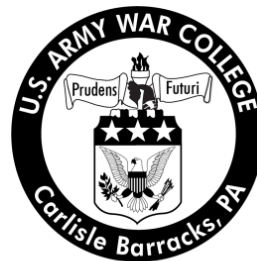


## Defense Drawdowns: Analysis With Implications

by

Colonel John Ulrich  
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United States Army War College  
Class of 2012

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REPORT DOCUMENTATION PAGE				Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing this collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. <b>PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.</b>					
1. REPORT DATE (DD-MM-YYYY) 21-03-2012		2. REPORT TYPE Strategy Research Project		3. DATES COVERED (From - To)	
4. TITLE AND SUBTITLE Defense Drawdowns: Analysis With Implications				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) COL John Ulrich				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)  Dr. John Bonin Department of Academic Affairs				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) U.S. Army War College 122 Forbes Avenue Carlisle, PA 17013				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION / AVAILABILITY STATEMENT  Distribution: A: Approved for public release distribution is unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT During drawdowns, the nation historically reduces defense spending to about \$375 billion, in real terms. Currently, the nation is expending \$646 billion for defense, including war-related funding on top of the \$531 billion base budget. With decreasing operations in Afghanistan, the nation's challenging fiscal and economic situations will also demand significant reductions in the base defense budget. If the nation follows historical patterns during the Global War on Terror (GWOT) drawdown, it may reduce the base defense budget by about 24 percent (i.e., \$1.4 trillion) over the next 10 years, more reductions than sequestration requires in the 2011 Budget Control Act. Under such a drawdown scenario, the Department of Defense (DoD) would have to consider a reduction of 500,000 active duty service members, particularly given the increased costs of manpower which have grown 63 percent since the nation implemented the all-volunteer force. Meanwhile, the DoD increased its spending on Defense-Wide activities, National Guard and Reserves, and Special Operations Forces, even during drawdowns, which are consuming larger percentages of funding. Finally, the DoD spends about 22 percent of its budget to equip a smaller force with more expensive equipment.					
15. SUBJECT TERMS Budget, Spending, Military, Manpower, Armed Forces, Active Duty, National Guard, Reserves, Army, Navy, Air Force, Marine Corps, Defense-Wide, End Strength, Procurement, All-Volunteer Force					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT UNCLASSIFIED	b. ABSTRACT UNCLASSIFIED	c. THIS PAGE UNCLASSIFIED			19b. TELEPHONE NUMBER (include area code)
			UNLIMITED	68	



# USAWC STRATEGY RESEARCH PROJECT

## DEFENSE DRAWDOWNS: ANALYSIS WITH IMPLICATIONS

by

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## **ABSTRACT**

AUTHOR: Colonel John Ulrich

TITLE: Defense Drawdowns: Analysis With Implications

FORMAT: Strategy Research Project

DATE: 21 March 2012      WORD COUNT: 9,104      PAGES: 68

KEY TERMS: Budget, Spending, Military, Manpower, Armed Forces, Active Duty, National Guard, Reserves, Army, Navy, Air Force, Marine Corps, Defense-Wide, End Strength, Procurement, All-Volunteer Force

CLASSIFICATION: Unclassified

During drawdowns, the nation historically reduces defense spending to about \$375 billion, in real terms. Currently, the nation is expending \$646 billion for defense, including war-related funding on top of the \$531 billion base budget. With decreasing operations in Afghanistan, the nation's challenging fiscal and economic situations will also demand significant reductions in the base defense budget. If the nation follows historical patterns during the Global War on Terror (GWOT) drawdown, it may reduce the base defense budget by about 24 percent (i.e., \$1.4 trillion) over the next 10 years, more reductions than sequestration requires in the 2011 Budget Control Act. Under such a drawdown scenario, the Department of Defense (DoD) would have to consider a reduction of 500,000 active duty service members, particularly given the increased costs of manpower which have grown 63 percent since the nation implemented the all-volunteer force. Meanwhile, the DoD increased its spending on Defense-Wide activities, National Guard and Reserves, and Special Operations Forces, even during drawdowns, which are consuming larger percentages of funding. Finally, the DoD spends about 22 percent of its budget to equip a smaller force with more expensive equipment.





## DEFENSE DRAWDOWNS: ANALYSIS WITH IMPLICATIONS

Words like "essential" and "indispensable" and "absolute minimum" ... are spent with wild abandon... there is no given number of ships--no specific number of divisions--no magic number of air wings in the Air Force, Navy, and Marine Corps--no special number of billions of dollars--that will automatically guarantee security.<sup>1</sup>

—President Dwight D. Eisenhower

U.S. defense spending is inherently cyclical in nature based on the international security environment, employment of military forces to conduct the nation's wars, and domestic economic and political sentiments of the American people. The nation expends larger amounts on national security, including defense, when the global security environment is instable or when there are clear and immediate threats to its security. Conversely, the nation reduces defense spending as soon as possible when the crisis or immediate threat passes. These reductions enable the nation to place more emphasis on its fiscal policies and economic security while addressing the most important domestic and social programs.

Today, the U.S.'s challenging fiscal and economic situation, combined with the end of the Iraq War and decreasing levels of operations in the Afghanistan War, will drive significant reductions in future levels of U.S. defense spending. The purpose of this research paper is to reveal trends and insights which may inform senior leader perspectives on ways to provide for the common defense in the post-Global War on Terror (GWOT) period of reduced defense spending.

Since 1948, the nation spent an average of \$472 billion per year in defense as measured in constant Fiscal Year (FY) 2012 dollars (i.e., in real terms).<sup>2</sup> During times of crisis, the nation increased the DoD's spending to defend the nation's interests. These

defense buildups peaked at \$606 billion in FY 1952 for Korea, \$536 billion in FY 1967 for Vietnam, \$561 billion in FY 1987 for the Cold War buildup, and FY \$717 billion in 2009 for the wars in Iraq and Afghanistan.<sup>3</sup>

Similarly, as the nation emerged from these crises over the last sixty years, it significantly reduced its defense spending and, as a result, its military forces. During the Korean, Vietnam and the Cold War drawdowns, the nation reduced its defense spending to about \$375 billion per year.<sup>4</sup> All of these drawdowns were conducted in different time periods, global security environments, economic conditions and political environments. Examining these drawdowns requires an understanding of the strategic context in which the nation reduced its spending and armed forces.

#### World War II Drawdown

The World War II drawdown was primarily about demobilizing a nation at war and reconverting the use of America's industries, natural resources and labor force to establish a sustainable peacetime economy. President Harry S. Truman's top concerns as the nation emerged from World War II, were preventing economic collapses like the depressions of 1921 and 1929 following World War I, fixing the nation's finances and public debt, providing desperately needed social welfare programs, and building a durable structure of economics and security to achieve a lasting peace.<sup>5</sup> The nation thus cut its defense spending to the "maximum extent consistent with national security" while demobilizing from World War II activities and reconverting America to a peacetime economy.<sup>6</sup> In 1947, the nation's priorities were to prevent inflation, achieve full employment, balance the budget and reduce the deficit.<sup>7</sup> Meanwhile, the primary national security objective was to meet international obligations while promoting collective security in an attempt to achieve collective disarmaments and reduce the

need for large armed forces.<sup>8</sup> Recognizing the challenge here, however, President Truman made it clear the nation would not return to isolationism or allow its military forces to become weak and invite an attack.<sup>9</sup> The nation's military policy in 1947 required well-trained armed forces which would be able to rapidly mobilize, should the need arise. By July 1947, President Truman articulated a need for 1 million active duty Soldiers, one-half of which were required for occupation duties abroad.<sup>10</sup> The nation, however, encountered difficulties maintaining these reduced force levels.<sup>11</sup> Despite inducements to attract long-term volunteers, it had to extend selective service.<sup>12</sup> President Truman acknowledged these costs would be substantial and stated the best way to cut defense costs, while enhancing security, was to establish a single Department of National Defense.<sup>13</sup>

By 1948, with the nation at full employment and establishing new highs in production levels, President Truman increased the emphasis on social programs to enhance human rights and standards of living – items he believed were essential to the nation's future economic strength.<sup>14</sup> Internationally, President Truman focused on world economic reconstruction (e.g., \$103 billion for European recovery programs like the Marshall Plan) and restoring the world trade system to achieve world peace.<sup>15</sup> World trade and economic reconstruction were essential to achieve “collective disarmament,” and to support these efforts, the U.S. maintained occupation forces in Germany, Austria, Japan and Korea along with other support efforts in China, Indochina and Malaya.<sup>16</sup> The nation spent \$179 billion for this defense strategy while reducing the Army's strength to 554,000 Soldiers.<sup>17</sup>

Soon thereafter, President Truman condemned the Soviet Union for its actions which threatened independence and democracy throughout Europe and Central Europe.<sup>18</sup> While stating the U.S.'s armed forces had been reduced too much, President Truman asked Congress to authorize selective service to maintain active duty end strength and provide universal training for the reserve components so the U.S. could maintain its international obligations toward securing peace and preventing war.<sup>19</sup> In response to the emerging "containment strategy," later articulated by National Security Memorandum 68, the nation increased its defense spending by 7 percent to \$192 billion in FY 1949, primarily to increase Army forces by 19 percent.<sup>20</sup>

Prior to the Korean War, in January of 1950, President Truman stated "the greatest danger has receded" and he optimistically described a peaceful future with the United Nations having forces "to preserve international law and order."<sup>21</sup> He went on, however, to warn Congress that "we must guard against the folly of attempting budget slashes which would impair our prospects for peace or cripple the programs essential to our national strength."<sup>22</sup>

While defense spending in FY 1950 remained flat, the DoD reduced its military manpower which allowed it to increase investments in research, development and acquisition. In total, DoD reduced its military manpower 88 percent following World War II, reaching a low of 1.5 million in 1950.<sup>23</sup> The DoD reduced the Army the most, by 91 percent, to 554,000 and the Marine Corps the least, by 84 percent, to 74,000.<sup>24</sup> These manpower reductions decreased Army and Navy funding by 5 and 6 percent respectively, while the DoD's increased emphasis on research, development and acquisition drove Air Force spending up by 14 percent.<sup>25</sup> Military manpower was the

DoD's primary cost driver in FY 1950, consuming 47 percent of the defense budget.<sup>26</sup> The DoD's other significant expenses were operations and maintenance at 31 percent, procurement at 19 percent, and research and development at 2.7 percent.<sup>27</sup> In FY 1950, the DoD allocated its resources almost uniformly between the Air Force (\$64 billion, 33 percent), Army (\$63 billion, 32 percent) and Navy and Marine Corps (\$62 billion, 32 percent), while reserving \$3 billion for Defense-Wide activities (2 percent).<sup>28</sup>

### Korean War Buildup

The North Korean People's Army invasion of the Republic of Korea caught the nation off guard.<sup>29</sup> The U.S. initially responded by sending in air and sea forces to give the Korean Government troops cover and support.<sup>30</sup> The U.S. also deployed Task Force Smith which, outnumbered and poorly equipped, retreated with heavy casualties.<sup>31</sup> In July 1950, President Truman announced a mobilization to defend Korea and deter aggression in other areas threatened by communism.<sup>32</sup> President Truman authorized the Secretary of Defense to use the Selective Service system, mobilize National Guard and reserve forces, and increase the procurement of supplies and equipment.<sup>33</sup> The president asked Congress to cover the necessary funding requirements through additional taxation.<sup>34</sup>

During the Korean War buildup, over the next two years, the nation tripled its defense spending from \$192 billion per year in FY 1950 to \$606 billion in FY 1952 to fight the war in Korea, support other operations in the Far East and provide support to American allies.<sup>35</sup> The DoD more than doubled its active military manpower from 1.5 million in FY 1950 to 3.6 million in FY 1952, and nearly tripled its ground forces by increasing the Army from 593,000 to 1.6 million and the Marine Corps from 74,000 to 249,000.<sup>36</sup> While the DoD doubled its spending on manpower, most significantly were its

increases in procurement which it increased six-fold from \$37 billion to \$235 billion per year and operations and maintenance which it more than doubled from \$60 billion to \$152 billion per year.<sup>37</sup> At the peak of defense spending in FY 1952, the DoD allocated its \$606 billion primarily to procurement with 39 percent, then to manpower with 31 percent, operations and maintenance with 25 percent, military construction and family housing 3 percent, and finally research and development activities 3 percent.<sup>38</sup> By military department, the DoD allocated 37 percent (\$225 billion) to the Army, 34 percent (\$207 billion) to the Air Force, 28 percent (\$170 billion) to the Navy and 0.6 percent (\$4 billion) for Defense-Wide activities.<sup>39</sup>

### Korean War Drawdown

Shortly after assuming office in 1953, President Dwight D. Eisenhower faced annual budget deficits and decided to reduce the previous administration's spending request by 11 percent.<sup>40</sup> President Eisenhower also announced a national security strategy that would devote 60 percent of defense spending to air power and air defense – the largest single annual outlay of the government's budget.<sup>41</sup> In December 1953, President Eisenhower began the reduction of ground forces in Korea while maintaining the ability to deter or oppose aggression through the U.S.'s growing air power capabilities.<sup>42</sup> In 1954, President Eisenhower significantly reduced defense spending in the FY 1995 Budget which continued strengthening the U.S.'s military posture, developing and producing atomic weapons, expanding continental defense; developing the military strength of friendly nations, and preparing for "rapid mobilization if an emergency should arise."<sup>43</sup>

The nation began its Korean War drawdown in FY 1953, before the fighting had ended, by reducing defense spending by 19 percent, including a 41 percent reduction in

procurement and a 16 percent reduction in operations and maintenance.<sup>44</sup> These reductions reflect the DoD's decreasing expenditures for equipment, materials and supplies which were now on hand after the massive expenditures in FYs 1951 and 1952.<sup>45</sup> The ground force withdrawal accelerated defense spending reductions in FY 1954 by an additional 24 percent, including reductions of 60 percent in procurement, 16 percent in operations and maintenance, 38 percent in military construction and 6 percent in military manpower costs.<sup>46</sup> In just two years of reductions, the nation reduced its defense spending to a low point of \$373 billion in FY 1954, down 38 percent from its peak of \$606 billion in FY 1952.<sup>47</sup> The DoD reduced all but two areas of its spending during this period, Defense-Wide activities along with research and development efforts, which it increased by 20 percent.<sup>48</sup> The nation constrained defense spending to about \$400 billion or less for the remainder of the decade while the DoD modernized and transformed to meet the threats of a new security environment.<sup>49</sup>

In December 1954, concerned with the "serious effects which a sudden attack could conceivably inflict upon our country," President Eisenhower called for constant modernization to meet the threats of long-range bombing aircraft and destructive (e.g., nuclear) modern weapons.<sup>50</sup> Recognizing the inherent challenges in rapidly deploying large numbers of military forces from the continental U.S., President Eisenhower also directed the DoD to structure its military formations to maximize technology in order to minimize the number of men – America's most prized possession – put in harm's way.<sup>51</sup>

Under this guidance, which was generally referred to as President Eisenhower's "New Look," the DoD prioritized air power and air defense while it transformed over the next seven years.<sup>52</sup> The DoD's most significant change was its 32 percent reduction in

military and civilian personnel; between FY 1954 and FY 1961, the DoD reduced its manpower an average of 5 percent a year, dropping from 3.6 million active service members in FY 1953 to 2.5 million in FY 1961.<sup>53</sup> The DoD reduced the Army the most, by 47 percent, and minimized Air Force reductions to 17 percent.<sup>54</sup> The DoD's targeted reductions implemented President Eisenhower's guidance to emphasize air power and limit large numbers of active ground forces in the continental U.S.

The nation realized its global security position had fundamentally changed from the first half of the 20<sup>th</sup> Century.<sup>55</sup> With the collapse of the European balance of power during World War II and the Soviet Union's acquisition of nuclear weapons, the U.S. could no longer count on having sufficient time to mobilize and arm itself for danger.<sup>56</sup> This change in the U.S.'s security position prompted the nation to establish a new baseline in defense spending of about \$400 billion per year, nearly double that following World War II.<sup>57</sup> Meanwhile, the DoD's implementation of President Eisenhower's "New Look" only provided 70 percent more manpower, the result of the nation's shift from large numbers of forces to technology, primarily in air power and air defense.<sup>58</sup> By FY 1960, as a result, the DoD's spending on the Army was down by 58 percent, Navy and Marine Corps by 32 percent and Air Force by 25 percent; meanwhile, the DoD more than doubled its spending for Defense-Wide activities.<sup>59</sup> With \$378 billion in FY 1960, the DoD allocated 41 percent (\$156 billion) to the Air Force, 30 percent (\$115 billion) to the Navy and Marine Corps, 26 percent (\$99 billion) to the Army and 2 percent (\$8 billion) for Defense-Wide activities.<sup>60</sup>

### Vietnam War Buildup

When President John F. Kennedy took office in 1961, the nation's top concerns were economic problems and budget deficits after seven months of recession and



seven years of diminished economic growth.<sup>61</sup> President Kennedy, however, believed “all these [economic] problems pale when placed beside those which confront us around the world... Each day we draw nearer the hour of maximum danger, as weapons spread and hostile forces grow stronger.”<sup>62</sup> President Kennedy envisioned “a Free World force so powerful as to make any aggression clearly futile,” and directed a reappraisal of the entire defense strategy because:

the absence of basic assumptions about our national requirements and the faulty estimates and duplication arising from inter-service rivalries have all made it difficult to assess accurately how adequate--or inadequate--our defenses really are.<sup>63</sup>

In the meantime, President Kennedy readjusted defense priorities and proposed a slight increase to President Eisenhower’s FY 1962 defense budget to strengthen strategic deterrence and the ability to deter or confine limited wars.<sup>64</sup> In what became known as the “Flexible Response” strategy, President Kennedy sought a balance of strategic deterrence and conventional forces throughout the land, air, sea and space.<sup>65</sup> He expanded strategic deterrence beyond the air and missile focus of President Eisenhower to include submarines (i.e., the nuclear triad), continental defense as well as command and control.<sup>66</sup> With respect to limited wars, President Kennedy believed the DoD required greater ability to deal with guerrilla forces, insurrections, and subversion while leveraging the cooperative efforts of other peoples.<sup>67</sup> As a result, President Kennedy increased ground force manpower to expand guerilla warfare units (i.e., Special Operations Forces) and fill conventional units closer to their authorized levels.<sup>68</sup>

The West Berlin crisis in July 1961 combined with the deteriorating situation in Southeast Asia, reinforced President Kennedy’s concerns and hastened the importance

of strengthening the nation's defense.<sup>69</sup> In response, President Kennedy initiated measures to permanently increase the size of conventional forces, mobilize National Guard and reserve units, and increase draft calls to meet manpower needs.<sup>70</sup> He also increased defense spending 8 percent in FY 1962, providing the DoD an 11 percent increase in procurement and a 24 percent increase in the size of the Army.<sup>71</sup> The Army used this additional manpower to increase the number of combat ready divisions in the active component from 11 in 1961 to 16 in 1962.<sup>72</sup>

By January 1962, President Kennedy formalized his national defense strategy, which was to provide:

a strategic offensive force which would survive and respond overwhelmingly after a massive nuclear attack; a command and control system which would survive and direct the response; an improved anti-bomber defense system; a civil defense program which would help to protect an important proportion of our population from the perils of nuclear fallout; combat-ready limited war forces and the air and sealift needed to move them quickly to wherever they might have to be deployed; and special forces to help our allies cope with the threat of Communist sponsored insurrection and subversion.<sup>73</sup>

To implement President Kennedy's strategy, the nation kept defense spending slightly elevated at \$435 billion per year.<sup>74</sup> After completing the buildup of general purpose forces in 1962, the DoD continued implementing this strategy with increased funding for Command, Control, Communication, Intelligence and Space (C3IS) programs, research and development, and Special Operations Forces.<sup>75</sup>

In December 1963, shortly after taking office, President Lyndon B. Johnson pledged to carry forward the national security enhancements initiated under the late President Kennedy.<sup>76</sup> However, President Johnson called for reductions in defense spending by asking the Secretary of Defense and the Joint Chiefs of Staff to "to put a premium on sparing instead of spending, to get along with less while ... doing more."<sup>77</sup>

In his first budget request, President Johnson announced a series of major initiatives in domestic programs (i.e., education, training, health, and jobs) to “break the vicious circle of chronic poverty.”<sup>78</sup> President Johnson intended to fund his “Great Society” initiatives (i.e., domestic programs) through reductions in defense spending.<sup>79</sup>

Based on President Johnson’s proposals, the nation reduced defense spending by 3 percent to \$424 billion in FY 1964 and another 2 percent to \$414 billion in FY 1965.<sup>80</sup> Meanwhile, the situation in Vietnam continued to deteriorate and President Johnson increased the number of advisors in Vietnam from 16,300 to 23,300 by December, 1964.<sup>81</sup> Although President Johnson had campaigned in 1964 on the concept of “no wider war,” by the summer of 1965 he had escalated the U.S.’s involvement and approved the deployment of 100,000 ground forces to Vietnam.<sup>82</sup> President Johnson also requested and received appropriations from Congress to conduct operations in Vietnam which started the defense spending buildup in FY 1966.<sup>83</sup> President Johnson, however, decided against mobilizing reserve component forces and requesting an increase in taxes.<sup>84</sup>

Now that the nation had committed ground forces, the Vietnam War buildup kicked into high gear. The nation rapidly increased defense spending to a high of \$536 billion in FY 1967, an increase of 44 percent over the last drawdown.<sup>85</sup> The DoD surged immediate increases into procurement as well as research and development, which both tripled by FY 1967, while gradually increasing its operations and maintenance spending, in conjunction with the war effort, by 51 percent in FY 1969.<sup>86</sup> Similarly, the DoD’s spending on military manpower increased 36 percent by FY 1969, allowing it to grow the number of military service members by 66 percent from 2.5 million service

members in 1960 to 3.5 million in 1968.<sup>87</sup> Most significantly, the DoD increased the number of Army Soldiers by 83 percent from 859,000 in 1961 to 1,570,000 in 1968.<sup>88</sup>

### Vietnam War Drawdown

Even though defense spending peaked in FY 1967, the nation continued increasing the intensity of Vietnam combat operations until FY 1969, the peak year for spending on manpower and operations and maintenance.<sup>89</sup> As combat operations intensified in FY 1968 and FY 1969, the DoD reduced defense spending slightly, albeit 1 percent per year, due to its reductions in procurement and military construction.<sup>90</sup> The DoD reduced procurement most, by 13 percent in the first year and then by twice as much, on a percentage basis, than defense spending throughout the drawdown.<sup>91</sup> The DoD accelerated the Vietnam War drawdown in FY 1970 by reducing spending in all appropriations.<sup>92</sup> By FY 1975, defense spending hit a post-Vietnam War low of \$373 billion, the same level reached in FY 1954 following the Korean War.<sup>93</sup>

During the Vietnam drawdown, the nation reduced defense spending by 30 percent, and the DoD cut spending in the Army by 45 percent, Air Force by 38 percent and the Navy and Marine Corps by 27 percent, while increasing Defense-Wide spending by 58 percent.<sup>94</sup> With \$373 billion in FY 1975, the DoD allocated 32 percent to the Navy and Marine Corps (\$120 billion), 31 percent to the Air Force (\$114 billion), 26 percent to the Army (\$97 billion) and 11 percent for Defense-Wide activities (\$42 billion).<sup>95</sup> Even though defense spending reached a low point in FY 1975, manpower reductions continued until FY 1980. From FY 1968 to FY 1979, the DoD reduced military manpower by 43 percent from 3.5 million to 2.0 million active service members.<sup>96</sup> The DoD reduced the Army's active force the most, by 52 percent, from 1.6 million to 758,000 Soldiers.<sup>97</sup>

In addition to reducing spending and manpower during the Vietnam drawdown, the DoD was implementing the nation's decision to end conscription (i.e., the draft). Criticisms of the draft regarding its fairness, equity, legitimacy and the lack of discipline among draftees, forced national leaders to examine alternatives.<sup>98</sup> One of the reasons the nation decided to end conscription, however, was national leaders believed the U.S.'s population was large enough to attract sufficient volunteers for military service at acceptable costs.<sup>99</sup> Recruiting an all-volunteer force proved more difficult than some predicted, requiring the DoD to increase enlisted compensation by up to 76 percent.<sup>100</sup> The DoD now had to spend a greater percentage of its budget on manpower; as a result, the DoD decreased the size of its armed forces by 43 percent, during the Vietnam drawdown, but was only able to reduce manpower costs by 26 percent.<sup>101</sup>

### Cold War Buildup

In 1979, President Carter initiated slight increases in defense spending, for FY 1980 and beyond, based on concerns with Soviet military spending, Soviet aggression in Afghanistan, terrorism in Iran (i.e., the Iranian hostage crisis), and the needs of our NATO allies.<sup>102</sup> While running for reelection in 1980, President Carter pledged to increase defense spending through 1985 to rebuild the military after years of declining defense budgets.<sup>103</sup> Meanwhile, Governor Ronald Reagan attacked President Carter for weakening the nation's defense to a generational low, "while the Soviet Union is vastly outspending us in both strategic and conventional arms."<sup>104</sup>

After assuming office, President Ronald Reagan's most immediate priority was to fix the economy.<sup>105</sup> President Reagan submitted to Congress his economic plan which reduced growth in size of the federal government, along with its spending and taxes, to get control of inflation and to create jobs.<sup>106</sup> He also called for restoring national security

which he believed had been shortchanged to meet the needs of entitlement programs.<sup>107</sup> President Reagan worked with Congress to increase FY 1982 defense funding and address pervasive deficiencies in readiness, inadequate compensation which threatened the all-volunteer force (e.g., 14.3 percent pay raise), and the lack of critical investments in conventional and strategic force modernization.<sup>108</sup>

President Reagan's FY 1983 Budget continued strengthening the military's "posture in four primary areas: strategic forces, combat readiness, force mobility, and general purpose forces," while his primary concerns were modernizing the nation's strategic bomber, submarine and land-based missile systems.<sup>109</sup> Soon after submitting to Congress the FY 1984 Budget, President Reagan faced significant opposition to his proposed level of defense spending given the state of the economy.<sup>110</sup> President Reagan, however, announced the Soviets were dramatically expanding their military buildup and called for American resolve in creating a strong, credible defense and "not to allow the military balance to tip against the United States."<sup>111</sup> He also announced his Strategic Defense Initiative to counter the Soviet missile threat by developing capabilities which "could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies."<sup>112</sup>

The high water mark for defense spending during President Reagan's Cold War buildup was FY 1985 when defense spending reached \$561 billion, an increase of 51 percent over the previous low in FY 1975 and 41 percent over the FY 1980 level.<sup>113</sup> The DoD increased funding in all appropriations, increasing procurement by 157 percent, research and development by 98 percent, military construction and family housing by 84 percent, operations and maintenance by 62 percent, and military personnel by 13

percent.<sup>114</sup> During this time, the DoD's emphasis was on "Strategic Forces," "C3 Intel & Space," and "Mobility Forces" which more than doubled.<sup>115</sup> From a service perspective, the Reagan buildup allowed the DoD to increase the Air Force by 71 percent to \$193 billion, Navy by 58 percent to \$187 billion, Army by 57 to \$152 billion and Defense-Wide activities by 37 percent to \$54 billion.<sup>116</sup> The DoD only increased military manpower by 11 percent while growing ground forces the least by 4 percent.<sup>117</sup>

### Cold War Drawdown

Unlike previous drawdowns where the nation rapidly reduced defense spending, the Cold-War drawdown would more take more than a decade and span three presidencies. From FY 1986 through FY 1990, the nation reduced defense spending by an average of 2 percent each year.<sup>118</sup> These reductions were the result of compromises made between the executive and legislative branches of government.<sup>119</sup> By 1985, President Reagan believed the defense buildup had made significant progress toward achieving the nation's defense strategy and submitted a FY 1986 budget proposing modest reductions in defense spending.<sup>120</sup> In 1986, President Reagan pledged to hold growth in defense spending to a bare minimum and requested a FY 1987 budget with moderate increases to enhance arms reduction negotiations with the Soviet Union.<sup>121</sup> Congress, however, kept the growth in defense spending below inflation thus imposing real reductions.<sup>122</sup> Although desiring minimal increases for the FY 1988 and FY 1989 defense budgets, President Reagan recognized the importance of deficit reduction and negotiated a compromise with Congress to balance the budget and limit reductions in defense for the remainder of his term.<sup>123</sup>

When President George H.W. Bush took office in 1989, he intended to pursue small increases in defense spending.<sup>124</sup> The Strategic Defense Initiative, a top defense

priority, lacked congressional support and its cuts to this program contributed to defense reductions in FY 1990.<sup>125</sup> The fall of the Berlin Wall in November 1989 came as a surprise and hastened the nation's efforts to reduce defense spending.<sup>126</sup> When President Bush submitted his FY 1991 Budget a couple months later, he proposed real cuts to defense spending, particularly given the rapidly diminishing Soviet military threat and agreements to reduce U.S. and Soviet manpower in Europe.<sup>127</sup> In March 1990, President Bush announced a new national security strategy which stated the U.S. would still contribute to the global balance of power but would make its "military forces smaller, more agile, and better suited to likely contingencies."<sup>128</sup>

The nation's plans to reduce defense spending in FY 1991, however, had to be delayed as the U.S. and the international community conducted Operation Desert Storm "to drive Iraq out of Kuwait, to restore Kuwait's legitimate government, and to ensure the stability and security of this critical region."<sup>129</sup> Because coalition partners helped to significantly defray the costs of Operations Desert Shield and Desert Storm, total FY 1991 defense spending only increased by 1 percent.<sup>130</sup>

By the summer of 1991, the nation's plans to achieve a peace dividend through defense reductions proceeded rapidly. President Bush recommended a Base Realignment and Closure (BRAC) and announced a national security strategy of shifting our focus "away from the prospect of global confrontation" "to regional threats and peaceful engagement" built around a "significantly smaller but fully capable military."<sup>131</sup> In 1992, President Bush proposed a 30 percent reduction (i.e., by FY 1997) in defense spending while warning Congress against deeper cuts:

These cuts are deep, and you must know my resolve: This deep, and no deeper. To do less would be insensible to progress, but to do more would



be ignorant of history. We must not go back to the days of "the hollow army." We cannot repeat the mistakes made twice in this century when armistice was followed by recklessness and defense was purged as if the world were permanently safe.<sup>132</sup>

Meanwhile, Governor William Clinton was running for president, and he proposed expanding domestic programs by taking significant cuts out of the federal budget, including "prudent cuts in the defense budget."<sup>133</sup> Upon taking office, President Clinton proceeded to reduce the defense budget and transform the military for the post-Cold War world.<sup>134</sup> During a "Bottom-Up Review" President Clinton directed that the "Armed Forces be ready to face two major regional conflicts occurring almost simultaneously," however, the only major changes "were a further increment of budget and personnel reductions, shared evenly across the services."<sup>135</sup> By 1994, with training, readiness and quality of life his top defense priorities, President Clinton objected to further reductions in defense and proposed a slight increase in defense spending and BRAC recommendations to Congress.<sup>136</sup> The military's challenge of operating with reduced funding was exacerbated when it had use its base budget to fund contingency operations in the Persian Gulf, Somalia, Rwanda, Haiti, and elsewhere.<sup>137</sup> Later that year when facing significant pressure to balance the budget for FY 1996, President Clinton compromised with Congress to fund Bosnia operations within the base budget, putting further pressure on defense spending.<sup>138</sup> By FY 1997 and through FY 1998, President Clinton's defense reductions went too far for Congress which provided the DoD with more defense spending than the president requested.<sup>139</sup>

Even with congressional additions, defense spending reached a post-Cold War low in FY 1998 at \$375 billion, an amount on par with previous drawdowns.<sup>140</sup> However, the Cold War buildup was different from the Korean and Vietnam War buildups, as the

nation only increased its armed forces 10 percent during the Cold War.<sup>141</sup> While the nation reduced defense spending 33 percent during the Cold War drawdown, the DoD reduced its manpower levels by 37 percent and leveraged procurement funding which it reduced by 65 percent.<sup>142</sup> The DoD managed smaller reductions in operations and maintenance, research and development, military construction and family housing.<sup>143</sup>

As defense spending dropped 33 percent, the DoD disproportionately reduced the military services' funding (i.e., Air Force by 44 percent, Army by 39 percent and the Navy and Marine Corps by 38 percent) to increase Defense-Wide spending by 107 percent.<sup>144</sup> Prior to the Cold War buildup, the DoD allocated 32 percent to the Navy and Marine Corps, 31 percent to the Air Force, 26 percent to the Army and 11 percent for Defense-Wide activities.<sup>145</sup> Following the Cold War drawdown, Defense-Wide activities consumed 15 percent (\$56 billion) of the defense budget, more than one-half the 25 percent (\$93 billion) for the Army and 29 percent (\$109 billion) for the Air Force.<sup>146</sup> From a Major Force Program perspective, the DoD cut strategic forces the most (82 percent) and took significant reductions in general purpose forces (44 percent) and mobility forces (41 percent) to minimize reductions in National Guard and Reserve Forces (9 percent) and Special Operations Forces (11 percent).<sup>147</sup>

Even though defense spending was at a low in FY 1998, the DoD continued reducing its manpower through FY 2001.<sup>148</sup> During the Cold-War drawdown, the DoD reduced its manpower by 37 percent, an average of 3 percent a year, bottoming out at 2.1 million total DoD employees (1.5 million military and 687,000 civilians).<sup>149</sup> The DoD reduced its military services by similar percentages (i.e., Air Force 42 percent, Army 39 percent, Navy 37 percent) except for the Marine Corps which it reduced 14 percent from

200,000 to 173,000 Marines.<sup>150</sup> While the DoD reduced its civilian workforce by 39 percent, it leveraged civilian reductions within the services (Army 47 percent, Navy 45 percent, and Air Force 41 percent) and minimized reductions in the Defense-Wide civilian workforce to 31 percent.<sup>151</sup>

The Cold-War drawdown went too far for some national policy makers. In submitting the FY 1999 Budget, President Clinton asked Congress to provide additional defense funding to “reverse the decline in defense spending that began in 1985.”<sup>152</sup> Congress, however, continued providing additional defense spending through FY 2001 which went beyond President Clinton’s budget requests.<sup>153</sup>

#### Global War on Terror Buildup

In 2001, President George W. Bush described a strategy to transform the military, take full advantage of revolutionary technologies and redefine how wars would be fought to get the best value for the American taxpayer.<sup>154</sup> In submitting his first budget, President Bush requested a pay raise for military service members and increased research and development to begin the transforming the military for emerging threats.<sup>155</sup> The DoD, however, had to reprioritize its resources to conduct the bulk of these transformational efforts as President Bush’s top priorities were to cutting taxes, improving education, fixing Medicare and Social Security, and paying down the nation’s debt.<sup>156</sup>

The terrorist attacks on September 11, 2001 dramatically altered the prevailing trend in defense spending with national security emerging as a top national priority. Within days, President Bush obtained emergency supplemental funding, authorized the mobilization of reserve forces, signed into law the Authorization for Use of Military Force, and announced the nation’s “War on Terror,” to find, stop and defeat every

terrorist group with global reach.<sup>157</sup> Within a month, the U.S. commenced Operation Enduring Freedom in Afghanistan, part of the larger campaign on terror which would drive increased defense spending for the next decade.<sup>158</sup> In just the first year, the nation increased defense spending 12 percent from \$409 billion in FY 2001 to \$460 billion in FY 2002.<sup>159</sup>

Defense spending jumped an additional 18 percent in FY 2003 as the U.S. commenced Operation Iraqi Freedom to disarm Iraq, free its people, and defend the world from the grave danger posed by Iraq's weapons of mass murder.<sup>160</sup> For the next three years, the nation increased defense spending an average of 4 percent per year to support the increasingly large numbers of ground forces conducting stability operations in Iraq.<sup>161</sup> When President Bush changed the Iraq strategy in 2007, surging ground forces to put down sectarian violence, the nation increased defense spending which jumped 10 percent in FY 2007 and 8 percent in FY 2008, peaking at \$717 billion.<sup>162</sup> A significant part of the jump in FY 2008, however, was an extraordinarily large influx of procurement funding for force protection, such as the Mine-Resistant Ambush-Protected (MRAP) vehicles.<sup>163</sup>

In FY 2009, the nation reduced defense spending by 2 percent, but this reduction was only transitory while President Barack Obama shifted the military's emphasis to Afghanistan.<sup>164</sup> As the DoD employed resources being freed up in Iraq to implement the new Afghanistan strategy, defense spending increased 2 percent in FY 2010.<sup>165</sup>

From FY 2007 through FY 2011, the U.S. spent more annually, in real terms, on defense than it did during any time since World War II.<sup>166</sup> By FY 2010, defense spending was at \$713 billion, 90 percent above the post-Cold War low of \$375 billion in FY

1998.<sup>167</sup> The DoD significantly increased spending in all appropriations since 9/11; procurement, military construction and family housing more than doubled, operations and maintenance increased 40 percent, and research and development along with military manpower costs increased more than 30 percent.<sup>168</sup> The Global War on Terror (GWOT) has been manpower intensive. While fighting the wars in Afghanistan and Iraq, the DoD increased Army spending by 168 percent to \$267 billion in FY 2008, Navy by 57 percent to \$183 billion in FY 2010, Air Force by 56 percent to \$172 billion in FY 2009 and Defense-Wide activities by 99 percent to \$121 billion.<sup>169</sup>

#### Defense Spending Levels in Perspective

To put U.S. defense spending in perspective, the U.S. spent 44 percent of total global defense expenditures in 2010 and more than the next 20 countries combined.<sup>170</sup> The U.S. spent nearly \$6 trillion on defense FY 2001 through FY 2011, and more than doubled its annual defense expenditures since 2000.<sup>171</sup> After adjusting for inflation, defense spending was 71 percent higher in FY 2011 than it was in FY 2000.<sup>172</sup> War-related costs have been the most significant factor; the nation providing the DoD with \$1.2 trillion in supplemental funding, through FY 2011, to achieve the nation's objectives in Afghanistan and Iraq.<sup>173</sup> The U.S.'s recent withdrawal from Iraq and decreasing level of operations in Afghanistan is clearly reducing war-related funding.<sup>174</sup> While these reductions will provide significant savings, war-related funding is a small part of defense spending.<sup>175</sup> On the other hand, 86 percent of current defense spending is allocated for base budget activities – developing and maintaining military capabilities to be available when the nation needs to call on them for its defense – the cost to maintain but not use a military.<sup>176</sup> This base defense budget increased at a rate of 6.2 percent per year over the last decade, more than twice the rate of inflation.<sup>177</sup>

## Economic Challenges Will Drive Defense Spending Reductions

Meanwhile, the U.S. faces significant economic challenges which will drive significant reductions in defense spending and other programs.<sup>178</sup> The U.S. is struggling to emerge from its worst financial crisis since the Great Depression.<sup>179</sup> As President Obama stated in releasing his FY 2013 Budget, “we now face a make-or-break moment...after a historic recession that plunged our economy into a crisis from which we are still fighting to recover...”<sup>180</sup> Nine percent of the population is unemployed, more than double the four percent in 2001.<sup>181</sup> Fiscally, the U.S. Government spent \$6.1 trillion more than it brought in through revenues over the period of 2002 to 2011 and projects to add another \$4.8 trillion in debt from FY 2012 through FY 2017.<sup>182</sup> The rate of annual budget deficits increased ten-fold over the last decade from \$158 billion in FY 2002 to \$1.3 trillion in FY 2011.<sup>183</sup> The U.S.’ federal debt recently surpassed \$15.5 trillion and is projected to reach \$16.3 trillion by the end of FY 2012, a debt of more than \$50,000 for every U.S. citizen.<sup>184</sup>

Additionally, the U.S.’s economic challenges will continue to grow. The U.S.’s population is aging and more people will be relying on Social Security, Medicare and Medicaid.<sup>185</sup> More claimants for these entitlement programs combined with the rising costs for health care benefits will cause mandatory federal spending to go up considerably faster than any projection for the revenues required to pay for these entitlement programs.<sup>186</sup> Without any changes in the nation’s fiscal policies, the U.S. could face a situation in the future where it expends all its revenues on mandatory programs (i.e., entitlements, interest on the debt).<sup>187</sup> Such a situation would leave the nation little-to-no flexibility in resourcing basic discretionary programs without adding further to the nation’s debt. The President’s FY 2013 Budget puts discretionary

spending on a path “to fall to its lowest level as a share of the economy since Dwight Eisenhower was President.”<sup>188</sup> To prevent the U.S.’s federal debt from becoming unsupportable in the long-run, national policymakers will need to pursue a combination of cutting or restraining spending in both mandatory and discretionary programs while also raising revenues (e.g., taxes). Since the DoD consumes close to 20 percent of the total federal budget and more than fifty percent of the discretionary federal budget, the DoD will be a significant contributor in reducing federal spending.<sup>189</sup>

### Global War on Terror Drawdown

We have already entered the GWOT drawdown and national leaders are increasing their proposals to reduce defense spending. In 2010, former Secretary of Defense, Robert Gates, foresaw reduced levels of defense spending when he directed the DoD to find \$100 billion in inefficiencies “to provide the equivalent of the roughly two to three percent real growth – resources needed to sustain our combat power at a time of war and make investments to prepare for an uncertain future.”<sup>190</sup> In April 2011, President Obama announced an additional \$400 billion in defense savings over 10 years by “holding the growth in security spending below inflation” through efficiencies and a comprehensive review of “missions, capabilities, and our role in a changing world.”<sup>191</sup> Last summer, the White House and Congress created the Budget Control Act of 2011 to reduce the deficit and cut defense spending by \$450 billion over the next ten years.<sup>192</sup> When President Obama submitted his FY 2013 Budget, defense reductions totaled \$487 billion.<sup>193</sup> Meanwhile, provisions in The Budget Control Act require additional defense reductions of \$600 billion over the next ten years, starting in FY 2013.<sup>194</sup> Total defense cuts under this scenario equal \$1.1 trillion over a ten year period.<sup>195</sup> The administration is measuring the savings it generates from defense cuts

against the President's FY 2012 Budget, which projected \$6.141 trillion in base defense spending over the next ten years.<sup>196</sup>

### Implications of the Global War on Terror Drawdown

Now that we are already in a GWOT drawdown, the overarching questions are how far will the nation reduce defense spending, how long will the drawdown take, and what are the key observations from previous drawdowns to avoid?

Currently, the DoD faces base budget spending reductions of 8 percent to 18 percent over the next 10 years.<sup>197</sup> As the Secretary of Defense and Chairman of the Joint Chiefs have testified, implementing a sequestration reduction of 18 percent would undoubtedly be very challenging and introduce significant risk; however, in all previous drawdowns, the nation reduced defense spending even further.<sup>198</sup>

Historically, defense spending hovers around \$400 billion per year until the emergence of a national security crisis. During crises, the nature of the threat and associated military requirements clearly affects how much the nation increases defense spending evidenced by the 238 percent increase to \$606 billion for the Korean War, 44 percent increase to \$53 billion for the Vietnam War, 51 percent increase to \$561 billion for the Cold War, and 91 percent increase to \$717 billion during the GWOT.<sup>199</sup>

After emerging from a crisis, the nation reduces defense spending as rapidly as possible. The Korean War drawdown was dramatic, happening in just two years, whereas subsequent drawdowns have taken about 7 years.<sup>200</sup> During drawdowns, however, there is no clear correlation between defense spending levels and the security environment; the nation reduced defense spending to approximately \$375 billion in all drawdowns since the Korean War.<sup>201</sup> Once defense spending drops below \$400 billion, criticisms of military readiness drive national leaders to increase defense spending to



about \$400 billion until the next crisis.<sup>202</sup> If the nation follows historical patterns to reduce defense spending during the GWOT drawdown, the defense base budget could be reduced by about \$1.4 trillion, or 24 percent over the next 10 years.<sup>203</sup>

### Resource Allocations

Drawdowns have been both an opportunity and a forcing function to transform the nation's military strategy and capabilities. For example, President Eisenhower prioritized air and missile power to contain and deter the Soviet Union while the President George H.W. Bush began the transformation from global confrontation to addressing regional threats built on a smaller military.<sup>204</sup> One might argue that these transformations determined the DoD's resource allocations as clearly seen when President Eisenhower devoted 60 percent of defense spending to air power and air defense.<sup>205</sup> Resource allocations, overall, do not support the assertion that strategy drives resources. Historically, with some exceptions, the DoD allocated its resources fairly consistently between the military services providing an average of 25 percent of defense funding to the Army, 31 percent to the Navy and Marine Corps, and 31 percent to the Air Force.<sup>206</sup>

The most significant trend in resource allocation is the DoD's growth of Defense-Wide activities, which it funded by reducing the military services. The DoD has grown Defense-Wide funding, during buildups and drawdowns, from \$5 billion after the Korean War to \$95 billion in FY 2012.<sup>207</sup> During each drawdown, Defense-Wide activities consumed an increasingly larger share of the DoD's funding with 1 percent after Korea, 11 percent after Vietnam, 15 percent after the Cold War, and a projected 18 percent in FY 2013.<sup>208</sup> Collectively, the Defense-Wide activities have become an immense bureaucracy, consuming nearly as many resources as a military department, with 25

decentralized agencies reporting to the Secretary of Defense.<sup>209</sup> Examining the Defense-Wide activities' organizational construct for effectiveness and resource requirements for efficiency is beyond the scope of this paper.

The DoD also increased National Guard and Reserve Forces' funding during each drawdown, going from \$19 billion (5 percent of defense funding) in FY 1965 to \$23 billion after Vietnam (6 percent in FY 1975) and \$32 billion after the Cold War (8 percent in FY 1998).<sup>210</sup> As we enter the GWOT drawdown, the base budget funding for National Guard and Reserve Forces is at an all-time high of \$43 billion (8 percent in FY 2011), and if previous trends continue, National Guard and Reserve funding may consume about 10 percent of the base defense budget by the end of a GWOT drawdown.<sup>211</sup>

Meanwhile, National Guard and Reserve organizations are mobilizing their members to lobby Congress for increased funding and end strength based on an assertions they are "a better value" than their active counterparts.<sup>212</sup> The DoD's FY 2013 budget estimates the manpower costs for non-mobilized National Guard and Reserve Soldiers to be about 30 percent the cost of their active duty counterparts.<sup>213</sup> Meanwhile this simple comparison assumes no mobilization of the reserve components and does not include any of the required funding for training, operations, equipment or installations. Examining the merits of whether the reserve components are a better value – whether as an operational force or a strategic reserve – requires additional analysis and extends well beyond the scope of this paper.<sup>214</sup> As noted above, the DoD has significantly increased National Guard and Reserve funding; further increases need to be comprehensively examined in terms of the nation's military strategy for validity and effectiveness while balanced against the realities of resource efficiency.<sup>215</sup>

During the Cold War drawdown, the DoD increased funding for its Special Operations Forces (SOF) by 26 percent from \$3.9 billion in FY 1988 to \$4.9 billion in FY 1998.<sup>216</sup> With the heavy reliance on SOF during the GWOT, the DoD increased SOF funding by 150 percent to \$12 billion in FY 2010 and plans to increase it to \$15 billion by FY 2016.<sup>217</sup> While the DoD reduces its active duty forces, it plans to increase its SOF to 71,100 by FY 2015.<sup>218</sup> Since the military services fund all SOF manpower and common equipment, these increased SOF funding figures are approximate and do not capture the total growth or total costs of SOF.

The upward trend in SOF funding is consistent with recent operational needs and the new military strategy articulated in the DoD's FY 2013 defense budget priorities.<sup>219</sup> There is, however, a theoretical limit to how much the DoD can continue this growth. SOF effectiveness is based on its ability to be highly selective, recruiting a small number of people rather than larger numbers of troops, whom may not be up to the task.<sup>220</sup> As the DoD continues reducing the services' military manpower, it is reducing the SOF's recruiting pool and, as a result, its ability to be as selective in building an elite force.

The DoD's funding for Strategic Forces has continued to decrease over time, consuming an increasingly smaller portion of the defense budget. In FY 1962 the DoD spent 21 percent of its budget (\$89 billion) on Strategic Forces.<sup>221</sup> With the end of the Cold War strategy of global confrontation, the DoD's investment in Strategic Forces dropped to \$10 billion (1 percent of the budget) in FY 2010.<sup>222</sup> Barring an unexpected security threat, the nation's investment in Strategic Forces will likely remain at historically low levels as the nation focuses on regionally based threats.

## Military Manpower

National defense strategies are increasingly relying on smaller active duty armed forces. While overall defense spending remained fairly constant during the last three drawdowns, there are significant differences in military manpower levels with 2.5 million after Korea, 2.0 million after Vietnam, and 1.5 million after the Cold War.<sup>223</sup> One may argue that the DoD adjusted the size of the armed forces during each drawdown based on commitments and potential contingencies. For example, after the Korean War, the U.S. had significant commitments in Germany and Korea. Whereas, following the Cold War, the U.S. significantly reduced its forward presence to make its forces smaller, more agile and better suited for contingencies in contributing to the global balance of power. In the post-GWOT environment, the U.S.'s rebalance to the Asia-Pacific and the Middle East renews the DoD's emphasis on air and maritime forces while reducing the amount of active duty ground forces.<sup>224</sup> However, explaining force structure sizes based on strategy and commitments alone would be incomplete.

Manpower has become increasingly expensive even as the nation continues to reduce the size of the armed forces. The average direct cost of compensating service members while the nation used some form of conscription was \$60,570 per service member.<sup>225</sup> After fully implementing the all-volunteer force, the average compensation cost increased 21 percent to \$73,033.<sup>226</sup> During the GWOT, the average compensation cost increased an additional 35 percent to \$98,590, for a total increase of 63 percent above compensation levels during conscription.<sup>227</sup>

Even though military manpower has become more expensive, the DoD has been increasingly expending a smaller proportion of its defense budget on manpower. During the Korean War drawdown, 42 percent of the defense budget went to pay for military

manpower.<sup>228</sup> This proportion continued to drop in subsequent drawdowns to 40 percent following Vietnam, 31 percent following the Cold War, and is projected to be 25 percent in the post-GWOT period through FY 2016.<sup>229</sup>

With trends in manpower cost increases and smaller proportions of the defense budget spent on military manpower, the nation relies on increasingly smaller armed forces for its defense – while spending the same amount for national defense.<sup>230</sup> The number of military personnel serving in the armed forces went from 2.5 million following the Korean War to 2.0 million following the Vietnam War, a 19 percent reduction in available forces; following the Cold War, the armed forces were at 1.5 million, an additional reduction of 29 percent.<sup>231</sup>

The nation and the DoD face a strategic decision regarding the size of its armed forces as the GWOT drawdown accelerates. Given the current cost of manpower and the projection to spend 25 percent of its budget on manpower, the DoD would have to reduce its armed forces to about 1.0 million if defense spending returns to historical lows of about \$400 billion.<sup>232</sup> However, if the DoD's proposals to reduce manpower costs materialize, the DoD may only have to cut its armed forces to about 1.3 million.<sup>233</sup>

At the end of World War II, nearly 11 percent of the U.S. population was directly employed by the DoD, including 12 million military service members and 2.6 million civilians.<sup>234</sup> Ever since, the U.S. has relied on an increasingly smaller percentage of the population to provide for our common defense from 3.3 percent in the Korean War, 2.4 percent in the Vietnam War, 1.4 percent in the Cold War and 0.7 percent in 2012 as we continue fighting a war in Afghanistan.<sup>235</sup> Through the Vietnam War, the U.S. relied on the Selective Service System (i.e., conscription) to man the force enabling the DoD to

rapidly increase and demobilize manpower around crises. Today's all-volunteer force costs the nation 63 percent more, provides less demobilization flexibility and, being self-selecting, may be less connected to American society writ large.<sup>236</sup> The structural concept of manning the DoD with an all-volunteer military force may need to be revisited and possibly revised, particularly during periods of fiscal austerity.

### Equipment

In certain situations, technological advances may enable service members to be more capable than ever before and, as a result, the nation may be able to rely on smaller forces for many of its missions. However, even if leveraging technology increases effectiveness, it does not necessarily increase efficiency. The average cost of equipping service members has continually increased.<sup>237</sup> The annual cost to equip each service member, adjusted for inflation, was \$20,000 following World War II and increased 51 percent after Korea to \$31,000, four percent after Vietnam to \$32,000, 45 percent post-Cold War to \$46,000, and 83 percent during the GWOT to \$83,000.<sup>238</sup> The future equipping cost is projected to decrease slightly to \$76,000 which is 65 percent above the pre-GWOT equipping costs.

During drawdowns, the DoD typically cuts its procurement to meet near term funding reductions until it can reduce its force structure and manpower. While the DoD spends an average of about \$100 billion (22 percent of its budget) on procurement, the average drops to about \$83 billion (19 percent) during drawdowns.<sup>239</sup> There are extreme periods, such as the worst part of the 1990s procurement holiday, where procurement dropped below \$60 billion for five consecutive years (i.e., below 15 percent of the budget) from FY 1994 to FY 1998.<sup>240</sup> On the other extreme, the DoD expended over \$1 trillion on procurement since FY 2004, an average of \$132 billion per year.<sup>241</sup> In

essence, the DoD consistently spends about 22 percent of its budget to equip a smaller force with increasingly expensive technological advantages.

### Summary

All drawdowns since the Korean War reduced defense spending to about \$375 billion, and the most recent drawdowns have taken about 7 years to complete.<sup>242</sup> Once complete, national leaders expressed concerns with military readiness and, as a result, increased defense spending to near \$400 billion until the next crisis. Meanwhile, the President's FY 2013 budget includes \$487 billion in defense reductions over 10 years, equating to an 8 percent reduction. After these reductions, the current base defense budget of \$531 billion in FY 2012 is 38 percent higher, in real terms, than pre-9/11 levels.<sup>243</sup>

Barring a new national security crisis, the U.S.'s fiscal and economic situations will drive further reductions. The 2011 Budget Control Act sequestration requires about \$600 billion in additional defense cuts, for a total base budget reduction of 18 percent (i.e., \$1.1 trillion) over 10 years. However, if the nation follows previous drawdown patterns, base defense budget reductions would total 24 percent (i.e., \$1.4 trillion).<sup>244</sup> In this scenario, the DoD would have to cut its FY 2017 base budget by about \$115 billion from \$567 billion to \$456 billion.<sup>245</sup> Meanwhile, as manpower costs increase, the nation relies on smaller armed forces.<sup>246</sup> Without a fundamental change during the GWOT drawdown, the nation may have to reduce its armed forces to 1.0 million.<sup>247</sup>

In terms of resource allocation, Defense-Wide activities consume a larger share of funding, more than one-half the amount of the military services. Further increases in National Guard and Reserve funding need to be comprehensively examined in terms of strategy and efficiency to determine the best value. The DoD's growth of SOF may be

reaching a theoretical growth limit as the military services are reduced. Finally, the DoD spends about 22 percent of its budget on procurement to equip a smaller force with more expensive technological equipment. Drawdowns pose the most risk in this area of readiness as the DoD cuts procurement until it can reduce its other costs such as manpower. The procurement holiday of the 1990s is the most extreme example when procurement dropped below 15 percent of the budget.<sup>248</sup>

## Endnotes

<sup>1</sup> Dwight D. Eisenhower, "Radio Address to the American People on the National Security and Its Costs," (Washington, DC: The White House, May 19, 1953), <http://www.presidency.ucsb.edu/ws/index.php?pid=9854&st=korea&st1=#axzz1l8TwHVMx> (January 31, 2012).

<sup>2</sup> Calculations are in FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, (Washington, DC: Office of the Under Secretary of Defense (Comptroller), March 2011), 75.

<sup>3</sup> Ibid.

<sup>4</sup> The low points after each drawdown were \$372 billion in 1954 following the Korean War, \$373 billion in 1975 following Vietnam, and \$375 billion in 1998 following the Cold War (in FY 2012 constant dollars). Ibid.

<sup>5</sup> Harry S. Truman, "Annual Message to the Congress on the State of the Union," (Washington, DC: The White House, January 7, 1953), <http://www.presidency.ucsb.edu/ws/index.php?pid=14379#axzz1krP0zl00> (accessed January 29, 2012).

<sup>6</sup> Harry S. Truman, "Message to the Congress on the State of the Union and on the Budget for 1947," (Washington, DC: The White House, January 21, 1946) <http://www.presidency.ucsb.edu/ws/index.php?pid=12467#axzz1krP0zl00> (accessed January 29, 2012).

<sup>7</sup> Harry S. Truman, "Annual Message to the Congress on the State of the Union," (Washington, DC: The White House, January 6, 1947), <http://www.presidency.ucsb.edu/ws/index.php?pid=12762#axzz1krP0zl00> (accessed January 29, 2012).

<sup>8</sup> "In our steady Progress toward a more rational world order, the need for large armed forces is progressively declining; but the stabilizing force of American military strength must not be weakened until our hopes are fully realized. When a system of collective security under the United Nations has been established, we shall be willing to lead in collective disarmament, but, until such a system becomes a reality, we must not again allow ourselves to become weak and invite attack." Ibid.



<sup>9</sup> “We live in a world in which strength on the part of peace-loving nations is still the greatest deterrent to aggression. World stability can be destroyed when nations with great responsibilities neglect to maintain the means of discharging those responsibilities. This is an age when unforeseen attack could come with unprecedented speed. We must be strong enough to defeat, and thus forestall, any such attack.” Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Harry S. Truman, “Annual Message to the Congress on the State of the Union,” (Washington, DC: The White House, January 7, 1948), <http://www.presidency.ucsb.edu/ws/index.php?pid=13005#axzz1krP0zl00> (accessed January 29, 2012).

<sup>15</sup> President Truman initially requested \$6.8 billion for European Recovery in 1947 which equates to \$103 billion in FY 2012 constant dollars. The \$6.8 billion was converted from FY 1947 dollars to \$103 billion in FY 2012 dollars using TOA deflators from the U.S. Department of Defense National Defense Budget Estimates for Fiscal Year 2012. The calculation is \$6.8 billion/0.066335999 = \$102.5 billion. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 71.

<sup>16</sup> Truman, “Annual Message to the Congress on the State of the Union,” (1948).

<sup>17</sup> \$179 billion is expressed in FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Appropriation Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75; The manpower data is from Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 232.

<sup>18</sup> Harry S. Truman, “Special Message to the Congress on the Threat to the Freedom of Europe,” (Washington, DC: The White House, March 17, 1948), <http://www.presidency.ucsb.edu/ws/index.php?pid=13130&st=&st1=#ixzz1l8XrdnDG> (accessed January 31, 2012).

<sup>19</sup> “[R]educed to the very minimum necessary to meet our obligations abroad and are far below the minimum which should always be available in the continental United States.” Ibid.

<sup>20</sup> The containment strategy is generally considered to be formally articulated by National Security Memorandum 68 which “concluded the Soviet Union presented a long-term threat to the U.S. and world peace, a threat that would increase with Russian nuclear forces and continued deployments in occupied Eastern Europe.” The U.S. had four options, one being containment which would require the U.S. to “increase its own and its allies’ military strengths to deter Soviet expansionism or war.” Allan R. Millet and Peter Maslowski, *For The Common Defense: A Military History of the United States of America*, Rev. and expanded. (New York: The Free Press, 1994), 507; The increase in defense spending was in FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Appropriation Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75; The 9 percent increase

in Military Personnel and Retirement Appropriations was calculated from Table 6-1 Department of Defense TOA by Appropriation Title to support a 12 percent increase in military forces across the department. Calculations in military forces based on data in Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 75, 232.

<sup>21</sup> “While great problems still confront us, the greatest danger has receded--the possibility which faced us 3 years ago that most of Europe and the Mediterranean area might collapse under totalitarian pressure. Today, the free peoples of the world have new vigor and new hope for the cause of peace.” Harry S. Truman, “Annual Message to the Congress on the State of the Union,” (Washington, DC: The White House, January 4, 1950 <http://www.presidency.ucsb.edu/ws/index.php?pid=13567#ixzz1krXZK4H4> (accessed January 29, 2012); “We are working toward the time when the United Nations will control weapons of mass destruction and will have the forces to preserve international law and order.” Ibid.

<sup>22</sup> “While the world remains unsettled, however, and as long as our own security and the security of the free world require, we will maintain a strong and well-balanced defense organization.” Ibid; “At present, largely because of the ill-considered tax reduction of the Congress, the Government is not receiving enough revenue to meet its necessary expenditures. To meet this situation, I am proposing that Federal expenditures be held to the lowest levels consistent with our international requirements and the essential needs of economic growth, and the well-being of our people. Don't forget that last phrase. At the same time, we must guard against the folly of attempting budget slashes which would impair our prospects for peace or cripple the programs essential to our national strength.” Ibid.

<sup>23</sup> The DoD went from 12 million military service members in FY 1945 to 1.5 million in FY 1950 from Table 7-5: DoD Manpower – FY 1940 to FY 2012. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 232.

<sup>24</sup> The Army drew down the most from 6 million Soldiers in 1945 to 554,000 in FY 1948, a total reduction of 91 percent. The Marine Corps drew down the least from 476,000 in FY 1944 to 74,000 in FY 1950, a reduction of 84 percent. The Navy went from 3.3 million in FY 1945 to 381,000 in FY 1950 reducing by 89 percent while the Air Force similarly reduced 87 percent from 2.4 million in FY 1944 to 306,000 in FY 1947. Ibid.

<sup>25</sup> The DoD increased its emphasis on research, development and acquisition by more than 20 percent. Calculations are in FY 2012 constant dollars from data in Table 6-1: DoD TOA by Appropriation Title – FY 1948 to FY 2016, and Table 6-3: DoD TOA by Service – FY 1948 to FY 2016, Ibid., 75, 87.

<sup>26</sup> Military manpower costs of 47 percent were calculated in FY 2012 constant dollars based on \$90 billion in manpower as a percent of DoD total spending of \$193 billion in FY 1950 from Table 6-1: DoD TOA by Appropriation Title – FY 1948 to FY 2016. Ibid., 75.

<sup>27</sup> These appropriations were O&M \$59 billion, Procurement \$37 billion, and RDT&E \$5 billion with calculations as a percent of DoD total \$193 billion in FY 1950 (in FY 2012 constant dollars). Ibid.

<sup>28</sup> Calculated in FY 2012 constant dollars from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016, Ibid., 87.

<sup>29</sup> On June 25, 1950 the North Korean People's Army (NKPA) invaded the Republic of Korea with 138,000 men, entering Seoul three days later. *The United States Army Home Page* at 60th Anniversary of the Korean War <http://www.army.mil/koreanwar/textonly.html> (accessed January 24, 2012).

<sup>30</sup> Harry S. Truman, "Statement by the President on the Situation in Korea," (Washington, DC: The White House, June 27, 1950), <http://www.presidency.ucsb.edu/ws/index.php?pid=13538&st=&st1=#axzz1l8TwHVMx> (accessed January 31, 2012).

<sup>31</sup> On July 5, 1950 Task Smith, outnumbered and poorly equipped, only delayed the North Koreans for a short period before retreating with heavy casualties. *The United States Army Home Page* at 60th Anniversary of the Korean War.

<sup>32</sup> "Under all the circumstances, it is apparent that the United States is required to increase its military strength and preparedness not only to deal with the aggression in Korea but also to increase our common defense, with other free nations, against further aggression. The increased strength which is needed falls into three categories. In the first place, to meet the situation in Korea, we shall need to send additional men, equipment and supplies to General MacArthur's command as rapidly as possible. In the second place, the world situation requires that we increase substantially the size and materiel support of our armed forces, over and above the increases which are needed in Korea. In the third place, we must assist the free nations associated with us in common defense to augment their military strength." The other areas included the Philippines, Indo-China, and Formosa. Truman, "Statement by the President on the Situation in Korea." Harry S. Truman, "Special Message to the Congress Reporting on the Situation in Korea," (Washington, DC: The White House, July 19, 1950), <http://www.presidency.ucsb.edu/ws/index.php?pid=13560&st=&st1=#axzz1ok8XssnR> (accessed January 31, 2012).

<sup>33</sup> "To meet the increased requirements for military manpower, I have authorized the Secretary of Defense to exceed the budgeted strength of military personnel for the Army, Navy, and Air Force, and to use the Selective Service system to such extent as may be required in order to obtain the increased strength which we must have. I have also authorized the Secretary of Defense to meet the need for military manpower by calling into active Federal service as many National Guard units and as many units and individuals of the Reserve forces of the Army, Navy, and Air Forces as may be required." Ibid.

<sup>34</sup> "We must make every effort to finance the greatest possible amount of needed expenditures by taxation. The increase of taxes is our basic weapon in offsetting the inflationary pressures exerted by enlarged government expenditures. Heavier taxes will make general controls less necessary." Ibid.

<sup>35</sup> U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75; Truman, "Special Message to the Congress Reporting on the Situation in Korea."

<sup>36</sup> From Table 7-5: DoD Manpower – FY 1940 to FY 2012. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 232.

<sup>37</sup> In FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Appropriation Title. Ibid., 75.

<sup>38</sup> The appropriations amounts were Procurement \$235 billion, MILPERS & Retired Pay \$188 billion, O&M \$152 billion, MILCON and Family Housing \$15.9 billion, RDT&E \$15.5 billion in FY 1952 with calculations based in FY 2012 constant dollars. Ibid.

<sup>39</sup> Calculations in FY 2012 constant dollars from Table 6-3 Department of Defense TOA by Service, Ibid., 87.

<sup>40</sup> "The budget inherited by this Administration, for the year beginning this July 1, called for expenditures of 78.6 billion dollars, and signified another red-ink entry in our national books of 9.9 billion dollars on top of other big deficits for last year and this year... Because of the necessary costs of the national security, your government is not just preaching economy but practicing it. Every department of this government has already cut its requests for funds for the next fiscal year. As a result, we have been able to reduce the previous Administration's request for appropriations of new money by some 8 1/2 billion dollars." The 11 percent reduction was calculated based on President Eisenhower's announced cut of \$8.5 billion of the \$78.6 billion requested by President Truman. Dwight D. Eisenhower, "Radio Address to the American People on the National Security and Its Costs," (Washington, DC: The White House, May 19, 1953), <http://www.presidency.ucsb.edu/ws/index.php?pid=9854&st=korea&st1=#axzz1l8TwHVMx> (accessed January 31, 2012).

<sup>41</sup> "With all this in mind, we are putting major emphasis on air power, which daily becomes a more important factor in war. Our revised budget will provide the Air Force with more than 40% of all defense funds for 1954. As of this June 30, the Air Force will have available a sum of more than 40 billion dollars. Buttressing this strength are those additional funds allocated to naval air power for 1954--totaling more than half of the Navy budget. This means that almost 60 cents out of every dollar to be available for the entire national defense in the next year will be devoted to air power and air defense. These investments in air power represent and will continue to represent the heaviest single annual outlay of our government. It is my conviction that our developing program--under constant review and study--will result in a steady growth in the size and efficiency of the air defense, until we have attained an adequate level of security." Ibid.

<sup>42</sup> "The fighting in Korea was ended by an armistice which has now been in effect for five months. We do not need as much ground strength there now as when there was fighting. That is more true because of the capabilities of ROK forces which were substantially built up during the war. Also our growing national air power possesses greater mobility and greater striking force than ever before." Dwight D. Eisenhower, "Statement by the President on Reducing American Forces in Korea," (Washington, DC: The White House, December 26, 1953), <http://www.presidency.ucsb.edu/ws/index.php?pid=9792&st=korea&st1=#axzz1l8TwHVMx> (accessed January 31, 2012).

<sup>43</sup> "Proposed reductions in major national security expenditures in 1955 represent the largest single element of reduction from the current year's level of expenditures." Dwight D. Eisenhower, "Annual Budget Message to the Congress: Fiscal Year 1955," (Washington, DC: The White House, January 21, 1954), <http://www.presidency.ucsb.edu/ws/index.php?pid=9919&st=defense&st1=#axzz1l8TwHVMx> (Accessed January 31, 2012).

<sup>44</sup> Calculations are in FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Appropriation Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75.

<sup>45</sup> Ibid.

<sup>46</sup> Ibid.

<sup>47</sup> Calculations are in FY 2012 constant dollars from Table 6-3 Department of Defense TOA by Service, Ibid., 87.

<sup>48</sup> Calculations are in FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Appropriation Title and Table 6-3 Department of Defense TOA by Service. Ibid., 75, 87.

<sup>49</sup> In real terms, defense spending slowly increased for three years (FYs 1955 – 1957) then decreased for another three years (FYs 1958 – 1960), ending up at \$378 billion in FY 1960 very near its low of \$373 billion in FY 1954. Ibid.

<sup>50</sup> Dwight D. Eisenhower, “Letter to the Secretary of Defense on National Security Requirements,” (Washington, DC: The White House, January 5, 1955), <http://www.presidency.ucsb.edu/ws/index.php?pid=10405&st=defense&st1=#axzz1l8TwHVMx> (accessed January 31, 2012)

<sup>51</sup> Ibid.

<sup>52</sup> For more information on President Eisenhower’s “New Look,” please read Millet and Maslowski, *For The Common Defense: A Military History of the United States of America*, 534-539, 558-560, 571; The DoD’s prioritization is based on an analysis of Table 6-3 Department of Defense TOA by Service and Table 6-1 Department of Defense TOA by Appropriation Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75, 87.

<sup>53</sup> Similarly, the DoD reduced its civilian workforce from 1.7 million to 1.2 million. Calculations are based on Table 7-5: DoD Manpower – FY 1940 to FY 2012. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 232.

<sup>54</sup> Ibid.

<sup>55</sup> Warner R. Schilling, “The Politics of National Defense, Fiscal 1950” in Warner R. Schilling, Paul Y. Hammond and Glenn H. Snyder, *Strategy, Politics, and Defense Budgets*, (New York, Columbia University Press, 1962) 7-8.

<sup>56</sup> Ibid.

<sup>57</sup> The average defense spending in Fiscal Years 1948-1950 was \$188 billion in constant FY 2012 dollars whereas the FY 1960 level was \$378 billion from Table 6-1 Department of Defense TOA by Appropriation Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75.

<sup>58</sup> The DoD had 3.666 million personnel in FY 1961 compared to 2.169 million personnel in FY 1950 from Table 7-5: DoD Manpower – FY 1940 to FY 2012, Ibid., 232.

<sup>59</sup> Comparison of FY 1960 to FY 1952 with calculations based on FY 2012 constant dollar values from Table 6-3 Department of Defense TOA by Service, Ibid., 87.

<sup>60</sup> Ibid.

<sup>61</sup> John F. Kennedy, "Annual Message to the Congress on the State of the Union," (Washington, DC: The White House, January 30, 1961), <http://www.presidency.ucsb.edu/ws/index.php?pid=8045#axzz1krP0zl00> (accessed January 29, 2012).

<sup>62</sup> Ibid.

<sup>63</sup> Ibid.

<sup>64</sup> In the meantime, President Kennedy increased air-lift capacity enabling conventional forces to respond to global crises, accelerated the Polaris submarine program to enhance strategic deterrence and missile defense program to deter attack based on invincibility. John F. Kennedy, "Special Message to the Congress on the Defense Budget," (Washington, DC: The White House, March 28, 1961), <http://www.presidency.ucsb.edu/ws/index.php?pid=8554&st=defense&st1=#axzz1l8TwHVMx> (accessed February 1, 2012).

<sup>65</sup> For more information on President Kennedy's "Flexible Response," please read Millet and Maslowski, *For The Common Defense: A Military History of the United States of America*, 552-560, 563, 571, 615; John F. Kennedy, "Statement by the President to Cabinet Officers and Agency Heads on the 1962 and 1963 Budget Outlook," (Washington, DC: The White House, October 26, 1961), <http://www.presidency.ucsb.edu/ws/index.php?pid=8407&st=defense&st1=#ixzz1lFtOcwq6> (accessed February 1, 2012).

<sup>66</sup> Kennedy, "Special Message to the Congress on the Defense Budget,"

<sup>67</sup> Ibid.

<sup>68</sup> Ibid.

<sup>69</sup> John F. Kennedy, "Radio and Television Report to the American People on the Berlin Crisis," (Washington, DC: The White House, July 25, 1961), <http://www.presidency.ucsb.edu/ws/index.php?pid=8259&st=defense&st1=#axzz1l8TwHVMx> (accessed February 1, 2012).

<sup>70</sup> Ibid.

<sup>71</sup> Spending calculations are in FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Appropriation Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75; The 24 percent increase in the Army's size was calculated from Table 7-5: DoD Manpower – FY 1940 to FY 2012, Ibid., 232.

<sup>72</sup> John F. Kennedy, "Statement by the President on the Release of National Guard and Reserve Units," (Washington, DC: The White House, April 11, 1962), <http://www.presidency.ucsb.edu/ws/index.php?pid=8600&st=defense&st1=#axzz1l8TwHVMx> (accessed February 1, 2012).

<sup>73</sup> John F. Kennedy, "Annual Budget Message to the Congress, Fiscal Year 1963," (Washington, DC: The White House, January 18, 1962), <http://www.presidency.ucsb.edu/ws/index.php?pid=8588&st=defense&st1=#axzz1l8TwHVMx> (accessed February 1, 2012).

<sup>74</sup> Defense spending in FY 1962 and FY 1963 was \$435 billion in constant FY 2012 dollars from Table 6-5 Department of Defense TOA by Program, U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 94.

<sup>75</sup> In FY 1963, C3, INTEL & Space increased 18 percent, Research & Development by 16 percent, and Special Operations Forces by 11 percent. Ibid.

<sup>76</sup> Lyndon B. Johnson, "Remarks to the Joint Chiefs of Staff and to Officials of the Department of Defense," (Washington, DC: The White House, December 11, 1963), <http://www.presidency.ucsb.edu/ws/index.php?pid=26276&st=defense&st1=#axzz1l8TwHVMx> (accessed February 1, 2012).

<sup>77</sup> "So, gentlemen, I look to you not only to protect your country and your country's security, but I plead with you to protect your country's purse, to safeguard not only her military strength but her financial stability. I count on you and I plead with you to put a premium on sparing instead of spending, to get along with less while you are doing more." Ibid.

<sup>78</sup> Lyndon B. Johnson, "Annual Budget Message to the Congress, Fiscal Year 1965," (Washington, DC: The White House, January 21, 1964), <http://www.presidency.ucsb.edu/ws/index.php?pid=26013&st=defense&st1=#axzz1l8TwHVMx> (accessed February 1, 2012).

<sup>79</sup> President Johnson's "Great Society" was described as the "most ambitious legislative program of domestic reforms since President Roosevelt's "New Deal." George C. Herring, *America's Longest War The United States And Vietnam, 1950-1975*, 4th ed. (New York: McGraw-Hill, 2002), 136; "As a result of the highly successful cost reduction program launched in 1962 by the Secretary of Defense, the 1965 program of the Department of Defense will require over \$2 billion less in appropriations than would otherwise be the case--a sum greater than the 1965 cost of the new programs I am recommending to the Congress." Johnson, "Annual Budget Message to the Congress, Fiscal Year 1965."

<sup>80</sup> Calculations are in constant FY 2012 dollars from Table 6-1 Department of Defense TOA by Appropriation Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75.

<sup>81</sup> Herring, *America's Longest War The United States And Vietnam, 1950-1975*, 133, 139.

<sup>82</sup> Ibid., 166.

<sup>83</sup> Ibid., 161.

<sup>84</sup> Ibid., 165.

<sup>85</sup> In FY 2012 constant dollars, total DoD TOA increased by 18 percent in FY 1966 to \$489 billion then by 10 percent to \$536 billion in FY 1967. The overall increase of 44 percent is from the previous low of \$373 billion in FY 1952 to the \$536 billion in FY 1967 from Table 6-1 Department of Defense TOA by Appropriation Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75.

<sup>86</sup> Ibid.

<sup>87</sup> Ibid; Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 232.

<sup>88</sup> Ibid.

<sup>89</sup> In FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Appropriation Title. Ibid., 75.

<sup>90</sup> Ibid.

<sup>91</sup> Ibid.

<sup>92</sup> Ibid.

<sup>93</sup> Ibid.

<sup>94</sup> The Army went from \$177 billion in FY 1968 to \$97 billion in FY 1975. In FY 1967, spending was \$163 billion for the Navy, \$182 billion for the Air Force and \$536 billion for DoD, and these spending levels decreased to \$120 billion, \$113 billion and \$373 billion, respectively. Meanwhile Defense-Wide spending increased from \$26 billion in FY 1967 to \$42 billion in FY 1975. All values are in FY 2012 constant dollars from Table 6-3 Department of Defense TOA by Service, Ibid., 87.

<sup>95</sup> Ibid.

<sup>96</sup> From FY 1969 to FY 1979, the DoD reduced its overall manpower by 38 percent, an average of 4 percent a year. The DoD also reduced its civilian workforce by 29 percent from 1.4 million to 1.0 million. Calculations based on Table 7-5: DoD Manpower – FY 1940 to FY 2012, Ibid., 232.

<sup>97</sup> Ibid.

<sup>98</sup> Bernard Rostker, I want you! : The evolution of the All-Volunteer Force, (Santa Monica, CA: RAND Corporation, 2006), [http://www.rand.org/content/dam/rand/pubs/monographs/2007/RAND\\_MG265.pdf](http://www.rand.org/content/dam/rand/pubs/monographs/2007/RAND_MG265.pdf) (accessed February 26, 2012), 2.

<sup>99</sup> Ibid.

<sup>100</sup> “I am most hopeful that this is the last time a President must sign an extension of draft induction authority. Although it will remain necessary to retain a standby draft system in the interest of national security, this Administration is committed to achieving the reforms in military life as well as the public support for our Armed Forces which will make possible an end to peacetime conscription. The more equitable pay scales provided by this act are essential to achieving this goal. Much of the money authorized by this bill will be used to raise the pay of first term recruits, whose pay scales have been unconscionably low. A married man without children who has just completed basic training and lives off the military base now receives only \$255 a month, including his allowances. Under this new law, he will receive \$450 a month. A single man living on base who now receives \$149 will receive \$299 under this new law.” Richard Nixon, “Statement on Signing Bill Authorizing Extension of the Draft and Increases in Military Pay,” (Washington, DC: The White House, September 28, 1971), <http://www.presidency.ucsb.edu/ws/index.php?pid=3169&st=draft&st1=#ixzz1nXZ45yb9>



(accessed February 26, 2012); For more information on the reasons behind repealing the draft please see Richard Nixon, "Special Message to the Congress on Reforming the Military Draft," (Washington, DC: The White House, May 13, 1969) <http://www.presidency.ucsb.edu/ws/index.php?pid=2046&st=draft&st1=#ixzz1nXcyGzsx> (accessed February 26, 2012).

<sup>101</sup> The size of the military decreased 43 percent from 3.547 million in FY 1968 to 2.031 million in FY 1979. Manpower costs (i.e., MILPERS & Retired Pay) decreased 29 percent in real terms from \$207 billion in FY 1969 to \$147 billion in FY 1978 (in FY 2012 constant dollars). U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 232, 94.

<sup>102</sup> "The 1980 defense budget provides for growth in outlays in real terms of 3% above the current year's spending. Most of this increase will be for strengthening our NATO forces and maintaining the strategic balance. The budget continues my policy of steady modernization of our strategic forces, and improved combat readiness of our tactical forces. It also emphasizes research and development to meet future challenges to our security." Jimmy Carter, "Budget Message to the Congress Transmitting the Fiscal Year 1980 Budget," (Washington, DC: The White House, January 22, 1979), <http://www.presidency.ucsb.edu/ws/index.php?pid=32601&st=defense&st1=#ixzz1ISRrpYDj> (accessed February 3, 2012); "The long decline in real spending for defense that began in 1969 has been reversed. The uncertain and sometimes hostile world we live in requires that we continue to rebuild our defense forces. The United States will continue to seek peaceful means to settle international disputes. But I cannot ignore the major increases in Soviet military spending that have taken place inexorably over the past 20 years. I cannot ignore our commitment to our NATO allies for mutual real increases in our investment in national defense. I cannot ignore the implications of terrorism in Iran, or Soviet aggression in Afghanistan." Jimmy Carter, "Budget Message to the Congress Transmitting the Fiscal Year 1981 Budget," (Washington, DC: The White House, January 28, 1980), <http://www.presidency.ucsb.edu/ws/index.php?pid=32851&st=defense&st1=#axzz1IRJidX00> (accessed February 3, 2012).

<sup>103</sup> "I am committed as a matter of fundamental policy to continued real increases in defense; and I plan increases in my defense budgets through 1985" Carter, "Budget Message to the Congress Transmitting the Fiscal Year 1981 Budget."

<sup>104</sup> Ronald Reagan, "Address Accepting the Presidential Nomination at the Republican National Convention in Detroit," (Detroit, MI: The American Presidency Project, July 17, 1980), <http://www.presidency.ucsb.edu/ws/index.php?pid=25970&st=defense&st1=#ixzz1nXT3E2IT> (accessed February 3, 2012).

<sup>105</sup> "I've only been here 9 days, and most of these 9 days have been spent in Cabinet meetings on the economy, getting ready to send our package up to the Hill." Ronald Reagan, "The President's News Conference," (Washington, DC: The White House, January 29, 1981), <http://www.presidency.ucsb.edu/ws/index.php?pid=44101&st=defense&st1=#ixzz1ITJU51Bi> (accessed February 3, 2012).

<sup>106</sup> "This plan is aimed at reducing the growth in government spending and taxing, reforming and eliminating regulations which are unnecessary and unproductive or counterproductive, and encouraging a consistent monetary policy aimed at maintaining the value of the currency. If enacted in full, this program can help America create 13 million new jobs, nearly 3 million more than we would have without these measures. It will also help us to gain control of inflation." Ronald Reagan, "Address Before a Joint Session of the Congress on the Program for Economic

Recovery,” (Washington, DC: The White House, February 18, 1981), <http://www.presidency.ucsb.edu/ws/index.php?pid=43425&st=defense&st1=#axzz1IRJidX00> (accessed February 3, 2012).

<sup>107</sup> “[T]he Department of Defense. It's the only department in our entire program that will actually be increased...I believe that my duty as President requires that I recommend increases in defense spending over the coming years.... As a result of its massive military buildup, the Soviets have made a significant numerical advantage in strategic nuclear delivery systems, tactical aircraft, submarines, artillery, and anti-aircraft defense. To allow this imbalance to continue is a threat to our national security. Notwithstanding our economic straits, making the financial changes beginning now is far less costly than waiting and having to attempt a crash program several years from now.” Ibid.; “Where Government had passively tolerated the swift, continuous growth of automatic entitlements and had actively shortchanged the national security, a long-overdue reordering of priorities has begun, entitlement growth is being checked, and the restoration of our defenses is underway.” Ronald Reagan, “Message to the Congress Transmitting the Fiscal Year 1983 Budget,” (Washington, DC: The White House, February 8, 1982), <http://www.presidency.ucsb.edu/ws/index.php?pid=41977&st=defense&st1=#ixzz1ISrYqjYL> (accessed February 3, 2012).

<sup>108</sup> “At the same time that the Congress joined in these long-overdue efforts to pare back the size of the Federal budget and slow its momentum of growth, it has fully supported our ambitious but essential plan to rebuild our national defense. A year ago every component of military strength was flashing warning lights of neglect, underinvestment, and deteriorating capability. Today, health is being restored. Pervasive deficiencies in readiness—including too many troops not ready for combat, too many weapons systems out of commission, too few people with critical combat skills, and too few planes and ships fully capable of their missions—are being corrected. Funds for operations and maintenance, including training and aircraft flying hours, have been boosted. Backlogs of combat equipment needing repair are being eliminated. Adequate supplies of spare parts necessary to support high operating rates for training, as well as to provide war reserves, are being purchased. The serious inadequacy in pay and benefits that threatened the all-volunteer force, caused an exodus of skilled personnel, and sapped morale throughout the armed services has been corrected. Last year's 14.3% pay increase has improved recruit quality, boosted reenlistment rates, stopped the drain of critical skills, and contributed to the dramatic revival of morale in our military services.” Ibid.

<sup>109</sup> Ibid.; “The Soviet Union built over 200 new Backfire bombers, and their brand new Blackjack bomber is now under development. We haven't built a new long-range bomber since our B-52's were deployed about a quarter of a century ago, and we've already retired several hundred of those because of old age.” Ronald Reagan, “Address to the Nation on Defense and National Security,” (Washington, DC: The White House, March 23, 1983), <http://www.presidency.ucsb.edu/ws/index.php?pid=41093&st=defense&st1=#axzz1IRJidX00> (accessed February 3, 2012); “Over the same period, the Soviet Union built 4 new classes of submarine-launched ballistic missiles and over 60 new missile submarines. We built 2 new types of submarine missiles and actually withdrew 10 submarines from strategic missions.” Ibid.; “the United States introduced its last new intercontinental ballistic missile, the Minute Man III, in 1969, and we're now dismantling our even older Titan missiles. But what has the Soviet Union done in these intervening years? Well, since 1969 the Soviet Union has built five new classes of ICBM's, and upgraded these eight times. As a result, their missiles are much more powerful and accurate than they were several years ago, and they continue to develop more, while ours are increasingly obsolete.” Ibid.; President Reagan established a Presidential commission to “review

the strategic modernization program for United States forces, with particular reference to the intercontinental ballistic missile system and basing alternatives for that system, and provide appropriate advice to the President, the National Security Council, and the Department of Defense.” Ronald Reagan, “Executive Order 12400 - President's Commission on Strategic Forces,” (Washington, DC: The White House, January 3, 1983), <http://www.presidency.ucsb.edu/ws/index.php?pid=41087&st=defense&st1=#ixzz1ITLY8brh> (accessed February 3, 2012).

<sup>110</sup> “The calls for cutting back the defense budget come in nice, simple arithmetic. They're the same kind of talk that led the democracies to neglect their defenses in the 1930's and invited the tragedy of World War II. We must not let that grim chapter of history repeat itself through apathy or neglect. This is why I'm speaking to you tonight-to urge you to tell your Senators and Congressmen that you know we must continue to restore our military strength. If we stop in midstream, we will send a signal of decline, of lessened will, to friends and adversaries alike.” Ronald Reagan, “Statement on United States Defense Policy,” (Washington, DC: The White House, March 9, 1983), <http://www.presidency.ucsb.edu/ws/index.php?pid=41028&st=defense&st1=#axzz1IRJidX00> (accessed February 3, 2012).

<sup>111</sup> “The Soviets have not slowed the pace of their enormous military buildup. In little over a year, they have begun testing new models in almost every class of nuclear weapons. They are dramatically expanding their navy and air force, are training and equipping their ground forces for preemptive attack, and are using their military power to extend their influence and enforce their will in every corner of the globe. We must continue to demonstrate our resolve not to allow the military balance to tip against the United States. By demonstrating that resolve, we will not only deter aggression but we will also offer the Soviets a real incentive to accept genuine, mutual arms reduction.” Ibid.

<sup>112</sup> “My predecessors in the Oval Office have ... proposed steps to address that threat. But since the advent of nuclear weapons, those steps have been increasingly directed toward deterrence of aggression through the promise of retaliation. This approach to stability through offensive threat has worked. We and our allies have succeeded in preventing nuclear war for more than three decades. ... I've become more and more deeply convinced that the human spirit must be capable of rising above dealing with other nations and human beings by threatening their existence. ... Wouldn't it be better to save lives than to avenge them? Are we not capable of demonstrating our peaceful intentions by applying all our abilities and our ingenuity to achieving a truly lasting stability? I think we are. Indeed, we must... embark on a program to counter the awesome Soviet missile threat with measures that are defensive. Let us turn to the very strengths in technology that spawned our great industrial base and that have given us the quality of life we enjoy today. What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies? I know this is a formidable, technical task, one that may not be accomplished before the end of this century. Yet, current technology has attained a level of sophistication where it's reasonable for us to begin this effort. It will take years, probably decades of effort on many fronts. There will be failures and setbacks, just as there will be successes and breakthroughs. And as we proceed, we must remain constant in preserving the nuclear deterrent and maintaining a solid capability for flexible response. But isn't it worth every investment necessary to free the world from the threat of nuclear war? We know it is.” Reagan, “Address to the Nation on Defense and National Security,” For additional information refer to Ronald Reagan, “Foreword Written for a Report on the Strategic Defense Initiative,”

(Washington, DC: The White House, December 28, 1984) <http://www.presidency.ucsb.edu/ws/index.php?pid=38499&st=defense&st1=#axzz1IRJidX00> (accessed February 4, 2012)

<sup>113</sup> Total DoD TOA was \$373 billion in FY 1975 and \$398 billion in FY 1980 (in FY 2012 constant dollars) from Table 6-1 Department of Defense TOA by Appropriation Title. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 75.

<sup>114</sup> Procurement went from \$61 billion in FY 1975 to \$158 billion in FY 1985, RDT&E from \$31 billion in FY 1976 to \$61 billion in FY 1986, MILCON & FMLY HSG from \$8 billion in FY 1970 to \$15 billion in FY 1985, O&M from \$114 billion in FY 1974 to \$169 billion in FY 1985, and MILPERS and Retired Pay \$147 billion in FY 1978 to \$166 billion in FY 1985 (in FY 2012 constant dollars). Ibid.

<sup>115</sup> Strategic Forces increased 102 percent from \$25.5 billion in FY 1979 to \$51.5 billion in FY 1984. C3, Intel & Space increased 117 percent from \$24 billion in FY 1979 to \$52 billion in FY 1987. Mobility Forces increased from \$4 billion in FY 1974 to \$15 billion in FY 1986, an increase of 235 percent. Table 6-5: DoD TOA by Program – FY 1962 to FY 2016 (FY 2012 constant dollars), Ibid., 94.

<sup>116</sup> Calculations in FY 2012 constant dollars: Air Force from \$113 billion in FY 1976 to \$193 billion in FY 1985, Navy from \$120 billion in FY 1975 to \$189 billion in FY 1985, Army from \$97 billion in FY 1975 to \$152 billion in FY 1985, and Defense-Wide activities from \$42 billion in FY 1975 to \$57 billion in FY 1984 and \$27 billion in FY 1985 Table 6-3: DoD TOA by Service – FY 1948 to FY 2016, Ibid., 87.

<sup>117</sup> Total DoD manpower went from 3.022 million in FY 1979 to 3.377 million in FY 1987, an increase of 12 percent. Military manpower was increased 11 percent from 2.031 million in FY 1979 to 2.244 million in FY 1987. Ground forces include the Army and Marine Corps which went from 943,000 in FY 1979 to 981,000 in FY 1987, a combined increase of 4 percent. Table 7-5: DoD Manpower – FY 1940 to FY 2012, Ibid., 232.

<sup>118</sup> In real terms with calculations based FY 2012 constant dollars for years FY 1986 through FY 1990 from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016, Ibid., 87.

<sup>119</sup> “We pledged together to hold real growth in defense spending to the bare minimum. My budget honors that pledge” Ronald Reagan, “Address Before a Joint Session of Congress on the State of the Union,” (Washington, DC: The White House, February 4, 1986) <http://www.presidency.ucsb.edu/ws/index.php?pid=36646#axzz1krP0zl00> (accessed January 29, 2012).

<sup>120</sup> “Our defense capabilities are now getting back to a level where we can protect our citizens, honor our commitments to our allies, and participate in the long-awaited arms control talks from a position of respected strength....The budget proposes further reductions in defense spending below previously reduced mid-year levels.” Ronald Reagan, “Message to the Congress Transmitting the Fiscal Year 1986 Budget,” (Washington, DC: The White House, February 4, 1985) <http://www.presidency.ucsb.edu/ws/index.php?pid=37902&st=defense&st1=#axzz1IRJidX00> (accessed February 4, 2012).

<sup>121</sup> “The Soviets must know that if America reduces her defenses, it will be because of a reduced threat, not a reduced resolve.” Reagan, “Address Before a Joint Session of Congress

on the State of the Union,” (February 4, 1986); “The moderate increases that are now requested are necessary to maintain this progress and enable us to move forward with meaningful arms reduction negotiations with the Soviet Union.” Ronald Reagan, “Message to the Congress Transmitting the Fiscal Year 1987 Budget,” (Washington, DC: The White House, February 5, 1986), <http://www.presidency.ucsb.edu/ws/index.php?pid=36668&st=defense&st1=#axzz1IRJidX00> (accessed February 4, 2012).

<sup>122</sup> “In 1985 and '86 Congress cut the defense budget sharply.” Ronald Reagan, “Radio Address to the Nation on the Defense Budget,” (Washington, DC: The White House, January 17, 1987) <http://www.presidency.ucsb.edu/ws/index.php?pid=34008&st=defense&st1=#axzz1IRJidX00> (accessed February 4, 2012); “I am disappointed, however, that the funding levels proposed in the congressional budget resolutions for the past 3 years have decreased continually and that even those lower levels have not been fully appropriated. As a result, some of our significant accomplishments over the past few years in rebuilding America's military strength may have been put in jeopardy. Two consecutive years of real decline in defense budgets will widen the gap between our military capabilities and our national security requirements.” Ronald Reagan, “Statement on Signing the National Defense Authorization Act for Fiscal Year 1987,” (Washington, DC: The White House, November 14, 1986), <http://www.presidency.ucsb.edu/ws/index.php?pid=36738&st=defense&st1=#axzz1IRJidX00> (accessed February 4, 2012); “While national security programs continue to be one of my highest priorities, they have not been exempt from general budgetary stringency. Last summer I reluctantly agreed with Congress to scale back the planned growth of defense appropriations to a zero real increase for 1986 and only a 3% real increase each year thereafter. Congressional action on 1986 appropriations and the subsequent sequestration for 1986 under Gramm-Rudman-Hollings have cut defense budget authority well below last year's level. The budget I am submitting would return defense funding to a steady, well-managed growth pattern consistent with the program levels agreed to in last year's budget resolution and consistent with what the country needs in order to provide for our national security.” Reagan, “Message to the Congress Transmitting the Fiscal Year 1987 Budget.”

<sup>123</sup> “The defense budget actually has declined in real terms in each of the past 2 years. This trend cannot be allowed to continue. I am proposing in this budget a 3 percent real increase over last year's appropriated level. This request—some \$8 billion less than last year's—is the minimum level consistent with maintaining an adequate defense of our Nation.” Ronald Reagan, “Message to the Speaker of the House of Representatives and the President of the Senate Transmitting the Fiscal Year 1988 Budget,” (Washington, DC: The White House, January 5, 1987), <http://www.presidency.ucsb.edu/ws/index.php?pid=34163&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012); “Three years of steady decline in the value of our annual defense investment have increased the risk of our most basic security interests, jeopardizing earlier hard-won goals. We must face squarely the implications of this negative trend and make adequate, stable defense spending a top goal both this year and in the future.” Ronald Reagan, “Address Before a Joint Session of Congress on the State of the Union,” (Washington, DC: The White House, January 25, 1988), <http://www.presidency.ucsb.edu/ws/index.php?pid=36035&st=defense&st1=#axzz1krP0zl00> (accessed January 29, 2012); “The Bipartisan Budget Agreement reflects give and take on all sides. I agreed to some \$29 billion in additional revenues and \$13 billion less than I had requested in defense funding over 2 years. However, because of a willingness of all sides to compromise, an agreement was reached that pared \$30 billion from the deficit projected for 1988 and \$46 billion from that projected for 1989. In submitting this budget, I am adhering to the Bipartisan Budget Agreement and keeping my part of the bargain. I ask the Congress to do the same. This budget does not fully reflect my

priorities, nor, presumably, those of any particular Member of Congress. But the goal of deficit reduction through spending reduction must be paramount. Abandoning the deficit reduction compromise would threaten our economic progress and burden future generations. This budget shows that a gradual elimination of the deficit is possible without abandoning tax reform, without cutting into legitimate social programs, without devastating defense, and without neglecting other national priorities.” Ronald Reagan, “Message to the Congress Transmitting the Fiscal Year 1989 Budget,” (Washington, DC: The White House, February 18, 1988), <http://www.presidency.ucsb.edu/ws/index.php?pid=35434&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012).

<sup>124</sup> “Stability begins with a commitment to maintain a steady, moderate, and affordable increase in defense spending, an increase we must have in order to maintain and continue to modernize our forces. Following the freeze for 1990, that means growth -- 1 percent -- '91, '92, rising to 2 in '93, 2 percent. For too long, defense spending has ridden a roller coaster: unpredictable ups and downs, a recipe for waste and inefficiencies. Stable spending makes it possible to plan for the long term, and that's the basis of a more efficient and effective defense posture. And that long-term view is the one we must take, with the 21st century only 11 years away.” George Bush, “Remarks at the Swearing-in Ceremony for Richard B. Cheney as Secretary of Defense,” (Washington, DC: The White House, March 21, 1989), <http://www.presidency.ucsb.edu/ws/index.php?pid=16817&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012).

<sup>125</sup> “[W]e need to increase SDI's [Strategic Defense Initiative's] budget, even as we make real cuts in the overall defense budget.” George Bush, “Statement on the Seventh Anniversary of the Strategic Defense Initiative,” (Washington, DC: The White House, March 23, 1990), <http://www.presidency.ucsb.edu/ws/index.php?pid=18295&st=defense&st1=#axzz1IRJidX00> (accessed February 4, 2012); “I am disappointed in the deep reductions made to our budget request for the Strategic Defense Initiative. I am hopeful that, in the future, the Congress will support the Administration's request for this program.” George Bush, “Statement on Signing the Department of Defense Appropriations Act, 1990,” (Washington, DC: The White House, November 21, 1989), <http://www.presidency.ucsb.edu/ws/index.php?pid=17853&st=defense&st1=#axzz1IRJidX00> (accessed February 4, 2012)

<sup>126</sup> “And to be honest, I doubted that this would happen in the very first year of this administration. Twenty-eight years after the desperate days of 1961, when tanks faced off at Checkpoint Charlie and that terrible barrier was built -- now the East German Government has responded to the wishes of its people. And while no one really accurately predicted the speed of the changes underway in Eastern Europe -- and certainly I didn't... The changes in recent months make clear that the process of reform initiated by the Eastern Europeans and supported by Mr. Gorbachev and by America and by our allies is real, offers us all much hope, and deserves our continued encouragement. We're living in fascinating times, and we will seize every opportunity to contribute to a lasting peace and to extend democracy. And in doing so, I will conduct the foreign policy of this great country with the prudence that these fascinating times, times of change, demand -- and with the imagination. The 1980's has been the decade of American renewal. And I believe that around the world, the 1990's will inevitably be the decade of democracy. George Bush, “Remarks to the National Association of Realtors in Dallas, Texas,” (Washington, DC: The White House Press Office, November 10, 1989), <http://www.presidency.ucsb.edu/ws/index.php?pid=17785&st=berlin&st1=#axzz1IRJidX00> (accessed February 5, 2012).

<sup>127</sup> “[T]he budget maintains a strong national defense while reflecting the dramatic changes in the world political situation that are taking place.” George Bush, “Message to the Congress Transmitting the Fiscal Year 1991 Budget,” (Washington, DC: The White House, January 29, 1990), <http://www.presidency.ucsb.edu/ws/index.php?pid=18085&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012); “We are in a period of great transition, great hope, and yet great uncertainty. We recognize that the Soviet military threat in Europe is diminishing, but we see little change in Soviet strategic modernization. Therefore, we must sustain our own strategic offense modernization and the Strategic Defense Initiative. But the time is right to move forward on a conventional arms control agreement to move us to more appropriate levels of military forces in Europe... our troop levels can still be lower. And so, tonight I am announcing a major new step for a further reduction in U.S. and Soviet manpower in Central and Eastern Europe ... Still, we must recognize an unfortunate fact: In many regions of the world tonight, the reality is conflict ... And thus, the cause of peace must be served by an America strong enough and sure enough to defend our interests and our ideals.” George Bush, “Address Before a Joint Session of the Congress on the State of the Union,” (Washington, DC: The White House, January 31, 1990), <http://www.presidency.ucsb.edu/ws/index.php?pid=18095&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012).

<sup>128</sup> “While contributing to the global balance in a way that only we can, we will make our military forces smaller, more agile, and better suited to likely contingencies. While keeping substantial nuclear and conventional forces in Europe as long as they are needed and wanted by our allies as part of the common defense, we will work for a new Europe, one truly whole and free... And while providing adequately for our defense, we will look to our economic well-being as the foundation of our long-term strength.” George Bush, “Statement on Transmitting the Annual National Security Strategy Report,” (Washington, DC: The White House, March 20, 1990), <http://www.presidency.ucsb.edu/ws/index.php?pid=18270&st=national+security+strategy&st1=#axzz1IRJidX00> (accessed February 5, 2012).

<sup>129</sup> “Yes, the United States bears a major share of leadership in this effort. Among the nations of the world, only the United States of America has both the moral standing and the means to back it up. We’re the only nation on this Earth that could assemble the forces of peace. This is the burden of leadership and the strength that has made America the beacon of freedom in a searching world.” George Bush, “Address Before a Joint Session of the Congress on the State of the Union,” (Washington, DC: The White House, January 29, 1991), <http://www.presidency.ucsb.edu/ws/index.php?pid=19253#axzz1krP0zl00> (accessed January 29, 2012).

<sup>130</sup> “I am pleased that the Congress has acted quickly to provide funds to pay the costs of Operation Desert Shield/Desert Storm. In providing this funding, H.R. 1282 recognizes the significant commitment of our coalition partners to help in defraying the costs associated with the crisis in the Middle East.” George Bush, “Statement on Signing the Operation Desert Shield/Desert Storm Supplemental Appropriations Act, 1991,” (Washington, DC: The White House, April 10, 1991), <http://www.presidency.ucsb.edu/ws/index.php?pid=19456&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012); \$516 billion in FY 1991 including supplemental appropriations compared to \$510 billion in FY 1990 using FY 2012 constant dollars from Table 6-5: DoD TOA by Program – FY 1962 to FY 2016. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 94.

<sup>131</sup> “Seldom if ever have we been offered such an opportunity: to build a new international system in accordance with our own values and ideals. The cold war has at long last released its

grip on world events... while contributing to global stability as only America can, we will shift our focus to regional threats and peaceful engagement. While reducing nuclear and conventional force levels on the Continent, we will work with our NATO allies to foster reconciliation, security, and democracy in a Europe whole and free." George Bush, "Statement on the 1991 National Security Strategy Report," (Washington, DC: The White House, August 13, 1991), <http://www.presidency.ucsb.edu/ws/index.php?pid=19896&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012); George Bush, "Message to the Congress Transmitting the Defense Base Closure and Realignment Commission Report," (Washington, DC: The White House, July 10, 1991), <http://www.presidency.ucsb.edu/ws/index.php?pid=19769&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012); "one that shifted our focus away from the prospect of global confrontation." George Bush, "Address to the Nation on Reducing United States and Soviet Nuclear Weapons," (Washington, DC: The White House, September 27, 1991), <http://www.presidency.ucsb.edu/ws/index.php?pid=20035&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012); "We are now moving to reshape the U.S. military to reflect that concept. The new base force will be smaller by half a million than today's military, with fewer Army divisions, Air Force wings, Navy ships, and strategic nuclear forces. This new force will be versatile, able to respond around the world to challenges, old and new." Ibid.

<sup>132</sup> George Bush, "Address Before a Joint Session of the Congress on the State of the Union," (Washington, DC: The White House, January 28, 1992), <http://www.presidency.ucsb.edu/ws/index.php?pid=20544#axzz1krP0zl00> (accessed January 29, 2012).

<sup>133</sup> In response to a question on what his proposals would cost, "the net cost will be \$8 billion 6 years from now, in a trillion-plus budget: not very much. The other stuff, all the other stuff I mentioned costs much less than that. The Head Start program, full funding, would cost about \$5 billion more. It's all covered in my budget from the plans that I've laid out, from raising taxes on families with incomes above \$200,000, and asking foreign corporations to pay the same tax that American corporations do on the same income; from \$140 billion in budget cuts, including what I think are very prudent cuts in the defense budget. It's all covered in the plan." William Clinton, "Presidential Debate at the University of Richmond," (Washington, DC: The White House Press Office, October 15, 1992), <http://www.presidency.ucsb.edu/ws/index.php?pid=21617&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012).

<sup>134</sup> "As we restructure our military forces to meet the new threats of the post-cold-war world, it is true that we can responsibly reduce our defense budget. And we may all doubt what that range of reductions is, but let me say that as long as I am President, I will do everything I can to make sure that the men and women who serve under the American flag will remain the best trained, the best prepared, the best equipped fighting force in the world. And every one of you should make that solemn pledge. We still have responsibilities around the world. We are the world's only superpower. This is still a dangerous and uncertain time, and we owe it to the people in uniform to make sure that we adequately provide for the national defense and for their interests and needs." William J. Clinton, "Address Before a Joint Session of Congress on Administration Goals," (Washington, DC: The White House, February 17, 1993), <http://www.presidency.ucsb.edu/ws/index.php?pid=47232&st=defense&st1=#axzz1livuk65l> (accessed February 7, 2012).

<sup>135</sup> "During our first year in office, we undertook a fundamental review from the bottom up of our Nation's defense capacity and our strategy...we continue to restructure our Nation's military forces to meet the challenges to American leadership in the post-cold-war era. I directed that



our Armed Forces be ready to face two major regional conflicts occurring almost simultaneously. Since then, I have repeatedly resisted calls to cut our forces further, to cut our budget below the levels recommended in that bottomup review, and I have drawn the line against further defense cuts.” William J. Clinton, “Remarks on Defense Readiness and an Exchange With Reporters,” (Washington, DC: The White House, December 1, 1994), <http://www.presidency.ucsb.edu/ws/index.php?pid=49530&st=defense&st1=#axzz1livuk65l> (accessed February 7, 2012); “The purpose of the Bottom-Up Review was to define the strategy, force structure, modernization programs, industrial base, and infrastructure needed to meet new dangers and seize new opportunities.” For more information on the Bottom Up Review please see the full report. Les Aspin, Report on the Bottom-Up Review, (Washington, DC: Department of Defense, October, 1993), <http://www.fas.org/man/docs/bur/part01.htm> (accessed March 15, 2012); “By the time the review was complete, the only major changes from the Base Force were a further increment of budget and personnel reductions, shared evenly across the services, that met the president’s superficial campaign promises and little else. It also included a different formulation of the two-war strategy Powell had advocated by focusing on two specific regional threats: Iraq and North Korea. The BUR did little to alter Cold War era force structure and doctrine.” Richard A. Lacquement Jr., *Shaping American Military Capabilities After The Cold War*, (Westport, CT: Praeger Publishers, 2003), 79, <http://psi.praeger.com/doc.aspx?d=/books/dps/2000a8cf/2000a8cf-p2000a8cf970001001.xml> (accessed March 15, 2012).

<sup>136</sup> “My number one defense priority remains the training and readiness of our military forces.” William J. Clinton, “Statement on Signing the Department of Defense Appropriations Act, 1995,” (Washington, DC: The White House, September 30, 1994), <http://www.presidency.ucsb.edu/ws/index.php?pid=49211&st=defense&st1=#axzz1livuk65l> (accessed February 7, 2012); “Last year I proposed a defense plan that maintains our post-cold-war security at a lower cost. This year many people urged me to cut our defense spending further to pay for other Government programs. I said no. The budget I send to Congress draws the line against further defense cuts. It protects the readiness and quality of our forces. Ultimately, the best strategy is to do that. We must not cut defense further. I hope the Congress, without regard to party, will support that position.” William J. Clinton, “Address Before a Joint Session of the Congress on the State of the Union,” (Washington, DC: The White House, January 25, 1994), <http://www.presidency.ucsb.edu/ws/index.php?pid=50409&st=defense&st1=#axzz1livuk65l> (accessed February 7, 2012); “I’m announcing today a five-part initiative to ensure that our Armed Forces receive the resources and the support they need to continue their high standard of performance. First, I intend to ask Congress to add an additional \$25 billion to our planned defense budgets over the next 6 years. Second, I will seek the full pay raise allowed by law for our uniformed military through the turn of the century. Third, I will fully support other quality-of-life initiatives which were outlined by Secretary Perry last month. We will spend what is required to ensure that our military live in adequate housing and are provided the necessary child care and receive the support they and their families need to serve our Nation. Fourth, I will ask the Congress to provide for real growth in the defense budget during the last 2 years of our next 6year plan to help ensure that the American military enters the 21st century with the most modern equipment available. And finally, we will send to Congress with our budget next year an emergency supplemental funding for the current fiscal year to reimburse the military for its unanticipated expenditures with the operations in the Gulf, the Adriatic, Haiti, and elsewhere and to protect us from dipping into important readiness funding. These funds will enable us to maintain the readiness and training we will need to accomplish our missions in the coming year.” Clinton, “Remarks on Defense Readiness and an Exchange With Reporters,”; “But to make sure our military is ready for action

and to provide the pay and the quality of life the military and their families deserve, I'm asking the Congress to add \$25 billion in defense spending over the next 6 years. William J. Clinton, "Address Before a Joint Session of the Congress on the State of the Union," (Washington, DC: The White House, January 24, 1995), <http://www.presidency.ucsb.edu/ws/index.php?pid=51634&st=defense&st1=#axzz1livuk65l> (accessed February 7, 2012); William J. Clinton "Message to the Congress Transmitting the Report of the Defense Base Closure and Realignment Commission," (Washington, DC: The White House, July 13, 1995), <http://www.presidency.ucsb.edu/ws/index.php?pid=51622&st=defense&st1=#axzz1livuk65l> (accessed February 7, 2012).

<sup>137</sup> William J. Clinton "Statement on Signing the Emergency Supplemental Appropriations and Rescissions for the Department of Defense to Preserve and Enhance Military Readiness Act of 1995," (Washington, DC: The White House, April 10, 1995), <http://www.presidency.ucsb.edu/ws/index.php?pid=51216&st=defense&st1=#axzz1livuk65l> (accessed February 6, 2012).

<sup>138</sup> William J. Clinton, "Statement on Approval of the Department of Defense Appropriations Act, 1996," (Washington, DC: The White House, November 30, 1995), <http://www.presidency.ucsb.edu/ws/index.php?pid=50826&st=defense&st1=#axzz1livuk65l> (accessed February 7, 2012).

<sup>139</sup> "I do have some reservations about this Act. Most important, the Act authorizes \$11.5 billion of appropriations above my 1997 budget request of \$254.2 billion. I firmly believe that my requested funding levels maintain a strong defense without sacrificing important domestic programs. Moreover, much of the increase authorized by this Act is for programs not in the Department of Defense's longrange plan and will require additional future funding, precluding successful completion of modernization programs more vital to our national defense." William J. Clinton, "Statement on Signing the National Defense Authorization Act for Fiscal Year 1997," (Washington, DC: The White House, September 23, 1996), <http://www.presidency.ucsb.edu/ws/index.php?pid=51975&st=defense&st1=#axzz1livuk65l> (accessed February 6, 2012); "I remain deeply concerned, however, that the funding provided in this bill is excessive. The bill provides \$4.2 billion more than I requested in my 1998 budget, and \$1.2 billion more than the levels that my Administration believes was agreed to in the Bipartisan Budget Agreement." William J. Clinton, "Statement on Signing the Department of Defense Appropriations Act, 1998," (Washington, DC: The White House, October 8, 1997), <http://www.presidency.ucsb.edu/ws/index.php?pid=53368&st=defense&st1=#axzz1livuk65l> (accessed February 6, 2012); "My Administration is continuing discussions with the Congress on the remaining 1998 spending bills in order to protect important priorities in education and training, the environment, science and technology, law enforcement, and international affairs." Ibid.

<sup>140</sup> Measured in FY 2012 constant dollars. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 87.

<sup>141</sup> During the Korean War and Vietnam War buildups, the nation increased military manpower much more, 150 percent and 43 percent respectively. During the Cold War buildup, Military Manpower increased 10 percent from 2.031 million in FY 1979 to 2,244 million in FY 1985 and total manpower increased 12 percent from 3.022 million to 3.377 million over the same period from Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 232.

<sup>142</sup> Defense spending was \$561 billion in FY 1985 down to \$375 billion in FY 1998 in real terms (FY 2012 constant dollars). Ibid., 87; Total manpower went down 37 percent from 3.377 million in FY 1987 to 2.138 million in FY 2001 and military manpower went down 35 percent from 2.244 million in FY 1987 to 1.449 million in FY 2000. Ibid., 232; Manpower funding went down 35% from \$165 billion in FY 1987 to \$107 billion in FY 1999. Procurement dropped from \$157 billion in FY 1985 to \$56 billion in FY 1997 (in FY 2012 constant dollars) from Table 6-1: DoD TOA by Appropriation Title – FY 1948 to FY 2016. Ibid., 75.

<sup>143</sup> Operations and maintenance went down 22 percent from \$169 billion in FY 1985 to \$144 billion in FY 1997, research and development by 24 percent from \$62 billion in FY 1987 to \$47 billion in FY 1995, and military construction and family housing down 28 percent from \$15 billion in FY 1985 to \$11 billion in FY 1993. Ibid.

<sup>144</sup> Air Force from \$193 billion in FY 1985 to \$108 billion in FY 1997, Army from \$152 billion in FY 1985 to \$93 billion in FY 1998, Navy and Marine Corps from \$189 billion in FY 1988 to \$116 billion in FY 1997, Defense-Wide from \$27 billion in FY 1985 to \$56 billion in FY 1998 with calculations in FY 2012 constant dollars from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. Ibid., 87.

<sup>145</sup> Percentages calculated on the DoD's total TOA of \$373 billion in FY 1975 from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. Ibid., 87.

<sup>146</sup> Percentages calculated on the DoD's total TOA of \$375 billion in FY 1998. Ibid.

<sup>147</sup> Strategic Forces went from \$52 billion FY 1984 to \$9 billion in FY 1997, Central Supply & MAINT from \$51 billion in FY 1991 to \$23 billion in FY 1998, General Purpose Forces from \$229 billion in FY 1985 to \$131 billion in FY 1998 using Table 6-5: DoD TOA by Program – FY 1962 to FY 2016 (FY 2012 constant dollars). Guard & Reserve went from \$34 billion FY 1992 to \$32 billion in FY 1998, Special Ops from \$5.5 billion in FY 1989 to \$4.9 billion in FY 1998 Ibid., 94.

<sup>148</sup> From Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 232.

<sup>149</sup> Total DoD manpower went from 3.377 million in FY 1987 to 2.138 million in FY 2001, a reduction of 37 percent. Military manpower was reduced 29 percent from 2.244 million in FY 1987 to 1.449 million in FY 2000. Ibid.

<sup>150</sup> Air Force went from 608,000 in FY 1986 to 354,000 in FY 2001, Army from 781,000 in FY 1987 to 479,000 in FY 1999, Navy from 593,000 in FY 1989 to 373,000 in FY 1999. Ibid.

<sup>151</sup> DoD civilian manpower levels changed differently by service. The Army went from 418,000 in FY 1987 to 220,000 in FY 2001, Navy from 353,000 in FY 1987 to 194,000 in FY 2001, Air Force from 264,000 in FY 1987 to 157,000 in FY 2002, Defense-Wide from 156,000 in FY 1994 to 107,000 in FY 2003. Ibid.

<sup>152</sup> "It is time to reverse the decline in defense spending that began in 1985. Since April, together we have added nearly \$6 billion to maintain our military readiness. My balanced budget calls for a sustained increase over the next 6 years for readiness, for modernization, and for pay and benefits for our troops and their families." William J. Clinton, "Address Before a Joint Session of the Congress on the State of the Union," (Washington, DC: The White House,

January 19, 1999), <http://www.presidency.ucsb.edu/ws/index.php?pid=57577&st=defense&st1=#axzz1livuk65l> (accessed February 6, 2012).

<sup>153</sup> “Regrettably, the bill goes beyond what is necessary, providing funding for a host of unrequested programs at the expense of other core government activities. It provides \$267.4 billion in discretionary budget authority, a funding level that is \$4.5 billion above my request. As testified to by our military chiefs, my budget request correctly addressed our most important FY 2000 military needs. Unfortunately, H.R. 2561 resorts to a number of funding techniques and gimmicks to meet the Appropriations Subcommittee allocation. These include: designating \$7.2 billion of standard operation and maintenance funding as a contingent emergency; deferring payments to contractors until FY 2001; and incrementally funding a Navy ship (LHD-8).” William J. Clinton, “Statement on Signing the Department of Defense Appropriations Act, 2000,” (Washington, DC: The White House, November 4, 1999), <http://www.presidency.ucsb.edu/ws/index.php?pid=56869&st=defense&st1=#axzz1livuk65l> (accessed February 6, 2012); “This funding level is \$3.2 billion above my request, and \$17.5 billion above the FY 2000 enacted level. My budget correctly addressed our most important FY 2001 military needs. Additionally, while the bill, in its entirety, provides sufficient funds to meet known contingency operations costs for FY 2001, it resorts to an emergency funding technique to meet the Appropriations Subcommittee allocation; it includes about \$1.8 billion of standard operation and maintenance funding, which was requested in the FY 2001 Budget on a nonemergency basis, as FY 2000 emergency supplemental funding, of which \$1.1 billion will be used to forward fund FY 2001 contingency operations in Kosovo, Bosnia, and Southwest Asia.” William J. Clinton, “Statement on Signing the Department of Defense Appropriations Act, FY 2001,” (Washington, DC: The White House, August 9, 2000), <http://www.presidency.ucsb.edu/ws/index.php?pid=1471&st=defense&st1=#axzz1livuk65l> (accessed February 6, 2012).

<sup>154</sup> This is one of three priorities announced by President Bush to guide American defense policy. For more see George W. Bush, “Remarks at the Swearing-In Ceremony for Donald H. Rumsfeld as Secretary of Defense,” (Washington, DC: The White House, January 26, 2001), <http://www.presidency.ucsb.edu/ws/index.php?pid=45725&st=defense&st1=#axzz1livuk65l> (accessed February 6, 2012).

<sup>155</sup> “The budget I propose to you also supports the people who keep our country strong and free, the men and women who serve in the United States military. I'm requesting \$5.7 billion in increased military pay and benefits and health care and housing. Our men and women in uniform give America their best, and we owe them our support...our military was shaped to confront the challenges of the past. So I've asked the Secretary of Defense to review America's Armed Forces and prepare to transform them to meet emerging threats. My budget makes a downpayment on the research and development that will be required.” George W. Bush, “Address Before a Joint Session of the Congress on Administration Goals,” (Washington, DC: The White House, February 27, 2001), <http://www.presidency.ucsb.edu/ws/index.php?pid=29643&st=budget&st1=#axzz1livuk65l> (accessed February 6, 2012).

<sup>156</sup> “This budget also wisely increases spending on education, funds priorities like Medicare and Social Security, and pays down a record amount of debt.” George W. Bush, “Statement on Senate Action on Federal Budget Legislation,” (Washington, DC: The White House, April 6, 2001), <http://www.presidency.ucsb.edu/ws/index.php?pid=45683&st=budget&st1=#axzz1livuk65l> (accessed February 6, 2012).

<sup>157</sup>“This morning I am sending to Congress a request for emergency funding authority so that we are prepared to spend whatever it takes to rescue victims, to help the citizens of New York City and Washington, DC, respond to this tragedy, and to protect our national security.” George W. Bush, “Remarks Following a Meeting With the National Security Team,” (Washington, DC: The White House, September 12, 2001), <http://www.presidency.ucsb.edu/ws/index.php?pid=58058&st=&st1=#axzz1mZlftktN> (accessed February 16, 2012); George W. Bush, “Message to the Congress on the Declaration of National Emergency by Reason of Certain Terrorist Attacks,” (Washington, DC: The White House, September 14, 2001), <http://www.presidency.ucsb.edu/ws/?pid=73401> (accessed February 16, 2011); *Authorization for Use of Military Force*, Public Law 107-40, 107th Cong., 1<sup>st</sup> sess. (September 18, 2001), <http://www.gpo.gov/fdsys/pkg/PLAW-107publ40/pdf/PLAW-107publ40.pdf> (accessed February 16, 2012), 1; “Our war on terror begins with Al Qaida, but it does not end there. It will not end until every terrorist group of global reach has been found, stopped, and defeated.” George W. Bush, “Address Before a Joint Session of the Congress on the United States Response to the Terrorist Attacks of September 11,” (Washington, DC: U.S. Congress, September 20, 2001), <http://www.presidency.ucsb.edu/ws/?pid=64731> (accessed February 16, 2011).

<sup>158</sup> “This military action is a part of our campaign against terrorism, another front in a war that has already been joined through diplomacy, intelligence, the freezing of financial assets, and the arrests of known terrorists by law enforcement agents in 38 countries... Today we focus on Afghanistan, but the battle is broader... We defend not only our precious freedoms but also the freedom of people everywhere to live and raise their children free from fear.” George W. Bush, “Address to the Nation Announcing Strikes Against Al Qaida Training Camps and Taliban Military Installations in Afghanistan,” (Washington, DC: The White House, October 7, 2001), <http://www.presidency.ucsb.edu/ws/?pid=65088> (accessed February 16, 2012).

<sup>159</sup> In constant FY 2012 dollars from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 87.

<sup>160</sup> Defense spending went up 18% from \$460 billion in FY 2002 to \$543 billion in FY 2003 using FY 2012 constant dollars from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. Ibid.; George W. Bush, “Address to the Nation on Iraq,” (Washington, DC: The White House, March 19, 2003), <http://www.presidency.ucsb.edu/ws/?pid=63368> (accessed February 16, 2012).

<sup>161</sup> Defense spending went up 2% to \$456 billion in FY 2004, 6% to \$502 billion in FY 2005, and 3% to \$536 billion in FY 2006 using FY 2012 constant dollars from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 87.

<sup>162</sup> “So America will change our strategy to help the Iraqis carry out their campaign to put down sectarian violence and bring security to the people of Baghdad. This will require increasing American force levels. So I've committed more than 20,000 additional American troops to Iraq.” George W. Bush, “Address to the Nation on the War on Terror in Iraq,” (Washington, DC: The White House, January 10, 2007), <http://www.presidency.ucsb.edu/ws/?pid=24432> (accessed February 16, 2012); Defense spending went from \$605 billion in FY 2006 to \$663 billion in FY 2007 to \$717 billion in FY 2008 when compared using FY 2012 constant dollars from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 87.

<sup>163</sup> “PL 11-92, FY2008 Appropriations Continuing Resolution, appropriated \$5.2 billion for MRAP procurement, and PL-110-16, FY2008 Defense Appropriations Act, appropriated an additional \$11.6 billion for MRAP procurement. H.R. 4986, FY2008 Defense Authorizations Act, authorizes \$ 17.6 billion for MRAP procurement and associated MRAP transportation, contractor logistics, and research and development costs.” Andrew Feikert, *Mine-Resistant, Ambush-Protected (MRAP) Vehicles: Background and Issues for Congress*, (Washington, DC: U.S. Library of Congress, Congressional Research Service, January 24, 2008) <http://www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA476583> (accessed February 17, 2012), 5.

<sup>164</sup> Defense spending went from \$717 billion in FY 2008 to \$701 billion in FY 2009 when compared using FY 2012 constant dollars from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 87; “[T]he situation in Afghanistan and Pakistan demands urgent attention and swift action. The Taliban is resurgent in Afghanistan, and Al Qaida supports the insurgency and threatens America from its safe haven along the Pakistani border...the fact that we are going to responsibly draw down our forces in Iraq allows us the flexibility to increase our presence in Afghanistan.” Barack Obama, “Statement on United States Troop Levels in Afghanistan,” (Washington, DC: The White House, February 17, 2009), <http://www.presidency.ucsb.edu/ws/?pid=85783> (accessed February 16, 2012).

<sup>165</sup> “[W]e have a clear and focused goal to disrupt, dismantle, and defeat Al Qaida in Pakistan and Afghanistan and to prevent their return to either country in the future. That's the goal that must be achieved...but, for 6 years, Afghanistan has been denied the resources that it demands because of the war in Iraq. Now, we must make a commitment that can accomplish our goals.” Barack Obama, “Remarks on United States Military and Diplomatic Strategies for Afghanistan and Pakistan,” (Washington, DC: The White House, March 27, 2009), <http://www.presidency.ucsb.edu/ws/?pid=85924> (accessed February 17, 2012); The most the U.S. ever spent in a single year on defense \$692 billion in FY 2010. However, when measured in FY 2012 constant dollars, the U.S. spent \$713 billion in FY 2010, slightly less than \$717 billion spent in FY 2008. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 87.

<sup>166</sup> Compared using FY 2012 constant dollars, the U.S. spent \$663 billion in FY 2007, \$717 billion in FY 2008, \$701 billion in FY 2009, \$713 billion in FY 2010 and \$696 billion in FY 2011 all of which exceed \$606 billion in FY 1952 at the height of the Korean War, \$536 billion in FY 1967 for Vietnam, and \$561 in FY 1985 during the Cold War. Ibid.

<sup>167</sup> Ibid.

<sup>168</sup> Calculations are in FY 2012 constant dollars: procurement went from \$69 billion in FY 2000 to \$158 billion in FY 2010; RDT&E from \$49 billion in FY 2000 to \$84 billion in FY 2009; MILCON & FMLY HSG from \$11 billion in FY 2000 to \$32 billion in FY 2009; O&M from \$155 billion in FY 2000 to \$301 billion in FY 2010; and MILPERS and Retired Pay \$107 billion in FY 2000 to \$158 billion in FY 2010 from Table 6-1 Department of Defense TOA by Appropriation Title. Ibid., 75.

<sup>169</sup> Calculations in FY 2012 constant dollars based on FY 2000 spending of \$100 billion for the Army, \$118 billion for the Navy, \$113 billion for the Air Force, and \$56 billion for Defense-Wide from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. Ibid., 87.

<sup>170</sup> Global defense expenditures in 2010 were \$1.6 trillion with the U.S. spending \$700 billion. The top five defense spending nations below the U.S. in 2010 were China (\$114 billion, 7 percent of global expenditures), the United Kingdom (\$57 billion, 4 percent), France (\$61 billion, 4 percent), and Russia (\$53 billion, 3 percent). The calculations are based on data provided by the SIPRI Military Expenditure database with figures on military spending expressed in 2009 constant U.S. dollars. Stockholm International Peace Research Institute, "Military Expenditure Database," <http://www.sipri.org/databases/milex> (accessed November 13, 2011).

<sup>171</sup> \$5.9 trillion in DoD Total Obligation Authority FY2001 through FY 2011 using current dollar values in Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 91; Total DoD spending went up 139% from \$287 billion in FY 2000 to \$686 billion in FY 2011 using current dollar values in Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. Ibid.

<sup>172</sup> That is to say, 71 percent higher in real terms using FY 2012 constant dollars as DoD Total Obligation Authority went from \$394 billion in FY 2000 to \$697 billion in FY 2011 from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. Ibid.

<sup>173</sup> \$1.2 trillion in Supplemental & Overseas Contingency Operations funding FY 2001 through FY 2011 calculated in current dollars from Table 2-1 Base Budget, War Funding and Supplementals By Service Discretionary Budget Authority. Ibid., 32.

<sup>174</sup> War costs are funded by Overseas Contingency Operations funding which was \$163 billion in FY 2010, \$159 billion in FY 2011, decreasing to \$126 billion in FY 2012 and \$97 billion in FY 2013 with smaller placeholders for future requests of \$44 billion in FY 2014 and beyond. U.S. Office of Management and Budget, "The President's Budget for Fiscal Year 2013," <http://www.whitehouse.gov/omb/budget> (accessed February 13, 2012), 239.

<sup>175</sup> War funding (i.e., Overseas Contingency Operations funding was 24 percent of defense spending in FY 2010 and is projected to be 14 percent in FY 2013. Defense spending in FY 2010 totaled \$691 billion with \$163 billion in OCO while defense spending of \$614 billion is requested for FY 2013 with \$88 billion in OCO. U.S. Department of Defense, "Fact Sheet: The Defense Budget," [http://www.defense.gov/news/Fact\\_Sheet\\_Budget.pdf](http://www.defense.gov/news/Fact_Sheet_Budget.pdf) (accessed February 13, 2012).

<sup>176</sup> The base defense budget does not include war costs. In FY 2013, of \$614 billion in total defense spending, \$525 billion is for the defense base budget. Ibid.

<sup>177</sup> Total DoD base budget BA in current dollars increased from \$287 billion in FY 2001 to \$526 billion in FY 2011, an increase of 83% or an annual average increase of 6.2% based on Table 2-1 Base Budget, War Funding and Supplementals By Service Discretionary Budget Authority in current dollars. When compared in real terms, total DoD base budget BA in constant dollars increased from \$382 billion in FY 2001 to \$534 billion in FY 2011, an increase of 42 percent for an annual average increase of 3.6 percent above the rate of inflation which, from DoD's official figures, would be 2.6 percent per year (6.2 percent - 3.6 percent = 2.6 percent). U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*.

<sup>178</sup> "After a decade of war, we are at an inflection point: American troops have left Iraq; we are undergoing a transition in Afghanistan so Afghans can assume more responsibility; and we have debilitated al Qaeda's leadership, putting that terrorist network on the path to defeat. At the

same time, we have to renew our economic strength here at home, which is the foundation of our strength in the world, and that includes putting our fiscal house in order.” Obama, *The Budget Message of the President* (February 2012), 3; “While the economy is regaining strength, we still face significant economic challenges.” Timothy F. Geithner, “Testimony on the President’s Budget for FY 2013,” Prepared Statement presented to the U.S. Senate Budget Committee, 111th Cong., 2nd sess. (Washington, DC: U.S. Department of the Treasury, February 16, 2012) [http://budget.senate.gov/democratic/index.cfm/files/serve?File\\_id=24aa0c80-eb6a-4e44-b240-9e278cd93366](http://budget.senate.gov/democratic/index.cfm/files/serve?File_id=24aa0c80-eb6a-4e44-b240-9e278cd93366) (accessed February 16, 2012), 1.

<sup>179</sup> “During the recovery, the pace of growth in the nation’s output has been anemic compared with that during most other recoveries since World War II” U.S. Congressional Budget Office, *Budget and Economic Outlook: Fiscal Years 2011 to 2021*, (Washington, DC: The Congress of the United States, January 2011), xi; “Three years after the worst financial crisis since the Great Depression, our economy is gradually getting stronger.” Geithner, “Testimony on the President’s Budget for FY 2013,” 1.

<sup>180</sup> “We now face a make-or-break moment for the middle class and those trying to reach it. After decades of eroding middle-class security as those at the very top saw their incomes rise as never before and after a historic recession that plunged our economy into a crisis from which we are still fighting to recover, it is time to construct an economy that is built to last.” U.S. Office of Management and Budget, “The President’s Budget for Fiscal Year 2013,” <http://www.whitehouse.gov/omb/budget> (accessed February 13, 2012).

<sup>181</sup> “According to CBO’s estimates, slow growth in output will hold down the growth of employment, and as a result, the unemployment rate will remain above 8 percent both this year and next.” U.S. Congressional Budget Office, *Budget and Economic Outlook: Fiscal Years 2011 to 2021*, 25; The average unemployment rate of four percent was calculated based on data provided by U.S. Department of Labor, “Bureau of Labor Force Statistics from the Current Population Survey, Annual Unemployment Rates, Not Seasonally Adjusted, 16 years of age and older,” <http://www.bls.gov/cps/> (accessed January 14, 2012).

<sup>182</sup> U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2013 Historical Table 1.1 – Summary of Receipts, Outlays, and Surpluses or Deficits 1789-2017*, (Washington, DC: U.S. Government Printing Office, February 2012), 21.

<sup>183</sup> Ibid.

<sup>184</sup> *United States Debt Clock Home Page*, <http://www.usdebtclock.org/> (accessed February 13, 2012); Rob Portman, “President Obama’s Budget proves he Will Burn Through \$2.1 trillion Debt Limit Increase in Just Over a Year,” (Washington, DC: U.S. Senate, February 16, 2012) <http://www.portman.senate.gov/public/index.cfm/press-releases?ID=01f733b4-1390-433a-ae50-c1a8716d6813> (accessed February 16, 2012); The debt per person will be about \$52,000 at the end of FY 2012 calculated based on The United States’ population of 312,878,559 from the *U.S. Census Bureau Home Page*, <http://www.census.gov/> (accessed January 19, 2012).

<sup>185</sup> U.S. Congressional Budget Office, *Budget and Economic Outlook: Fiscal Years 2012 to 2013*, (Washington, DC: The Congress of the United States, January 2011), 54.

<sup>186</sup> Ibid., 51.



<sup>187</sup> “The biggest difference in federal spending relative to GDP in the coming decade—as compared with outlays over the past 40 years—will be the widening gap between mandatory and discretionary spending... Projected discretionary spending decreases from 7.7 percent of GDP in 2013 to 5.6 percent in 2022. By 2022, discretionary spending would be a smaller share of the economy than it has been in any of the past 40 years, and the operations of the federal government would differ significantly from what they are today.” U.S. Congressional Budget Office, *Budget and Economic Outlook: Fiscal Years 2012 to 2013*, 47-50.

<sup>188</sup> Geithner, “Testimony on the President’s Budget for FY 2013,” 1.

<sup>189</sup> In FY 2011, the Department of Defense spending on military programs was 18.8 percent of total federal spending and 56 percent of discretionary spending. By FY 2017, the DoD’s spending is projected to decrease to 12.4 percent of total federal outlays and 48.3 percent of discretionary spending. U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2013 Historical Table 4.2—Percentage Distribution of Outlays by Agency: 1962–2017*, 84.

<sup>190</sup> “The goal is to cut our overhead costs and to transfer those savings to force structure and modernization within the programmed budget. In other words, to convert sufficient “tail” to “tooth” to provide the equivalent of the roughly two to three percent real growth – resources needed to sustain our combat power at a time of war and make investments to prepare for an uncertain future.” Robert M. Gates, “Remarks as Delivered by Secretary of Defense Robert M. Gates” (Abilene, KS: Office of the Assistant Secretary of Defense (Public Affairs), May 8, 2010); U.S. Secretary of Defense Robert M. Gates, “Improving Department of Defense Business Operations,” memorandum for Secretaries of the Military Departments, Washington, DC, June 4, 2010.

<sup>191</sup> “The President’s framework will go beyond the Fiscal Year 2012 Budget to achieve deeper reductions in security spending. It sets a goal of holding the growth in base security spending below inflation, while ensuring our capacity to meet our national security responsibilities, which would save \$400 billion by 2023.” Barack Obama, “FACT SHEET: The President’s Framework for Shared Prosperity and Shared Fiscal Responsibility,” (Washington, DC: The White House Office of the Press Secretary, April 13, 2011) <http://www.whitehouse.gov/the-press-office/2011/04/13/fact-sheet-presidents-framework-shared-prosperity-and-shared-fiscal-resp> (accessed March 12, 2012).

<sup>192</sup> Barack Obama, “Fact Sheet: Bipartisan Debt Deal: A Win for the Economy and Budget Discipline,” (Washington, DC: The White House Office of the Press Secretary, July 31, 2011) <http://www.whitehouse.gov/the-press-office/2011/07/31/fact-sheet-bipartisan-debt-deal-win-economy-and-budget-discipline> (accessed March 12, 2012).

<sup>193</sup> U.S. Department of Defense, “Fiscal Year 2013 Budget Request,” (Washington, DC: Office of the Under Secretary of Defense (Comptroller/Chief Financial Officer, February 9, 2012), 4.

<sup>194</sup> The Congressional Super Committee failed to identify an additional \$1.2 trillion in deficit reductions required in the Act which triggered spending reductions beginning in 2013 – split 50/50 between domestic and defense spending. Obama, “Fact Sheet: Bipartisan Debt Deal: A Win for the Economy and Budget Discipline.”

<sup>195</sup> \$1.1 trillion equals the \$487 billion in defense cuts already identified in the FY 2013 Budget plus \$600 billion in defense cuts required under sequestration provisions of the Budget Control Act.

<sup>196</sup> Total defense base budget over 10 years is \$6.141 trillion from FY 2012 to FY 2021. U.S. Department of Defense, "Fiscal Year 2013 Budget Request." 4.

<sup>197</sup> The FY 2013 defense budget request cut \$487 billion over 10 years (i.e., FY 2012 to FY 2021) when compared to the FY 2012 budget request of \$6.141 trillion which is an 8 percent reduction. If the DoD has to implement sequestration reducing its base budget by an additional \$600 billion over 10 years to \$5.051 trillion, the total reduction would be 18 percent. Ibid.

<sup>198</sup> "[Sequestration reductions] could hollow out the force and inflict severe damage to our national defense and programs that are vital to our quality of life." Leon E. Panetta, "Submitted Statement -- Senate Budget Committee (Budget Request)," (Washington, DC: Capital Hill, February 28, 2012) <http://www.defense.gov/speeches/speech.aspx?speechid=1654>; General Dempsey stated "[Sequestration is] coming out of three places...It's coming out of equipment and modernization, that's one. It's coming out of maintenance, and it's coming out of training. And then, we've hollowed out the force." Karen Parrish, "Panetta, Dempsey: Sequestration Would Defeat Defense Strategy," *American Forces Press Service*, February 16, 2012 <http://www.defense.gov/news/newsarticle.aspx?id=67226> (accessed March 13, 2012).

<sup>199</sup> In FY 2012 constant dollars calculating the increase from previous lows in total defense spending from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 87.

<sup>200</sup> Based on peaks and lows in total defense spending as measured in FY 2012 constant dollars. The Korean War drawdown in 2 years from FY 1953 to FY 1954, Vietnam drawdown in 8 years from FY 1968 to FY 1975, and the Cold War drawdown really took 7 years from FY 1992 to FY 1998 but in the larger picture it took 13 years from FY 1986 following the peak of the Reagan buildup. Ibid.

<sup>201</sup> The low points after each drawdown were \$372 billion in 1954 following the Korean War, \$373 billion in 1975 following Vietnam, and \$375 billion in 1998 following the Cold War (in FY 2012 constant dollars). Ibid.

<sup>202</sup> For the periods of FY 1957 to FY 1965 prior to Vietnam, FY 1978 to FY 1981 prior to the Regan Buildup, and FY 2000 to FY 2001 prior to OEF. See more discussion in this paper on the Vietnam and Cold War drawdowns for specifics. Ibid., 232.

<sup>203</sup> Applying historical drawdown patterns to reduce defense spending within 7 years to historical lows of \$400 billion by FY 2019 as measured in FY 2012 constant dollars provides an example. The funding profile was converted to current dollars for comparison totaling \$4.696 trillion over 10 years; \$530 billion in FY 2012, \$487 billion in FY 2012, \$460 billion in FY 2014, \$446 billion in FY 2015, \$446 billion in FY 2016, \$451 billion in FY 2017, \$456 billion in FY 2018, \$463 billion in FY 2019, \$472 billion in FY 2020, and \$482 billion in FY 2021.

<sup>204</sup> "[W]e will shift our focus to regional threats and peaceful engagement." George Bush, "Statement on the 1991 National Security Strategy Report," (Washington, DC: The White House, August 13, 1991), <http://www.presidency.ucsb.edu/ws/index.php?pid=19896&st=>

defense&st1=#axzz1IRJidX00 (accessed February 5, 2012); “one that shifted our focus away from the prospect of global confrontation.” George Bush, “Address to the Nation on Reducing United States and Soviet Nuclear Weapons,” (Washington, DC: The White House, September 27, 1991), <http://www.presidency.ucsb.edu/ws/index.php?pid=20035&st=defense&st1=#axzz1IRJidX00> (accessed February 5, 2012); “The new base force will be smaller by half a million than today's military, with fewer Army divisions, Air Force wings, Navy ships, and strategic nuclear forces. This new force will be versatile, able to respond around the world to challenges, old and new.” Ibid.

<sup>205</sup> “This means that almost 60 cents out of every dollar to be available for the entire national defense in the next year will be devoted to air power and air defense.” Eisenhower, “Radio Address to the American People on the National Security and Its Costs.”

<sup>206</sup> The percentages represent the average percentage of total defense spending over time since FY 1948. The average for Defense-Wide activities is 13 percent. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 87.

<sup>207</sup> \$5 billion in FY 1955 expressed in FY 2012 constant dollars to \$95 billion in FY 2012. Ibid; \$95 billion is requested for Defense-Wide. U.S. Department of Defense, “Fiscal Year 2013 Budget Request,” (Washington, DC: The Pentagon, February 2012), [http://comptroller.defense.gov/defbudget/fy2013/FY2013\\_Budget\\_Request.pdf](http://comptroller.defense.gov/defbudget/fy2013/FY2013_Budget_Request.pdf), (accessed February 13, 2012), 26

<sup>208</sup> \$5 billion out of \$373 billion in FY 1954 is 1.3 percent, \$42 billion out of \$373 billion in FY 1975 is 11 percent, \$56 billion out of \$375 billion in FY 1998 is 14.9 percent. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 87; \$95 billion out of \$525 billion in FY 2013 is 18 percent. U.S. Department of Defense, “Fiscal Year 2013 Budget Request,” 26.

<sup>209</sup> Defense-Wide funding supports critical Department-wide functions and transformational efforts for the Secretary, Military Departments, and warfighters. The funding pays for common information services and system sustainment, contract administration and audits, family support programs, and administrative functions for the Military Departments. This funding supports the activities of the Special Operations Command (SOCOM), numerous Combat Support Agencies, policy and oversight Agencies, and three Intelligence Agencies. U.S. Department of Defense, *Operation and Maintenance, Defense-Wide Fiscal Year (FY) 2013 Budget Estimate*, [http://comptroller.defense.gov/defbudget/fy2013/budget\\_justification/pdfs/01\\_Operation\\_and\\_Maintenance/O\\_M\\_VOL\\_1\\_PARTS/O\\_M\\_VOL\\_1\\_BASE\\_PARTS/O\\_M\\_DW\\_Highlights.pdf](http://comptroller.defense.gov/defbudget/fy2013/budget_justification/pdfs/01_Operation_and_Maintenance/O_M_VOL_1_PARTS/O_M_VOL_1_BASE_PARTS/O_M_DW_Highlights.pdf), (accessed March 13, 2012), Overview-1, 5.

<sup>210</sup> FY 1962 was the first year the DoD published Major Force Program data. Funding is expressed in FY 2012 constant dollars from Table 6-5 Department of Defense TOA by Program. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 94.

<sup>211</sup> The DoD projects to maintain Guard and Reserve funding at about \$43 billion through FY 2016, the last figure provided in the table. If defense spending returns to about \$400 billion and Guard and Reserve funding remains at or above \$40 billion, which fits previous patterns, the percentage of funding would be 10 percent or greater. Ibid.

<sup>212</sup> “[W]e need to put on our game faces and be ready to do battle because we are involved in a conflict within our own military, and we, as members of NGAUS, need to be ready to live and die on that hill in Washington DC...If we’re not part of the plan as we draw down overseas, the Guard will be pigeonholed back into a strategic reserve...we are considered unwanted Stepchildren... We are 32 percent of the Army, and we receive 11 percent of their budget, but we maintain over 40 percent of their operating force. We are 22 percent of the Air Force and receive 6 percent of the Air Force’s budget, but maintain 36 percent of Air Force fighter and tanker capacity.” Francis D. Vavala, “Transcript of Speech at the 133<sup>rd</sup> NGAUS General Conference & Exhibition,” (Milwaukee, WI: August 27, 2011), <http://www.ngaus.org/ngaus/files/ccLibraryFiles/Filename/000000007553/vavala11.pdf> (accessed March 15, 2012); “Here is where the Guard is a real solution. We offer accessible and rapidly deployable units that are battle tested in nearly all of the missions identified in the new strategy. And these formations—as well as their armories and bases—are maintained at a fraction of the cost of their active-component counterparts.” Gus L. Hargett Jr., “National Guard Officers Eagerly Await Fiscal 2013 Defense Budget Details,” <http://www.ngaus.org/content.asp?bid=20923> (accessed March 15, 2012); “[T]he Army National Guard should be significantly increased. This is the most significant reform that could be made to complete the transition of the Army National Guard from a rarely-used strategic force to a ready operational force...America clearly needs more National Guard capability, not less...the Army National Guard is a highly cost-effective means of national defense. Because National Guard soldiers serve part-time when not mobilized, the financial cost to the nation is far less than if similar-sized forces were to be maintained full-time in the active component.” Francis D. Vavala, “Letter to the Honorable Pete Geren, Secretary of the Army,” (Washington, DC: Adjutants General Association of the United States, May 26, 2009), <http://www.aga.us.org/Documents/AGAUSPositionARNGEndstrength.pdf> (accessed March 15, 2012).

<sup>213</sup> From the FY 2013 base budget, the number of Army National Guard and Reserve Soldiers in FY 2013 is 563,100 which cost \$13,791,606,000 or \$24,500 per non-mobilized Soldier. The number of active Army Soldiers is 502,400 at a cost of \$42,623,637,000 or \$84,800 per active Soldier. The manpower cost for a non-mobilized reserve component Soldier is 29 percent the amount of an active duty Soldier. U.S. Department of Defense, “FY 2013 Financial Summary Tables,” (Washington, DC: Under Secretary of Defense (Comptroller), February 2012), [http://comptroller.defense.gov/defbudget/fy2013/FY2013\\_Financial\\_Summary\\_Tables.pdf](http://comptroller.defense.gov/defbudget/fy2013/FY2013_Financial_Summary_Tables.pdf) (accessed March 16, 2012).

<sup>214</sup> The analysis needs to incorporate a comprehensive comparison of U.S.C. Title 10 costs (e.g., recruit, train, man, equip, sustain, mobilize, demobilize, installations, etc.) between the active and reserve components along with options to meet military requirements before any assessments of best value can be ascertained.

<sup>215</sup> Ibid.

<sup>216</sup> Note: Special Operations Forces funding does not include manpower or common equipment procurement costs which are covered by the military department budgets. Data is from DoD TOA by Program – FY 1962 to FY 2016 (FY 2012 constant dollars). U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 94.

<sup>217</sup> Ibid.

<sup>218</sup> “Collectively these funds support a force with a current strength of approximately 66,100 [SOF] personnel (growing to near 71,100 by FY 2015).” William H. McRaven, *Posture Statement Of Commander, United States Special Operations Command*, presented to the Senate Armed Services Committee, 112th Cong., 2nd sess. (Washington, DC: U.S. SOCOM, March 6, 2012), 4, [http://www.socom.mil/Documents/2012\\_SOCOM\\_POSTURE\\_STATEMENT.pdf](http://www.socom.mil/Documents/2012_SOCOM_POSTURE_STATEMENT.pdf) (accessed March 16, 2012).

<sup>219</sup> “This evolution not only recognizes the changing nature of the conflicts in which the U.S. must prevail, but it also leverages new concepts of operation enabled by advances in space, cyberspace, special operations, precision---strike, and other capabilities.” Special Operations Forces – critical to U.S. and partner counter terrorism operations and a variety of other contemporary contingencies.” “Additionally, even as troop strength draws down, the Army, Marine Corps, and U.S. Special Operations Command will preserve expertise in security force assistance and counterinsurgency training.” U.S. Department of Defense, “Defense Budget Priorities And Choices,” 7, 9, 12.

<sup>220</sup> *United States Special Operations Command Home Page*, <http://www.socom.mil/default.aspx> (accessed March 16, 2012), SOF Truths.

<sup>221</sup> Data is from DoD TOA by Program – FY 1962 to FY 2016 (FY 2012 constant dollars). U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 94.

<sup>222</sup> Ibid.

<sup>223</sup> Total military manpower from Table 7-5: DoD Manpower – FY 1940 to FY 2012. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 232.

<sup>224</sup> “As I made clear in Australia, we will be strengthening our presence in the Asia Pacific, and budget reductions will not come at the expense of that critical region. We’re going to continue investing in our critical partnerships and alliances, including NATO, which has demonstrated time and again -- most recently in Libya -- that it’s a force multiplier. We will stay vigilant, especially in the Middle East.” Barack Obama, “Remarks by the President on the Defense Strategic Review,” (Washington, DC: The Pentagon, Office of the Press Secretary, January 5, 2012) <http://www.whitehouse.gov/the-press-office/2012/01/05/remarks-president-defense-strategic-review> (accessed March 16, 2012); “The focus on the Asia---Pacific region places a renewed emphasis on air and naval forces while sustaining ground force presence. The Middle East has been dominated by ground force operations over the last decade; however, as we gradually transition security in Afghanistan and reestablish peacetime ground force presence, this region will also become increasingly maritime.” U.S. Department of Defense, “Defense Budget Priorities And Choices,” (Washington, DC: The Pentagon, January 2012), 5.

<sup>225</sup> The cost per service member is expressed in FY 2012 constant dollars which includes total DoD military personnel and retirement costs divided by the total number of service members. The average cost while the nation still used conscription from FY 1948 through FY 1972 was \$60,570. After fully implementing the all-volunteer force, the average cost from FY 1973 to FY 2001 was \$73,033, an increase of 21 percent. Since 9/11, the average cost FY 2002 to FY 2011 has been \$98,590, an incremental increase of 35 percent or 63 percent above conscription levels. Data in calculations was taken from Table 6-1 Department of Defense TOA by Appropriation Title and Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 75, 232.

<sup>226</sup> Ibid.

<sup>227</sup> Ibid.

<sup>228</sup> The average percentage of the defense budget for military manpower was 42 percent from FY 1954 to FY 1960, 40 percent from FY 1968 to FY 1976, 31 percent from FY 1986 to FY 1998, and is projected to be 25 percent from FY 2012 to FY 2016. Calculated using the DoD's expenditures for military personnel and retirement costs and total defense expenditures in FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Appropriation Title. Ibid., 75.

<sup>229</sup> Ibid.

<sup>230</sup> During the Korean, Vietnam and the Cold War drawdowns, the nation reduced its defense spending to \$375 billion per year. The low points after each drawdown were \$372 billion in 1954 following the Korean War, \$373 billion in 1975 following Vietnam, and \$375 billion in 1998 following the Cold War (in FY 2012 constant dollars). Ibid.

<sup>231</sup> Ibid., 232.

<sup>232</sup> Since 9/11, the average direct compensation and retirement cost FY 2002 to FY 2011 has been \$98,590 per service member per year. If the defense budget was reduced to \$400 billion and the DoD continues spending 25 percent on manpower, the manpower portion of the budget is \$100 billion. Dividing \$100 billion by \$98,950, the cost per service member, results in 1,014,298 service members the DoD could afford to keep on active duty. Calculated in real terms using FY 2012 constant dollars. Calculations are based on data and analyses from Table 6-1 Department of Defense TOA by Appropriation Title and Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 75, 232.

<sup>233</sup> The DoD's projection for average manpower costs declines to \$75,973 in FY 2012 and FY 2013 based on data and analyses from Table 6-1 Department of Defense TOA by Appropriation Title and Table 7-5: DoD Manpower – FY 1940 to FY 2012. Dividing \$100 billion by this amount shows the DoD could afford 1,316,249 active duty service members instead of the 1,014,298 service members using recent costs of \$98,950. Ibid.

<sup>234</sup> The 11 percent of the population employed by DoD is based on the U.S. population of 139,928,165 people in 1945 and 14,684 DoD employees (military and civilian). U.S. Census Bureau, *Historical National Population Estimates July 1, 1900 to July 1, 1999*, U.S. Census Bureau Population Division, <http://www.census.gov/popest/data/national/totals/pre-1980/tables/popclockest> (accessed January 24, 2012); Table 7-5: DoD Manpower – FY 1940 to FY 2012. U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 232.

<sup>235</sup> Since 1948, the nation has relied on an average of 1.5% of the population to provide for the common defense, meaning people directly employed by the DoD. U.S. Population figures are 160,184,192 in 1953, 200,706,052 in 1968, 242,288,918 in 1987, and 312,904,779 in 2012. DoD Manpower figures respectively are 5,293,000; 4,900,000; 3,377,000; and 2,300,000. Ibid.

<sup>236</sup> The cost per service member is expressed in FY 2012 constant dollars which includes total DoD military personnel and retirement costs divided by the total number of service

members. The average cost while the nation still used conscription from FY 1948 through FY 1972 was \$60,570. After fully implementing the all-volunteer force, the average cost from FY 1973 to FY 2001 was \$73,033, an increase of 21 percent. Since 9/11, the average cost FY 2002 to FY 2011 has been \$98,590, an incremental increase of 35 percent or 63 percent above conscription levels. Data in calculations was taken from Table 6-1 Department of Defense TOA by Appropriation Title and Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 75, 232.

<sup>237</sup> The cost to equip each service member is expressed in FY 2012 constant dollars which includes total DoD procurement costs divided by the total number of service members. The average cost post-World War II from FY 1948 through FY 1950 was \$20,350. After Korea, the average cost from FY 1953 to FY 1960 was \$30,708, an increase of 51. Post-Vietnam, the average cost FY 1968 to FY 1975 was 31,884, an increase of 4 percent. Following the Cold War from FY 1986 to FY 1998 the cost was \$46,155, an increase of 45 percent. Since 9/11, the average cost FY 2002 to FY 2011 has been \$83,204, an incremental increase of 80 percent or 309 percent above post-World War II levels. Data in calculations was taken from Table 6-1 Department of Defense TOA by Appropriation Title and Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 75, 232.

<sup>238</sup> Ibid.

<sup>239</sup> The average percentage of the defense budget for procurement during drawdowns has been 19 percent; 19 percent from FY 1954 to FY 1955, 20 percent from FY 1968 to FY 1976, 19 percent from FY 1986 to FY 1998, and is projected to be 21 percent from FY 2012 to FY 2016. Calculated using the DoD's expenditures for military personnel and retirement costs and total defense expenditures in FY 2012 constant dollars from Table 6-1 Department of Defense TOA by Appropriation Title. Ibid., 75.

<sup>240</sup> Ibid.

<sup>241</sup> Ibid.

<sup>242</sup> The low points after each drawdown were \$372 billion in FY 1954 following the Korean War, \$373 billion in FY 1975 following Vietnam, and \$375 billion in FY 1998 following the Cold War (in FY 2012 constant dollars) from Table 6-3: DoD TOA by Service – FY 1948 to FY 2016. Ibid., 75; The Vietnam War drawdown took 8 years from FY 1968 to FY 1975, and the Cold War drawdown really took 7 years from FY 1992 to FY 1998 when accounting for Operation Desert Storm, but in the larger picture it took 13 years from FY 1986 following the peak of the Reagan buildup. Ibid.

<sup>243</sup> When compared in real terms, total DoD base budget increased from \$382.408 billion in FY 2001 to \$530.600 billion in FY 2012, an increase of 38 percent. Ibid; The FY 2012 value is provided by the FY 2013 Budget. U.S. Department of Defense, "Defense Budget Priorities And Choices," (January 2012), 5.

<sup>244</sup> Assuming defense spending drops to \$400 billion by FY 2019 as measured in real terms. When converted to current year dollars, based on the FY 2012 base budget of \$530.6 billion, future spending levels would be about \$487 billion in FY 2013, \$460 billion in FY 2014, \$446 billion in FY 2015, \$446 billion in FY 2016, \$451 billion in FY 2017, \$456 billion in FY 2018, \$463 billion in FY 2019, \$473 billion in FY 2020, and \$483 billion in FY 2021. Ibid.

<sup>245</sup> The FY 2013 President's Budget projects a FY 2017 base defense budget of \$567.3 billion. Ibid.

U.S. Department of Defense, *National Defense Budget Estimates for Fiscal Year 2012*, 91

<sup>246</sup> The cost per service member is in FY 2012 constant dollars. While the nation still used conscription from FY 1948 through FY 1972 was \$60,570. After fully implementing the all-volunteer force, the average cost from FY 1973 to FY 2001 was \$73,033, an increase of 21 percent. Since 9/11, the average cost FY 2002 to FY 2011 has been \$98,590, an incremental increase of 35 percent or 63 percent above conscription levels. Data in calculations was taken from Table 6-1 Department of Defense TOA by Appropriation Title and Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 75, 232.

<sup>247</sup> If the defense budget was reduced to \$400 billion and the DoD continues spending 25 percent on manpower, the manpower portion of the budget is \$100 billion. Dividing \$100 billion by \$98,950, the cost per service member, results in 1,014,298 service members the DoD could afford to keep on active duty. Calculated in real terms using FY 2012 constant dollars. Calculations are based on data and analyses from Table 6-1 Department of Defense TOA by Appropriation Title and Table 7-5: DoD Manpower – FY 1940 to FY 2012. Ibid., 75, 232.

<sup>248</sup> Ibid.