

Special Report

THE FISCAL YEAR 1980 DEFENSE BUDGET

AN ANALYSIS

ASSOCIATION OF THE UNITED STATES ARMY



**PREPARED UNDER THE
AUSPICES OF AUSA'S EXPANDING
EDUCATION FUND**

ASSOCIATION OF THE UNITED STATES ARMY
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THE FISCAL YEAR 1980 DEFENSE BUDGET AN ANALYSIS

An Overall Impression

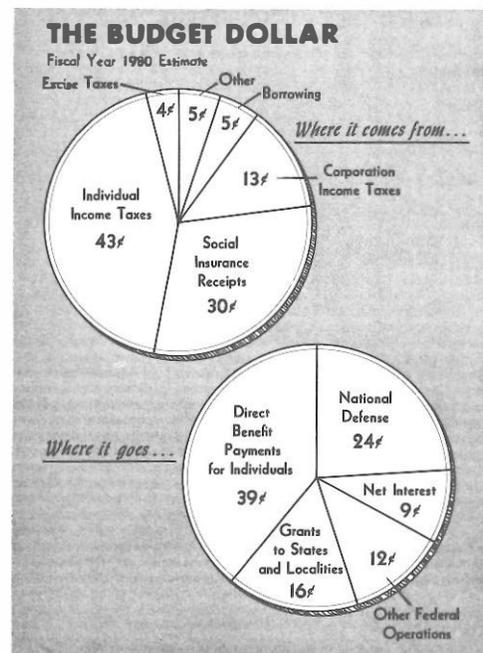
The Carter Administration has presented Congress and the Nation with a proposed Federal Budget for the next fiscal year, beginning on October 1, 1979, that was being assailed from many directions before its details were officially known. Disquieting "leaks" on the details of programs the President had approved or disapproved for Fiscal Year 1980 began to reach the press late in December 1978, a sure sign in the Washington world of infighting, that those whose departments and programs were about to take cuts wanted to get their counterattacks going early.

The budget proposes increases in expenditures for National Defense, Space, Education, Health, Income Security and Veterans' Benefits. Reductions are proposed for Energy Programs, Youth Training and Employment, Farm Income Stabilization, Mass Transit and Federal Support for local Public Works.

As it was presented to Congress, the FY'80 budget totals \$532 billion--more than half a trillion dollars--in today's inflated dollars the largest budget ever formulated for the Nation. In its pristine form it falls \$29 billion short of being a balanced budget.

While there has been much comment in the media about increased defense spending, at the expense of a host of social welfare programs, the increase in the defense budget totals 3% roughly of real growth. In the proposed budget, defense expenditures increase their share of the total Federal Budget by just four tenths of a percent over the current fiscal year (23.1 percent compared to 22.7 percent) while the defense share of the expected gross national product remains exactly the same (4.9%).

The annual posture statement presented to Congress by Secretary of Defense Harold Brown begins with a lengthy quotation from a British aviation pioneer of World War I vintage which attempts to convey a message that we ought not to let ourselves be too impressed by pure numbers. In the text of his statement Secretary Brown says, for instance, that we should not become alarmed over the fact that the Soviet Union has 40,000 tanks (the figure is probably closer to 50,000) while the United States has just 10,000. He points out, quite correctly, that it is unlikely that the USSR will ever be



able to bring all those tanks to bear against us and that this kind of comparison ignores the numbers of tanks our allies have and the growing numbers of antitank missiles in NATO hands. For some reason, however, he chose to ignore the really applicable comparison of numbers in the area most likely to be the scene of an armored battle--Western Europe.

In its recently published The Illusory Goals of Peace--A Year-End Assessment, 1978, the Association of the United States Army, using figures readily available in the public domain, pointed out that the numerical superiority of the Warsaw Pact forces in Europe has grown over the past ten years from about two to one to the present ratio of over three to one. There is no way a purely numerical comparison of this kind can be overlooked as an indicator of Soviet capability and intent.

It is interesting to note, also, that in further testimony before the Senate Armed Services Committee Secretary Brown contradicted his own premise by arguing for larger numbers of less expensive naval vessels so some progress might be made toward redressing the growing numerical imbalance between the U.S. and Soviet fleets. In spite of this plea, however, the secretary has acknowledged that the shipbuilding program planned over the next five years will produce fewer new ships than will be needed to replace older ones being retired from the fleet--altogether an admission that, while the Carter Administration recognizes the growing superiority of the Soviet fleet, it is not prepared to do much about it.

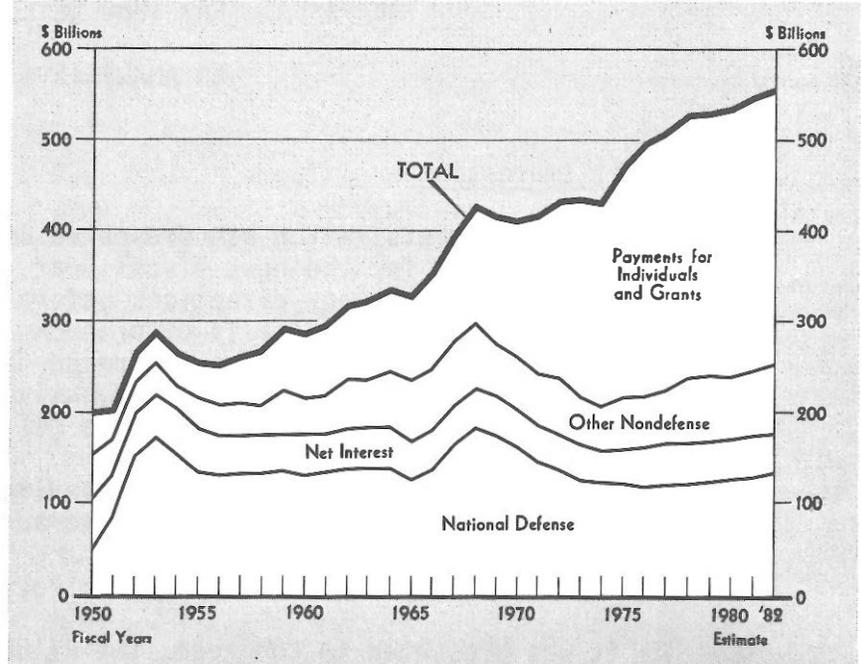
DEPARTMENT OF DEFENSE BUDGET *FINANCIAL SUMMARY*

FY 1950 FY 1953 FY 1964 FY 1968 FY 1978 FY 1979 FY 1980

DEPARTMENT OF DEFENSE AS PERCENTAGE:

FEDERAL BUDGET (OUTLAYS)	27.4%	57.0%	41.8%	43.3%	22.8%	22.7%	23.1%
GROSS NATIONAL PRODUCT	4.4%	12.1%	8.0%	9.3%	5.0%	4.9%	4.9%
LABOR FORCE	6.2%	14.7%	8.3%	9.9%	4.9%	4.9%	4.9%
NET PUBLIC SPENDING	18.5%	42.9%	27.9%	29.5%	15.1%	14.8%	14.9%

Budget Outlays—Constant 1980 Dollars



The Fiscal Year 1980 Defense Budget proposed by the Administration continues the emphasis on support of NATO. President Carter obviously found himself in a very tight squeeze between compliance with the pledge of all the NATO members to increase their contributions to mutual defense by at least three percent each year in an effort to counter growing Warsaw Pact capabilities and his promise to the Congress and the voters to bring the Federal Budget into balance. While there is little argument that our NATO-oriented forces need more punch, there is growing concern among military analysts outside the Administration that our capability to react to emergencies in other parts of the world is fading fast. In unguarded moments, even administration policy makers will confess to the same concern.

Worldwide, U.S. military and naval overseas deployments increased by more than 10,000 last year with an increase in Europe of 16,300 partially offset by withdrawals in every other theater. The biggest of these reductions was in the Pacific and Far East area where the U.S. military/naval presence went down by more than 5,000--with the bulk of that number (3,600) coming from Japan, Okinawa and the 7th Fleet. It is small wonder that Japan, faced with firm evidence of a growing Soviet Pacific fleet based in its backyard, has expressed its doubts about U.S. capability to live up to treaty obligations and is expanding its defense expenditures.

The proposed defense budget was announced as details of a classified mobilization exercise, called Nifty Nugget, began to be revealed. Mostly a paper exer-

DEPARTMENT OF DEFENSE BUDGET
FINANCIAL SUMMARY BY MAJOR PROGRAM
(BILLIONS OF \$)

<u>MILITARY PROGRAM</u>	CURRENT DOLLARS TOTAL OBLIGATIONAL AUTHORITY		
	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>
STRATEGIC FORCES	9.1	8.6	10.8
GENERAL PURPOSE FORCES	42.5	47.6	50.0
INTELLIGENCE AND COMMUNICATIONS	7.9	8.1	9.1
AIRLIFT AND SEALIFT	1.6	1.8	1.9
GUARD AND RESERVE FORCES	6.9	7.0	7.1
RESEARCH AND DEVELOPMENT	10.1	11.1	11.8
CENTRAL SUPPLY AND MAINTENANCE	11.9	12.9	13.8
TRAINING, MEDICAL, OTHER GEN. PERS. ACTIV.	23.9	25.8	27.9
ADMINISTRATIVE AND ASSOC. ACTIVITIES	2.2	2.3	2.6
SUPPORT OF OTHER NATIONS	0.3	0.4	0.6
TOTAL MILITARY FUNCTIONS	116.5	125.7	135.5

cise, Nifty Nugget was designed to test our ability to provide the manpower and supplies that would be needed quickly in an emergency. The results were sufficiently grim to cause the Secretary of the Army and the Secretary of Defense to abandon hard line positions against revitalization of the Selective Service System as a source of mobilization manpower. To date, however, there has been no evidence of reaction to findings that U.S. ability to rapidly expand several kinds of critical defense production to satisfactory levels is extremely poor.

The Defense Budget in Broad Categories

Personnel: The total number of active uniformed personnel will remain the same as in Fiscal Year 1979--2,050,000--with small adjustments within the services. Army active strength will remain the same (774,000), the Navy will get 4,000 people (an increase to 528,000), the Marine Corps loses 1,000 (from 190,000 to 189,000) while the Air Force takes the balance of the balancing cut--to a strength of 559,000. The Administration intends to chop 13,000 civilian employees from the Department of Defense payroll, all from the Navy and Air Force. The Department hopes to offset the loss of these full-time employees by contracting out the functions they perform. The Department claims that the net loss of civilians will be only 9,000 because 4,000 employees of the Panam Canal will be transferred to the DoD rolls, mostly to the Army. Despite the fact that Army civilian strength will increase on the books the former Canal employees will contribute nothing to other Army functions.

Forces: Strategic missile forces will remain the same in FY'80 as they are today with 450 Minuteman II, 550 Minuteman III and 54 Titan II land based missiles, and 656 Polaris/Poseidon submarine-launched missiles. The strategic bomber forces of B-52's and FB-111's will remain constant at 25 squadrons.

The general purpose ground combat force will remain constant with 16 Active Army divisions and three Marine Corps divisions. The Navy will continue to operate 13 attack aircraft carriers plus 12 Navy and three Marine air wings. The Air Force will have 26 tactical fighter wings, with all of them brought up to full strength.

It is interesting to note that in his first posture statement as Chairman of the Joint Chiefs of Staff General David C. Jones, USAF, acknowledged that only 12 of the Navy's attack carriers will be deployable and that the acute shortage of amphibious lift prevents the use of Marine amphibious forces in more than one theater at a time--and probably in no more than one area within a theater.

MILITARY FORCES SUPPORTED BY THE BUDGET

Active Forces:

- 2,122 strategic delivery vehicles, consisting of 54 TITAN II ICBMs, 1,000 MINUTEMAN ICBMs, 656 SLBMs, 346 B-52s, and 66 FB-111As
- 34 KC-135 tanker squadrons (with 516 aircraft)
- 7 continental air defense squadrons with an inventory of 141 aircraft
- 16 Army divisions, 5 separate Army brigades, and 3 Marine Corps divisions

- approximately 460 major naval combatant, amphibious, and auxiliary vessels
- 26 Air Force tactical fighter wings (with 2,677 aircraft), 12 Navy carrier air groups (with 1,111 aircraft), and 3 Marine Corps air wings (with 476 aircraft)
- 53 anti-submarine warfare squadrons (with 635 aircraft)
- 17 squadrons of strategic airlift, with 75 C-5A and 311 C-141 aircraft, and 12 squadrons of tactical airlift, with 231 C-130 aircraft.

National Guard and Reserve Forces:

- 16 continental air defense squadrons (with 327 aircraft) and 16 KC-135 tanker squadrons (with 128 aircraft)
- 8 Army National Guard divisions, 19 separate Reserve Component Army brigades, and one Marine Corps division
- 44 naval combatant, amphibious, and auxiliary vessels
- 39 Air Force fighter squadrons (with 889 aircraft); 10 Navy fighter squadrons (with 139 aircraft), 13 Navy anti-submarine warfare squadrons (with 138 aircraft), and one Marine Corps air wing (with 110 aircraft)
- 31 C-130 tactical airlift squadrons (with 325 aircraft)

Procurement: The Fiscal Year 1980 Defense Budget includes an increase of 6.6 percent in procurement funds after inflation is added in. The Administration states that the bulk of this growth is directed at increasing Army and Air Force support for NATO, primarily in the form of new or upgraded aircraft, tanks and tracked vehicles, air defense weapons and more sophisticated ammunition.

There is a substantial increase in shipbuilding funds but the largest share of the increase is committed to just two ships--an additional TRIDENT missile-launching submarine and a "mid-sized" aircraft carrier of 60,000 tons or less. The proclaimed commitment to smaller, less expensive surface ships has been limited to six guided missile frigates and a destroyer.

More specific procurement plans will be dealt with under individual service sections to follow.

Operations and Maintenance: The FY'80 budget shows just 1.4 percent real growth in O&M support, with the bulk of that increase covering unavoidable higher costs associated with new, more sophisticated systems. The O&M budget will fund a new cycle of field exercises and unit training to maintain the readiness edge of our forces. There is no apparent emphasis in the O&M budget on reducing or eliminating maintenance backlogs.

Military Construction: There is a real reduction of almost \$1 billion in funding for military construction and family housing. As a matter of fact, for the first

time in many years there is no money budgeted for the construction of new family housing. Projects funded for construction in FY'80 are mostly limited to those contributing to combat readiness, military operations, safety, pollution abatement and energy saving.

Research and Development: Major programs to be funded for R&D in the next fiscal year will include the M-X, a proposed new mobile strategic missile system, a longer range TRIDENT II submarine-launched strategic missile and full scale development of air-launched cruise missile systems to add flexibility and survivability to the existing strategic bomber fleet.

The R&D budget includes final development funds for the Army's XM-1 tank and PATRIOT air defense system and for the F-16 and F-18 fighter aircraft, all of which are also moving into production this year. Work will continue on a family of air-to-air missiles to operate beyond visual range and air-to-ground anti-armor missiles. The Navy will move along with development of the LAMPS antisubmarine helicopter and the TOMAHAWK tactical cruise missile.

DEPARTMENT OF DEFENSE
FINANCIAL SUMMARY BY COMPONENT
(TOTAL OBLIGATIONAL AUTHORITY, \$ IN BILLIONS)

<u>CURRENT DOLLARS</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>
ARMY	28.9	31.6	34.0
NAVY	39.6	41.5	44.0
AIR FORCE	33.1	35.4	39.0
DEFENSE AGENCIES/OSD	4.2	4.6	5.3
DEFENSE-WIDE	10.6	12.6	13.2
TOTAL	116.5	125.7	135.5
<u>CONSTANT (FY 1980) DOLLARS</u>			
ARMY	32.5	33.4	34.0
NAVY	44.8	44.0	44.0
AIR FORCE	37.4	37.5	39.0
DEFENSE AGENCIES/OSD	4.7	4.8	5.3
DEFENSE-WIDE	12.4	13.5	13.2
TOTAL	131.8	133.2	135.5

The Individual Services and the Budget

The Navy: The Administration decision to request funds to build a mid-sized, conventionally powered attack aircraft carrier is sure to renew the debate on Capitol Hill over the various choices available to preserve or enhance the fleet's ability to project air power. It is known, for example, that the current Chief of Naval Operations, Admiral Thomas B. Hayward, will tell Congress he favors a full-sized conventional carrier of the John F. Kennedy class, while within Congress there are advocates of nuclear powered full-sized carriers and of conventionally-powered mini-carriers. Sure to be heard during congressional hearings on the procurement budget is still another group, representing several influential organizations, that would let the carrier fleet die out, calling it an anachronism of another era.

The Congress will wonder, too, just how valid the Administration's proposal to build larger numbers of smaller ships may be in view of the fact that the six proposed guided missile frigates for FY'80 are forecast to cost more than \$200 million apiece, a single destroyer to carry the AEGIS air defense system is priced at \$820 million and a guided missile destroyer requested in a supplement to the FY'79 budget is estimated to cost \$543 million. Compared to these supposedly small, inexpensive ships the nuclear attack submarine planned for FY'80 at a cost of \$517 million seems to be a bargain, even if its price has risen by almost \$100 million over a sister ship approved last year.

Despite the fact that there is an acknowledged shortage of amphibious shipping in the US Navy, limiting the employment of most of the Marine Corps to roles essentially the same as Army divisions, there is no money for amphibious ships in the FY'80 budget. The only ship planned for FY'80 that could contribute directly to the Navy's sealift capacity is a survey ship intended to support the Military Sealift Command.

The Administration's long-range shipbuilding program calls for the construction of 67 ships in the next five years, fewer than the number expected to retire from the fleet over that period.

The Navy will receive substantial amounts of money for procurement of three aircraft, the F-14A TOMCAT air superiority fighter, the F/A-18 fighter and attack aircraft and the P-3C ORION patrol and antisubmarine aircraft. Despite a vigorous campaign to support its plan to develop and procure a new generation of VSTOL close-support aircraft to follow its present fleet of British-built HARRIER's the Marine Corps was denied this funding. The Administration is convinced that the VSTOL "state of the art" does not warrant additional expenditures at this time. Work on the VSTOL concept will continue on the R&D arena.

The Administration continues a pattern of attempted reductions in the strength of the Naval Reserve by proposing a cut of 29,000 in Fiscal Year 1980. This is partially offset in the overall reserve structure by increases totaling 17,000 in the Army Reserve and Army National Guard. The proposal to cut the Naval Reserve is the smallest in recent years but, like all the earlier ones, it has a very uncertain future at the hands of Congress which has looked on preceding efforts unfavorably.

In its broad aspects the FY'80 budget for the United States Navy will do little to improve its ability to project combat forces ashore and even less to enhance

its capability to gain control of the seas against an all-out Soviet effort to cut off the sea lines of communications across the Atlantic. Nothing budgeted for the Navy in the next fiscal year will provide real improvement in the U.S. presence in the Western Pacific, an area that will apparently continue to be ignored in our politically-based strategic planning.

The Air Force: During Fiscal Year 1980 the Air Force will continue to flesh out its 26 tactical fighter wings, bringing them up to full strength in aircraft of recent vintage. In this modernization process four squadrons of Vietnam-era stalwart F-4's will be replaced by seven new squadrons--two of F-15 EAGLE air superiority fighters, three of F-16 multi-mission fighters and two of A-10 attack aircraft. These three aircraft will get the bulk of the Air Force aircraft procurement dollars in the upcoming fiscal year.

While no new aircraft are being planned in FY'80 to provide additional strategic airlift, three existing programs are continuing with the intent of improving existing airlift capacity. More than \$90 million will be spent to strengthen the wings of the C-5 transport fleet, the only U.S. aircraft that can carry a main battle tank. Structural wear on the present wings will limit the aircraft useful life to 8,000 hours but after being strengthened the wings are expected to give a total of 30,000 hours of use. The existing fleet of C-141 transports will be incrementally "stretched" by lengthening its fuselages, thereby providing additional cargo-carrying capacity. The fleet will also be given an inflight refueling capability. The Air Force is asking once again for funds to adapt nine wide-bodied commercial aircraft for possible future use in the Civil Reserve Air Fleet as cargo carriers. Modifications would be made to the aircraft as they are built to provide larger doors and reinforced decks for handling heavy military cargoes (not tanks).

The Air Force has been permitted to ask for the first production increment of the air launched cruise missile that has become an issue in the on-going Strategic Arms Limitation (SALT) talks. The missile is a small flying bomb, to be launched from the B-52 fleet and inertially guided to its target from an undisclosed range. The missile will extend the useful life of the B-52's as well as avoiding the necessity to penetrate the intense air defense that would be encountered on a mission against the Soviet Union.

The largest single research and development item in the Department of Defense budget for FY'80 is \$670 million for full-scale development of a new mobile land-based strategic missile system, now called the M-X. The M-X is designed to counter improving Soviet missile accuracy and megatonnage to be employed against our counterstrike forces by making them hard to target. Concepts for the M-X range from launchers mounted on railroad cars to multiple holes in the ground from which missile will be periodically shifted. At the present time the choice of a mode of operation seems to be a major impediment to rapid development.

Air Force programs for Fiscal Year 1980 represent an effort to strike a balance among many missions, both strategic and tactical. As the combat air fleet is modernized the Air Force's ability to support the Army in combat by gaining and maintaining air superiority and by providing responsive close air strikes is being enhanced. Realistically, the Air Force is probably doing all it can in the area of strategic airlift. What is needed more than additional long-range transports is recognition of the peril inherent in too much reliance on airlift

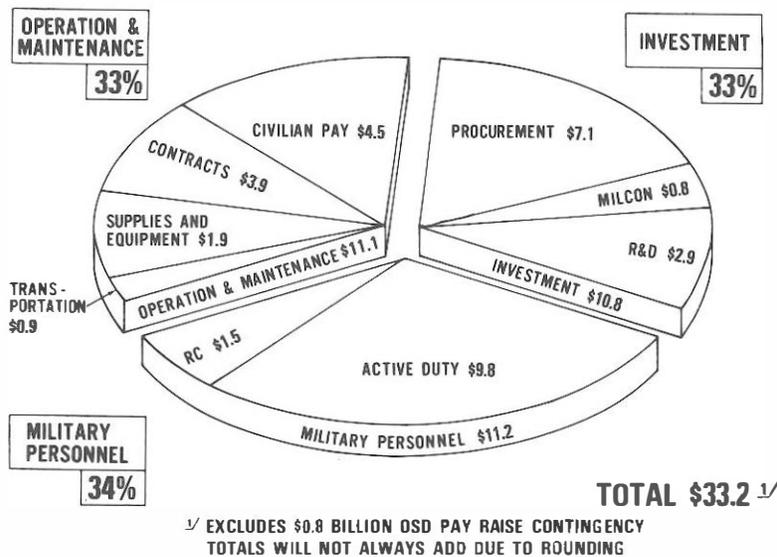
and too little appreciation of the need for sea control and sealift. Also, a new generation of tactical transports to replace the aging C-130 fleet must appear soon.

The Army: At first blush it appears that the Army will do well in the Fiscal Year 1980 Budget. It contains requests for funds to procure 352 XM-1 tanks, probably the best in the world. Funding is requested to move the companion Infantry Fighting Vehicle (XM-2) and Cavalry Fighting Vehicles (XM-3) closer to full production. The Army would be permitted to buy 145 UH-60A (BLACKHAWK) utility helicopters which will eventually replace the aging UH-1 fleet, to convert 160 more AH-1S attack helicopters to the COBRA/TOW configuration and to begin a modernization program for its CH-47 cargo helicopter fleet.

The budget includes requests to fund the first quantity production of the Army's new PATRIOT high-altitude air defense system and the COPPERHEAD guided artillery projectile. The U. S. version of the French/German ROLAND air defense missile system will continue progress toward full production. Major Army research and development projects which would be funded in FY'80 include the advanced attack helicopter, the longer-range PERSHING II missile and the Division Air Defense Gun (DIVADS).

But the procurement area of the budget also has some shortcomings. The Department of Defense, without explanation, cut \$100 million from XM-1 tank funding, thereby reducing the number that could be ordered in FY'80 by 101 tanks. This is a serious blow. Funds for procurement of M-60A3 tanks, the current main battle tank which is expected to be in the system for many years until the XM-1 is produced in sufficient numbers, were cut by \$57 million. This made it impossible for the Army to recoup a 70-tank shortfall in the FY'79 appropriation and will force the M-60 production line to shut down before final demands for the tank have been met.

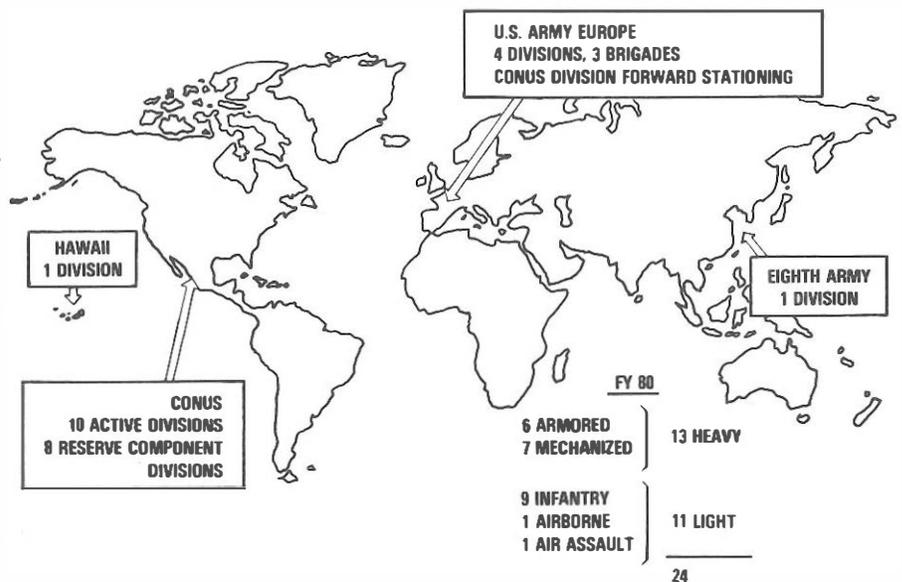
**COST OF MAINTAINING THE ARMY FY 80
TOA REQUEST
(\$ BILLION)**



The M-113 armored personnel carrier will remain the Army's standard for several years until it can be replaced by the new XM-2 but last year Congress cut the Army's request for M-113's by 360. This new budget eliminates the Army's request to make up that shortfall and will probably result in the service having to take M-113's away from some units to give them to others.

In Fiscal Year 1980, unless Congress overrides the Administration, the dangerous trend of cutting the Army's requests for ammunition procurement will be continued. Plans to build up ammunition reserves in Europe and to generally improve the Army's ammunition posture will not be helped by the \$316.8 million cut in the Army's request for FY'80. The Administration has also cut \$36.5 million from funds requested to improve the readiness of the standby ammunition production base and \$14.0 million intended to improve ammunition storage facilities. The successive cuts over the past several years have put the Army in a position of real peril in terms of its ability to support an emergency that lasts more than a few weeks.

24 DIVISION STATIONING



The Army's buildup to its full 24-division force level (16 Active Army divisions plus 8 Army National Guard divisions) is essentially complete but progress is still underway toward converting some divisions to "heavy" configuration and providing additional support units. Some of the actions to be supported by the FY'80 budget include:

In the United States--

- Continue to man units with equipment prepositioned in Europe at 105 percent.
- Activate four combat electronic warfare battalions
- Add one mechanized infantry and three tank battalions
- Convert three infantry battalions to mechanized configuration

In Europe--

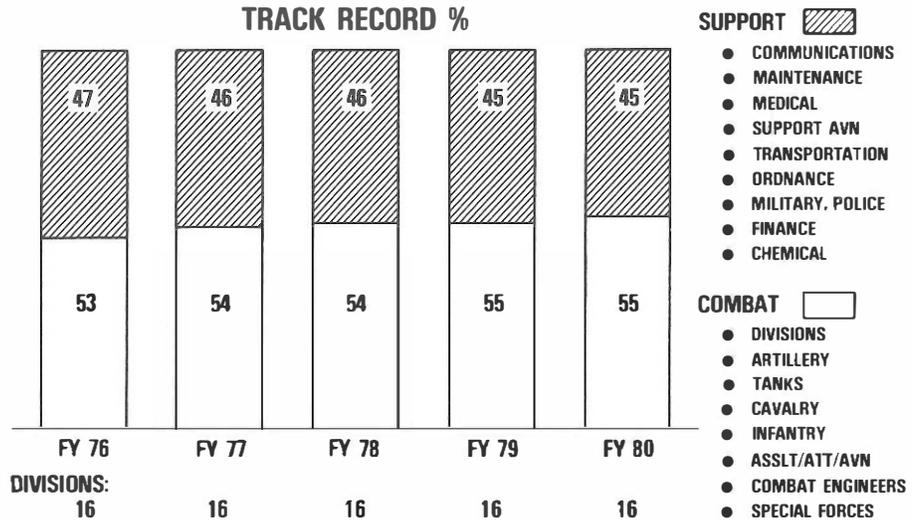
- Increase manning in selected units
- Add eight direct support artillery battalions equipped with the self-propelled 155mm howitzer
- Activate two combat electronic warfare battalions

--Activate seven nuclear, biological and chemical warfare companies to provide reconnaissance and decontamination capabilities.

In spite of the awareness in the Army of the need to improve its ability to fight a chemical war--as evidenced by the activation of new units to perform part of this function--the Army's stockpile of chemical weapons continues to slide downhill toward inadequacy. The stockpile maintained by the Army for itself and the other services is physically deteriorating and, with much of it located adjacent to heavily

populated areas, could become a safety hazard. The Army has a proven plan to gradually replace the stockpile with weapons of the binary family that are safe until just seconds before detonation over the target, but no production facilities exist to manufacture the binary weapons in sufficient numbers. For several years the Army has been requesting funds to begin work on a production facility but each year the request has been rejected. This year the request made it all the way to the White House, where it was rejected.

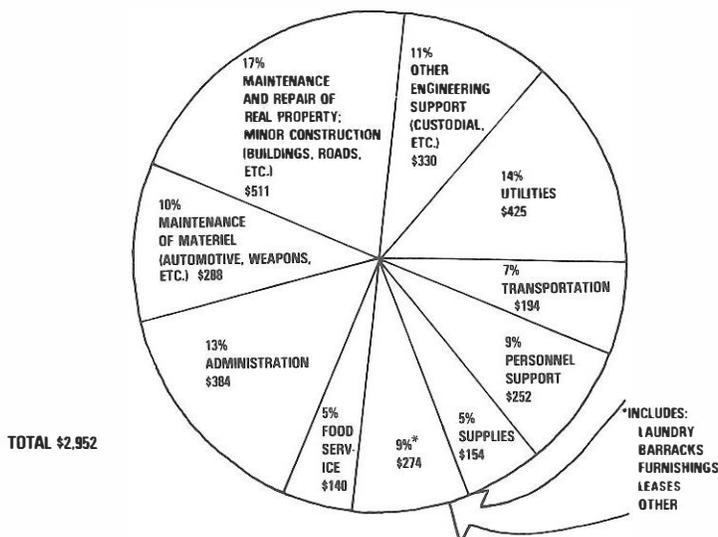
DISTRIBUTION COMBAT TO SUPPORT ACTIVE ARMY



BASE OPERATIONS SUPPORT

OMA
FY80

(\$ IN MILLIONS)



The Army leadership is pleading for a letup in the pattern of continued cuts in the number of civilian employees authorized. The civilian component of the Army has been reduced by more than 50,000 since 1974, resulting in a shrinkage in capability. Efforts to fill the gaps caused by these cuts have caused military personnel to be shifted into previously civilian jobs, taking them away from training and lowering unit readiness. "Contracting out" of some civilian jobs has been tried but it has not been popular

with Congress. The increase of 2,000 civilian employees apparent in this new budget is illusory since all the people involved are already employed in jobs related to the Panama Canal and will simply be carried on the Army's books until their jobs disappear.

Funds requested for Army Operations and Maintenance for the next fiscal year will not keep pace with costs, falling about \$120 million short of what is needed to do the Army's needed jobs. Unfortunately, the shortage has been assessed in the base operating budget that pays for almost everything that goes on at a military post. Actually, the budget increases the real property maintenance backlog despite Congressional guidance to hold the line.

The amount of money proposed to be spent on depot maintenance during FY'80 will not permit the Army to meet the DoD-established goal of eliminating the backlog by FY'81. The backlog will in fact increase in several critical areas. Items scheduled for depot maintenance in FY'80 include:

DEPOT MAINTENANCE
KEY ITEMS OVERHAULED -- QUANTITY

	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>
AIRCRAFT	770	484	507
155mm HOWITZERS	241	188	405
M113 PERSONNEL CARRIERS	637	922	1,633
M60/M48 TANKS	1,090	906	593
RADIO SETS	2,299	1,605	1,844
RADAR AN/PPS-5	151	157	104
CHAPPARRAL MISSILE SYSTEM	60	60	72
I-HAWK MISSILE COMPONENTS	65	60	115
RECOILLESS RIFLE M67 90mm	383	268	749
MORTAR 81mm M29E1	230	118	272
AMMUNITION (THOUSANDS OF ROUNDS)	1,478	554	1,470

The Army will take a \$161 million cut in military construction funds below its FY'79 level with all construction concentrated in the categories designated by the Department of Defense. The level of troop housing construction will mean that many units scheduled for activation in the next few years will be forced to live in inadequate quarters.

There is \$614 million in the budget for family housing, none of it for new construction. This money will go for maintenance, for payment on existing debts for previous construction and for leasing additional units. In FY'79 the Army leased 12,978 units. This will be increased to 14,365 in FY'80, with the largest share of the increase to be in Europe.

No new hospitals will be started with FY'80 funding but the military construction request contains plans to build two hospital support buildings and funds to modernize 13 health clinics. New hospitals already under construction at Forts Stewart, Polk and Campbell will move toward completion.

In their joint posture statement in support of the proposed new budget Army Secretary Clifford Alexander, Jr. and Chief of Staff General Bernard W. Rogers described the changing nature of today's soldiers. Most of them enter the Army single but many are married during their initial enlistment. In order to retain good soldiers past that initial term of service the Army has been engaging in a concentrated effort to improve the quality of the life they experience. The new budget contains funds to continue most of the quality-enhancing programs:

MILITARY CONSTRUCTION FY 80 ARMY HIGHLIGHTS

(\$ MILLIONS)

	FY 80
MAINTENANCE FACILITIES	\$105.63
INCLUDES TACTICAL EQUIP SHOPS (\$31.55)	
FACILITIES MOD USAREUR (\$29.85)	
AIRCRAFT MAINT (\$10.70)	
TROOP HOUSING	108.35
UTILITIES, POLLUTION ABATEMENT, ENERGY CONSERVATION	226.25
OPERATIONS/TRAINING FACILITIES	53.54
MEDICAL FACILITIES	24.64
SUPPLY FACILITIES	36.86
EUROPEAN COMMAND \$141.78 ^{1/2}	
INCLUDES:	
FACILITIES FOR INCREASED ARTILLERY	28.80
FACILITIES MODERNIZATION	29.85
TRAINING FACILITIES	13.85
ENERGY CONSERVATION	14.68
^{1/2} FUNDING INCLUDED IN OTHER FACILITY CATEGORIES	

^{1/2}KNOWN MINOR CONSTRUCTION PROJECTS NOT INCLUDED.

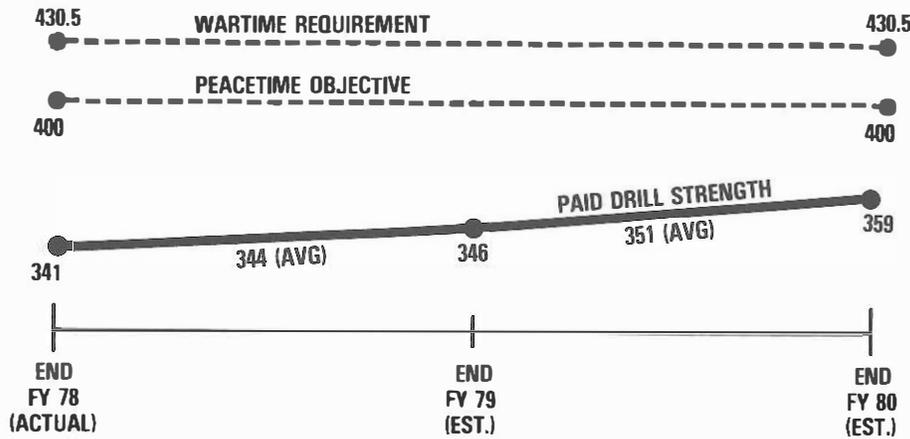
Junior enlisted travel	\$ 48.0 million
Community Life Support in Europe	72.7 million
24-month first term bachelor tour in Europe	7.0 million
Veterans educational assistance	4.0 million
Construction and modernization of troop housing, medical and dental facilities	133.0 million
Family housing improvement and leases	54.0 million

The funds for junior enlisted travel will continue the authority for young soldiers, previously not eligible, to move their families overseas to approved areas at government expense. Although it would be desirable to provide the same support for moves within the United States, Congress did not approve that extension of the program last year and the Administration apparently chose not to ask for it this year.

By limiting the tours of bachelor first-term enlistees in Europe to just 24 months the Army hopes to eliminate some of the problems brought on by the longer three-year tours as young soldiers find it more and more difficult to find entertainment and leisure activities to combat homesickness within the value of their shrinking dollars.

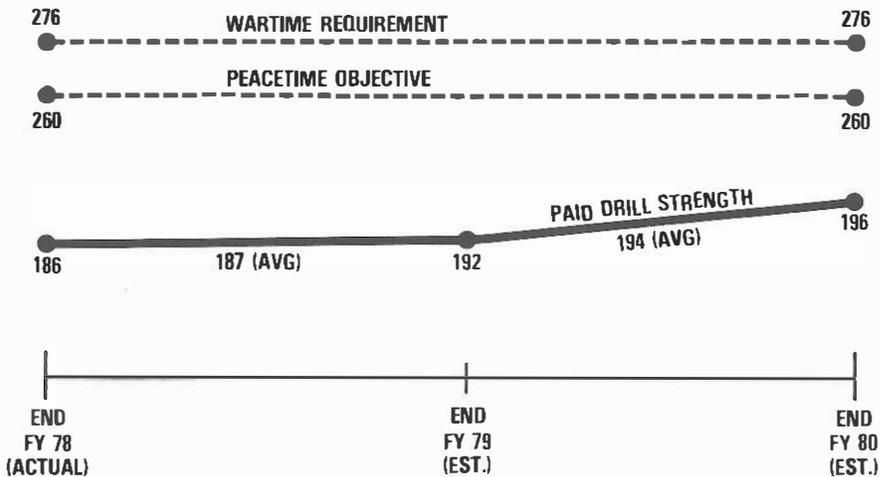
The veterans educational assistance program is a so far poorly-accepted substitute for the discontinued "G.I. Bill" entitlements that had been available since World War II. The Army is trying to build support for a more attractive program.

ARMY NATIONAL GUARD PAID DRILL STRENGTH* (IN THOUSANDS)



*INCLUDES MEMBERS OF RESERVE ENLISTMENT PROGRAM UNDERGOING ACTIVE DUTY FOR TRAINING; DOES NOT INCLUDE OTHER GUARDSMEN ON ACTIVE DUTY.

ARMY RESERVE PAID DRILL STRENGTH* (IN THOUSANDS)



*INCLUDES MEMBERS OF RESERVE ENLISTMENT PROGRAM UNDERGOING ACTIVE DUTY FOR TRAINING; DOES NOT INCLUDE OTHER RESERVISTS ON ACTIVE DUTY.

The state of the Army's reserve components continues, and deservedly so, to attract considerable attention and concern. The difficulties in recruiting for service in the Army Reserve and Army National Guard has drawn those critical forces down at least 150,000 below an acceptable mobilization level. The much smaller number of people leaving the active force with obligated service remaining has shrunk the Individual Ready Reserve (IRR), the Army's prime source of individual trained manpower in a mobilization, by more than 500,000.

Despite mediocre reserve recruiting results in the past year the Army will get authorization for increased Reserve and National Guard strengths. Enlistment and reenlistments incentives begun on a limited basis last year will be continued (still only applicable to a limited number of units). The Congress has directed the Army to go back to two-year enlistments for the Active force, in the hope that enough people will choose that option then be transferred to the IRR to complete their six years of obligated service. A plan to encourage enlistments directly into the IRR is also being considered.

ferred to the IRR to complete their six years of obligated service. A plan to encourage enlistments directly into the IRR is also being considered.

One of the biggest disappointments in the Fiscal Year 1980 Defense Budget approved by President Carter is the miniscule increase requested for the Selective Service System. The \$9.4 million requested by the Administration will provide no real improvement in the system's lack of capability to respond to a mobilization.

The fact that the funding decision was made in an atmosphere of growing awareness--in Congress, in the press and elsewhere--of the Nation's extremely weak mobilization position, makes it all the more difficult to understand. There is every indication that Congress will act to put Selective Service on a more realistic footing.

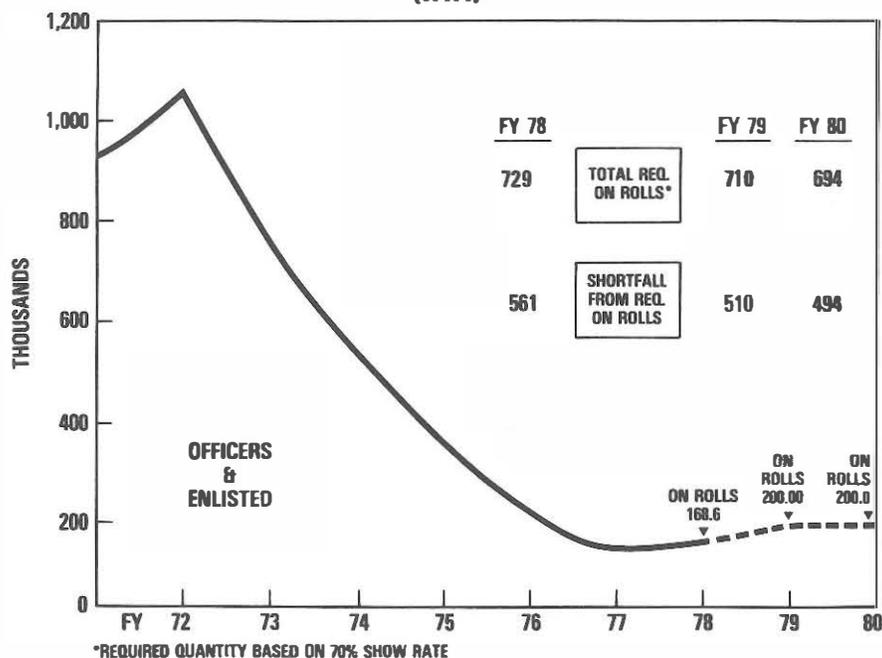
CONCLUSION

The National Defense budget recommended for adoption in Fiscal Year 1980 is not a bad budget--but it could be better. Criticism of the Administration for its failure to fund some programs must be tempered with the realization that President Carter and his advisors had to balance many factors--economic, political and foreign policy--along with the supportable needs of the armed forces.

There are some genuinely disturbing facets in this budget, though. One of the most obvious of these was the Administration's failure to recognize shortfalls in our ability to mobilize and sustain our forces. The lack of support for a viable Selective Service System flies in the face of awareness from almost every other direction. Failure to adequately fund ammunition procurement programs and to assure the readiness of standby production facilities is a sign of willingness to risk disaster in the interest of saving money. The best Army in the world, without ammunition, loses its value as a deterrent and protector. The inability of the Administration to come to grips with the distressing facts of chemical warfare can only result in the loss of our ability to stave off its use by maintaining a reliable retaliatory capability.

There is some doubt, too, that the White House budgeteers are truly aware of our declining ability to project and support our forces in areas crucial to our national welfare. Despite glowing claims to the contrary, there is real doubt that the U.S. Navy has the assets, even in conjunction with other NATO navies, to establish and maintain control of the Atlantic sea lines of communication in the face of a hard-pressed Soviet interdiction effort. If a peripheral emergency, such as one in the critical Persian Gulf area, is added to a NATO war scenario, our ability to react effectively is very much in doubt.

STRENGTH – INDIVIDUAL READY RESERVE (IRR)



Another example of willingness to take risks is found in the arbitrary cut of \$100 million from the Army's new XM-1 tank procurement program while concurrently cutting off production of the current standard tank that should be filling the Army's needs until full production of the new tank is reached. The same note is made about the decision to let the M-113 armored personnel carrier production line go cold several years before its replacement vehicle can be produced in large numbers.

A note of caution must be directed to both the Administration and Congress--the reduction in the number of civilian employees of the Department of Defense has already gone far beyond the point of reason. There has been no parallel cut in functions or responsibilities. No congressman has volunteered a military post in his district for elimination or recommended that the post commander pay less attention to cutting grass. Military personnel find themselves doing jobs that contribute very little, if anything, to their personal or unit readiness for combat. This trend must not only be stopped, it must be reversed. If Congress can finally come to grips with the "contracting out" idea, it may provide an economical solution. The Nation cannot have military readiness and unrealistic parsimony at the same time.

As they have done for more than two hundred years, our armed forces will make do with what they have and with what the next fiscal year will bring them. But this is not what the country deserves if we are really trying to deter conflict.

The sage quoted by Secretary Brown in the frontispiece to his posture statement is not only obscure but obtuse. He is correct, however, in his observation that the "direct numerical comparison of forces in conflict or available in the event of war . . . is a factor carefully reckoned by military authorities." The civilian authors of this budget have done little to improve the numerical comparison of forces--but it is a small step in the right direction.