Veiled by Public Comment, Emerging Plan Shows Bush Raising DOD Budget
Richard F. Kaufman

George W. Bush’s initial military policy actions underline the concerns and some of the ambiguity surrounding the statements he made in last year’s presidential campaign. During the campaign, he said he would propose adding $45 billion to the Pentagon’s budget over the next 10 years. Almost no one took that figure seriously because it represents an average increase of only $4.5 billion per year - an annual rate of increase of about 1.5 percent -- and was much lower than the Pentagon and its leading supporters in Congress were demanding. The figure he has now proposed for next year’s (Fiscal Year 2002) military budget is $310.5 billion, an increase of 4.8 percent over what was enacted for FY 2001. The advocates of a more rapid military build-up were upset that the president did not propose a larger budget, although most government agencies would be pleased with a fraction of such largesse. Moreover, the White House has assured the military establishment that more funds will be forthcoming once a review of military policy is completed.

The accompanying chart is taken from Bush’s budget proposal, Blueprint for New Beginnings: A Responsible Budget for America’s Priorities. It shows that the annual growth in the Pentagon’s budget has averaged 4.6 percent since 1998. While the amounts have not been adjusted for inflation, the inflation rate has been low and the figures accurately reflect the military budget trend.

Bush Said to be Exercising Restraint
Bush is being credited with exercising restraint in his military budget proposal. One reason is that he has proposed less, so far, than what the hardliners would like. Another reason flows from the usual confusion surrounding military budget figures. This time, the mixup has to do with the difference between official projections of future budgets, called current services estimates, and actual budget proposals. The Office of Management and Budget is required each year to make detailed estimates of future government spending, assuming no changes are made to existing laws. In January, while President Clinton was still in office, the White House issued its budget projections for the next fiscal year and beyond. The FY 2002 projection for the Pentagon was $306 billion. Neither the President nor Congress is obligated to incorporate these estimates into the final budget. They are made for analytical and informational reasons, to indicate likely future budget consequences for individual programs if policies remain the same.

Nevertheless, when Bush first announced that his military budget proposal would be about $310 billion (several billion dollars above the Clinton Administration’s current services projection), he made it seem that he was
simply adopting the former president’s budget. Bush himself said that he was leaving the military budget essentially unchanged. The President was praised by some for his moderation, but he set off alarms among advocates of a more rapid build-up. The latter viewed the proposed addition of about $14 billion to the $296.3 billion military budget approved for FY 2001 as inadequate, and there was grumbling that Bush was not elected to enact Clinton’s military budget. In Congress, Democrats as well as Republicans rushed to assure the Pentagon that they would add billions to the President’s request, as they have done for a number of years. Senator John Warner, chairman of the Senate Armed Services Committee, and eight other Republican members of that committee, sent a letter to Bush urging him to request more money for the military. A group of House Democrats, led by Ike Skelton, the top ranking Democrat on the House Armed Services Committee, quickly introduced a proposal to add $6.7 billion in emergency funds for the military for the current fiscal year.

Strategy, says Bush, Should Drive Budgetary Decisions

A second reason for the perception that Bush is moving with restraint is his assertion that strategy should drive decisions about defense resources, not the other way around. Toward that end, he directed Donald Rumsfeld, the Secretary of Defense, to conduct a strategic review of military program. He also stated that he would not consider supplemental requests, or decide the amounts he will propose for future investments, until the strategic review is completed. Bush’s approach sounds reasonable on the surface. But if strategy is to drive decisions on resources, it would have been more consistent with that principle to maintain current budget levels, pending the results of the strategic review, rather than increasing the budget for next year by nearly 5 percent before the review is completed. The fact that the administration is already requesting a substantial increase, that Secretary Rumsfeld has stated that he agrees further increases are needed, and that the strategic review is being conducted by Rumsfeld, suggests that the only question is how much more, not whether, to increase future spending. It seems that resources are still driving strategy.

Analysts Tend to Overlook Service Heads

At the outset of new administrations, those who follow military policy tend to pay a lot of attention to what the president and the secretary of defense say, and there is a tendency to ignore the leaders of the military services and their roles in the making of military policy. Every president wants to seem in charge of national security and to act like the Commander in Chief. The reality is that within the U.S. Government, the military plays a large and unique role in the making of military policy, and in the determination of military budgets. Their influence in Congress and their standing with the public are so large that no president or defense secretary can afford to antagonize the military leadership, and they do so at some risk.

The military leadership has made it clear over the past several years that their bottom line, as far as budget policy is concerned, is that they want more money. In 1998 the Senate Armed Services held a public hearing with the Joint Chiefs of Staff. At that meeting, from which the defense secretary was excluded, the committee was told for the first time, that an increase in military spending of $25 billion per year was needed to reverse the decline in military readiness. Although Congress had been assured previously that there were no serious readiness problems, the President and Congress responded with substantial budget increases for military readiness.

Military Leaders Say They Need Yet More Money

The military leaders in public congressional hearings last fall hinted broadly at how much more money they wanted. In late-September, 2000, the Joint Chiefs of Staff, again unaccompanied by the Secretary of Defense, put their budgetary disagreements with the Clinton Administration on display before the House and Senate Armed Services Committee. Although they would not specify exact figures, they indicated with their charts that they would not be satisfied unless they received an increase of $30 to $50 billion per year for readiness and procurement. One of the Chiefs, Air Force General Michael E. Ryan, suggested that they wanted more than that.
In response to a question from Sen. Rick Santorum, the Air Force Chief said the Air Force alone needed $20 to $30 billion a year more than was currently provided. The 1998 and 2000 hearings mark a new development in the politics of the military budget. Military leaders have always had access to Congress and have been able to make Capitol Hill end runs around the formal annual budget process in the Executive Branch to argue their cases for more money. In recent years they have strengthened their ties to Congress and their control over the military purse strings.

**Evidence Shows Bush Will Push for Additional DOD Dollars**

One cannot rule out the possibility that Bush will reign-in the Chiefs and moderate military spending trends. He has stated that he wants to reduce costs by closing unnecessary military bases and he has indicated that he may not support all the new weapons program now being developed. Still, the new President is adroit at sending mixed signals, sounding like a centrist, and then moving to the right. The signals that count suggest an acceleration of the military buildup. Even with a gradualist approach, a few years of increases averaging just three or four percent a year in real terms will come close to satisfying current military demands.

![Possible U.S. Defense Budget Increases, FY 2002-2005](image)

The table (above) shows how varying rates of growth will change the military budget, and affect future totals for the Defense Department. It can be seen that the totals escalate rapidly. The budget approved for FY2001 was $296.3 billion. Bush’s budget proposal for FY2002 is $310.5, a 4.8 percent increase, as mentioned before. Applying a three percent annual rate of increase for the next three years, the total in 2005 would be $339.3. Applying a four percent annual rate of increase, the total in 2005 would be $349.2 billion. The total increase four years from now would be either $43 billion or $53 billion over the current year.

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