts. All of this will impact adversely on Army modernization, readiness and sustainability.

Barring some last-minute agreement between Congress and the White House, the Gramm-Rudman-Hollings Act would necessitate a 10.5 percent cut in all Army accounts, except military pay. Since cuts must provide adequate savings in outlays, it takes little imagination to conclude that operations and maintenance funding, where the money is spent during the immediate year, would take the biggest hit. The Army will be forced to curtail field training, weapons firing, helicopter flying hours and participation in major military exercises.

One of the most damaging results of deep cuts in operations funds would be the devastating impact on Army civilian employees. Over one-third of the operations and maintenance accounts provide pay for civilians and any major cut could require the loss of as many as 50,000 people and a very significant erosion of the Army's entire support base.

The automatic budget cuts of Gramm-Rudman-Hollings are the worst possible solution to our extremely vexing deficit problems. It is long past time for the Administration and Congress to work together to find a way out of the abyss. The security and well being of whole generations of Americans could well depend on how they resolve this dilemma.