Are U.S. Forces Underprepared and Underfunded? Fact and Fiction

Lawrence J. Korb
ARE U.S. FORCES UNPREPARED AND UNDERFUNDED?

Fact and Fiction

Lawrence J. Korb

Are U.S. forces underfunded, and are they therefore unprepared to carry out their missions? The answer to both questions is emphatically no. In fact, by any objective or commonsense analysis, America’s military is more than prepared for any challenge it is likely to face today and receives far more funding than is necessary to protect the nation in the post–Cold War world. Whatever problems the armed services now face are caused more by poor leadership and mismanagement than by lack of funding. The military’s impressive performance in Afghanistan demonstrates the excellent shape it is in.

FUNDING AND PREPAREDNESS: THE FACTS

For fiscal year (FY) 2002, which began on 1 October 2001, the Department of Defense (DOD) received approximately $344 billion. By any reasonable standard, this is an enormous amount of money. To put it in perspective, consider three points. In inflation-adjusted, or “real,” dollars, $344 billion is significantly more than this nation spent annually, on average, during the Cold War. While the end of the Cold War did not mean the end of history, there is no nation or group of nations that poses anything like the military threat once represented by the “evil empire”—the Soviet Union—which outspent the United States throughout most of the Cold War. The defense budget that Secretary of Defense Donald Rumsfeld administers

Dr. Korb is vice president, Maurice R. Greenberg Chair, director of studies, and director of national security studies of the Council on Foreign Relations. Since earning his doctorate at the State University of New York, he has served on the faculty of the Naval War College; as assistant secretary of defense, from 1981 to 1985 (he holds the Department of Defense Medal for Distinguished Public Service); as a vice president of the Raytheon Company; as dean of the Graduate School of Public and International Affairs at the University of Pittsburgh; as an adjunct professor at Georgetown University; and as the director of the Center for Public Policy Education, as well as a senior fellow, at the Brookings Institution (1988–98). He is the author of American National Security: Policy and Process (1993), The Fall and Rise of the Pentagon (1979), and The Joint Chiefs of Staff: The First Twenty-five Years (1976); his recent books include Future Visions for U.S. Defense Policy (2000, with coauthor John Hillen) and A Realistic Defense Budget for the New Millennium (2000). He is a retired captain in the U.S. Naval Reserve.
in FY 2002 is significantly higher in real terms than those he administered twenty-five years ago when he served as secretary of defense the first time, at the height of the Cold War and the apex of Soviet military spending.

Further, the $344 billion defense budget of the Bush administration represents nearly 40 percent of the world’s total military expenditures (up from 25 percent a decade ago) and is more than the defense spending of all potential enemies of the United States combined. The defense expenditures of American allies in Europe, Asia, and the Middle East account for an additional 40 percent. In terms of defense, even this nation’s allies outspend its potential adversaries. For example, South Korea outspends North Korea; Japan outspends China; Israel outspends Iraq; and the non-U.S. members of Nato spend far more than Russia.

Finally, the fiscal 2002 budget exceeds by approximately thirty-three billion dollars the FY 2001 defense budget the Bush administration inherited from its predecessor. This increase alone, which does not include the twenty-billion-dollar supplemental the Pentagon received to wage the war against terrorism, is much more than the combined defense budgets of all of the so-called rogue states (Iran, Iraq, North Korea, Libya, Cuba, Syria, Sudan), which collectively spend about thirteen billion dollars. It is larger than the total defense budgets of such significant nations as Germany and France, and more than the defense budgets of all but four nations in the world.

Those who feel that the U.S. defense budget should be increased yet further will raise a number of objections to these comparisons. They will argue that American defense spending now consumes the smallest portion of the U.S. gross domestic product since before Pearl Harbor; that defense spending has been cut substantially over the last decade, primarily to reduce the federal deficit; and that U.S. military spending cannot be compared to that of other nations because the United States is a global power with worldwide interests—the “indispensable nation.” While all of these arguments contain a kernel of truth, close analysis shows that they are disingenuous at best and downright misleading at worst.

Granted, the current percentage (3 percent) of gross domestic product (GDP) dedicated to defense is the nation’s lowest since right before Pearl Harbor. But this statement tells us much more about the robust growth of the U.S. economy since World War II than it does about what the nation should be spending on defense. In 1940, America’s GDP was $96.5 billion, or about $1.5 trillion in today’s dollars; the current gross domestic product is in excess of ten trillion dollars. One percent of today’s GDP means almost ninetines as much money as in 1941. Worse, the comparison to the pre-Pearl Harbor GDP implies that the U.S. military is in as bad a condition now as it was in 1941. Sixty years ago, the American armed forces were ranked sixteenth in the world, between those of Portugal and Romania; they were one-tenth the size of Germany’s and half the size of Japan’s;
and they accounted for only 1.6 percent of the world’s military personnel. As the war against the Taliban and Al-Qaeda in Afghanistan has demonstrated, the U.S. military is the best in the world and far better than it was even during the Persian Gulf War.

Nevertheless, many urge the United States to increase defense spending by a hundred billion dollars so that defense can receive its “rightful 4 percent share of GDP.” The absurdity of this position can be seen by turning the argument on its head. Let us suppose the recent economic downturn is followed by a general recession and that American gross domestic product drops precipitously in real terms. Simultaneously, suppose that China, perhaps to dampen social turmoil brought about by economic chaos, undertakes a crash rearmament program and threatens to invade Taiwan and Japan. If the United States holds its military spending level during the economic decline, the defense share of GDP will rise from 3 to the “correct” 4 percent. Would we say the United States therefore should not increase defense spending to meet the Chinese threat?

Defense spending has indeed declined since the end of the Cold War. During the decade of the 1990s, the United States spent about 8 percent less than it did on average during the Cold War and 16 percent less than it did during the halcyon 1980s, a decade that featured the largest peacetime defense spending increase in American history. However, this reduction was prompted not by the desire to balance the federal budget but by the demise of the Soviet empire. Even supporters of a strong defense, like the late Senator John Tower (D-Tex.), thought the drop would be more precipitous than what actually occurred. In a hearing during his unsuccessful bid to become secretary of defense for the elder George Bush, Tower envisioned a decline of more than 50 percent after the collapse of the Soviet Union. The chairman of the Joint Chiefs of Staff from 1989 to 1993, General Colin Powell, supported a 25 percent decline but feared that there would be a large shift of money from the Pentagon to schools, housing, and crime prevention. Few would have thought that the “liberal” Bill Clinton would leave office with a defense budget higher in real terms than such Cold War presidents as Dwight Eisenhower, John Kennedy, Richard Nixon, Gerald Ford, and Jimmy Carter and that he would have spent more on defense in real terms than the elder George Bush had projected on leaving office.

It is true that the U.S. defense budget cannot be compared on a one-to-one basis with those of other nations—the United States is, after all, a superpower, with global interests and responsibilities—but surely there is some relationship. If the United States always outspends China by almost seven to one, Russia by
six to one, and all the rogue states combined by twenty-five to one, is there really a need for more? During the Cold War, the size of the defense budget was dictated primarily by that of the Soviet Union; many of those now favoring large increases in the defense budget used the gap between the U.S. and Soviet defense spending in the 1970s as a justification for massively increasing defense spending of the 1980s.

Again, this line of reasoning can be dismissed by turning it on its head. If North Korea responds to the Republic of Korea’s conciliatory “sunshine policy” and moves toward reunification with the South, reducing its defense budget accordingly, would not this have an impact on U.S. defense spending? Should China embrace liberal democracy, in order to sustain its economic growth, or renounce its claims to Taiwan, would the United States keep its defense budget at above Cold War levels?

Logically, if the United States is spending so much on defense, its military forces should already be prepared to handle any challenges they might face. Indeed, during the last decade U.S. forces performed superbly in places like Bosnia, Haiti, and Kosovo, and magnificently in Afghanistan. Nonetheless, advocates of throwing more money at defense claim that the U.S. military is in terrible shape. Evocations of “train wrecks” and “death spirals” are routine in descriptions of the American armed services. During the 2000 presidential campaign, George W. Bush and Richard Cheney promised the “beleaguered” military that “help was on the way.”

**The Fictions**

Those who hold such dire views argue that the armed forces cannot execute the national strategy of fighting two major conflicts simultaneously; that its equipment is aging too rapidly; that it is overused; and, consequently, that its readiness indicators are markedly declining. If these claims are true, there must have been a gross waste of resources in the last decade. But, fortunately, they are greatly exaggerated, as can be demonstrated by examining each of these assertions in turn.

**Simultaneous Conflicts.** From 1991 to the fall of 2001, the military strategy of the United States has been to have sufficient forces to fight two major regional conflicts, or theater wars, simultaneously—one in the Persian Gulf and another on the Korean Peninsula. This strategy was developed by the administration of George H. W. Bush, under the leadership of General Powell, then chairman of the Joint Chiefs of Staff. It was reaffirmed by Clinton’s first secretary of defense, Les Aspin (in his Bottom-Up Review of 1993), and again in 1997 by Clinton’s third and last secretary of defense, William Cohen, in a Quadrennial Defense Review. In the Quadrennial Defense Review of 2001, Donald Rumsfeld changed...
the two-war strategy somewhat. Rather than having the capability to wage two wars simultaneously, U.S. forces now must be able to win one conflict decisively while having the capability to stop the enemy in the other.

Throughout the Clinton years, many congressional defense hawks claimed that because of peacekeeping operations in Bosnia and Haiti, or military operations in Kosovo, the U.S. armed forces could not handle two major conflicts simultaneously. Nothing could have been farther from the truth. The fact of the matter is that peacekeeping operations consumed less than 2 percent of the defense budget during the Clinton administration. Today, moreover, only ten thousand U.S. troops out of a total force of 2.3 million are involved in peacekeeping operations in the Balkans.

Finally, the threat from regional rogues (which today is rapidly declining) has always been wildly overestimated. For example, in Les Aspin's years as secretary of defense, the Joint Chiefs of Staff, calculating how many troops the United States would need to prevail on the Korean Peninsula, assumed that a North Korean soldier was as effective as an American soldier and 25 percent more effective than a South Korean. According to the Joint Chiefs, then, the United States would have to send more Americans to Korea today than it did in 1950, when there was no South Korean military to speak of and a million Chinese came to the aid of North Korea. Moreover, during the 1990s, as the military strength of Iraq and North Korea declined precipitously, the Pentagon actually increased the size of the force it felt it needed to defeat these rogue states.

Superannuated Equipment. The average age of some of the Pentagon's major weapons systems did increase slightly in the decade of the 1990s, but this increase was comparatively small, and the average age of some weapons systems actually dropped. As indicated in the table, the average age of the tactical air forces and bombers increased by two years, and of amphibious ships by one year. The average age of U.S. attack submarines, however, dropped by one year and that of surface combatants by three.

### AVERAGE AGES OF U.S. INVENTORIES OF MAJOR WEAPONS SYSTEMS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force Fighters</td>
<td>11</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>Navy/Marine Fighters</td>
<td>10</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Bombers</td>
<td>21</td>
<td>23</td>
<td>38</td>
</tr>
<tr>
<td>Attack Submarines</td>
<td>14</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Surface Combatants</td>
<td>16</td>
<td>13</td>
<td>20</td>
</tr>
<tr>
<td>Amphibious Ships</td>
<td>19</td>
<td>20</td>
<td>19</td>
</tr>
</tbody>
</table>

Advocates of increasing defense spending point out that over the next fifteen years the situation will become much worse. As the table shows, this is indeed
true for some systems, but not for all. The average age of Air Force fighters will grow from thirteen to eighteen years, of bombers from twenty-three to thirty-eight years, attack submarines from thirteen to seventeen years, and surface ships from thirteen to twenty years. However, the average age of naval tactical aircraft will rise by only one year, and the average age of amphibious ships will decline slightly.

In any case, the small increase in the age of tactical aircraft could easily have been avoided if the Pentagon had not spent the last decade in an arms race with itself. Rather than replacing existing aircraft, the best in the world, with the latest versions of the same systems, the military decided to procure much more expensive next-generation platforms, originally designed to combat advanced Soviet systems. For example, the Block 60 F-16, at thirty million dollars, is five times more effective than the earliest version of the F-16, but its cost per unit is only one-seventh that of the F-22 ($210 million). If the Pentagon carries on in this way over the present decade, the situation will become even worse, especially for Air Force tactical planes.

**Underpaid and Overworked.** Equally specious are claims that the military has too many tasks for which it is paid too little, and that this situation is causing personnel and operational readiness problems. Advocates of increasing military pay argue that the Pentagon and the Congress acknowledged the need in the fiscal year 2000 and 2001 budgets, which raised active-duty base pay by about 9 percent across the board and increased the percentage of base pay a retiree would receive after twenty years from 40 to 50 percent. Proponents of a further pay raise argue that the military suffers a 13 percent pay gap relative to the private sector and that the results include a deploying fleet short fifteen thousand sailors, twelve thousand military people on food stamps, and a severe pilot shortage in the Navy and the Air Force.

Cindy Williams, former head of the Congressional Budget Office’s National Security Division, has demonstrated that in reality there is no pay gap. The majority of the men and women in the armed services earn more than do 75 percent of their civilian counterparts. Counting benefits, allowances, and “special pay,” an entering recruit with a high school diploma averages twenty-two thousand dollars, while an officer earns thirty-four thousand. After twenty years, the salary of an enlisted man exceeds fifty thousand, while that of an officer tops one hundred thousand. These figures include a wide variety of bonuses for which military personnel are eligible throughout their active-duty careers, as well as a generous package of fringe benefits (free health care, generous noncontributory retirement). Moreover, there is no evidence to support the contention that restoring the retirement benefit to 50 percent after twenty years will have an impact on retention.
The consequences of the “pay gap” are also overblown. The Navy is at, or very near, its authorized end strength. If there are shortfalls, it is because sailors are not in the correct places. Moreover, the fact that the Navy fell 6,892 short of its recruiting goals in 1998 should not have been surprising. The Navy actually recruited as many people in 1998 as it did in 1995 and 1996; however, the Navy increased its numerical goal for 1998 by 15 percent over 1996 without making the corresponding increases in recruiters and advertising. For example, in 1998 the Navy had fewer recruiters than in 1996 and 1997, and the advertising budget for 1997 was below that of 1996, even without adjusting for inflation. An adequate number of recruiters and a robust advertising budget should go a long way toward curing the shortfall. Indeed, with additional recruiters and more advertising, the Navy actually met its recruiting and end-strength goals in 1999, 2000, and 2001.

Similarly, it is true that some twelve thousand military people are technically eligible for food stamps, but as the Wall Street Journal has pointed out, the vast majority (60 percent) of them are individuals with large families in the lower ranks (pay grades E3–E5) who live on base. Because they live in rent-free quarters, they do not receive their housing allowance. If they lived off base or their housing allowances were adjusted to reflect the fair market value of their housing, most of these military people would not be eligible for food stamps. Correcting for these distortions reduces the number to between 750 and a thousand, or about 0.08 percent of the force.

Finally, it is true that the Air Force and the Navy are short some two thousand pilots, but this is the result of two factors, one of them internal. In the first part of the 1990s, the military reduced the number of pilots in training below what was needed to sustain an appropriate level. As the chief of staff of the Air Force, General Michael Ryan, has acknowledged, “We made a terrible mistake six years ago when we reduced our pilot training to such a low level.” This accounts for about 80 percent of the shortage. The remaining 20 percent of the shortfall arises because during the 1990s the civilian airlines were hiring in unprecedented numbers. There is no conceivable way that the military could have matched the compensation or lifestyle of a pilot flying for Delta, American, or United, not even by doubling pay and ending deployments. Training more pilots would have been more effective than just throwing more money at the problem. In any case, the economic downturn and the terrorist attacks of 11 September 2001 put an end to airline hiring.
Nor, by any objective measure, has the quality of the people coming into the
toled forces declined. The percentage of new recruits scoring above average
on the armed forces qualification test in the 1990s was about 60 percent. This
was higher than in any decade since the creation of the All Volunteer Force in
1973. Similarly, reenlistment rates in the 1990s were about 70 percent— substan-
tially higher than in the previous two decades of the All Volunteer Force. Not
surprisingly, the average age and experience in the 1990s was also higher than in
the 1980s and 1970s. In the last decade, the mean age of a man or woman in the
service was about twenty-seven years six months, while the mean length of ser-
vice was eighty-five months. When the All Volunteer Force came into being in
1973, the mean age was twenty-six years seven months, while the mean number
of months of service was only thirty. In the decade of the 1980s alone, the mean
age rose to twenty-seven years and mean length of service to seventy months.

Nor is the military overworked—that is, deployed too often. Some have
claimed that this nation has deployed military forces once every nine weeks in
the last decade. The fact is that in the 1980s over five hundred thousand people,
or 25 percent of an active-duty force of 2.1 million, were deployed outside the
United States. Today, that number is about 235,000, or 15 percent of an active
force of 1.36 million. A decade ago, only 58 percent of the active Army was in the
United States; today, that figure is over 75 percent. Sailors today spend about
the same amount of time at sea as they did a decade ago. The net effect of long or
hostile-area duty on retention is actually positive for the Army and Marines and
statistically insignificant for the Navy and Air Force.

Of the 235,000 people deployed outside the United States today, two hundred
thousand of them are on routine deployments— meeting long-standing re-
quirements— in Europe and Asia. That means that thirty-five thousand men
and women, 2 percent of the 1.1 million members of the active force not rou-
tinely deployed, are available for places like the Balkans and the Persian Gulf,
or for unforeseen deployments like Central Asia. This is hardly a demanding re-
quirement; if this minimal requirement is causing problems for selected units, it
should be solved by good management, not by spending more money. For exam-
ple, most of the units that regularly go on unplanned deployments— like Army
civil affairs brigades or Air Force search and rescue units— should be in the ac-
tive component, not in the reserves as they are now. Moreover, when counting
the number of these operations, the military makes no distinction between
sending handfuls of people to Southeast Asia for a few days to recover remains of
unaccounted-for servicemen from the Vietnam War or to Africa to deliver food,
and deploying thousands to the Balkans for several years. Finally, the Pentagon
has used reserve components to handle a substantial part of these unexpected
deployments. For example, of the 150,000 people who have served in Bosnia
since 1995, over thirty thousand have been reservists; over ten thousand of the fifty-six thousand who have been deployed to Kosovo are reservists.

Operational Readiness Indicators. Finally, according to the quantitative measures by which the military continually assesses the operational condition of all units, overall readiness is now excellent. The availability rates of Army vehicles, planes, and helicopters and of Marine Corps aircraft are actually higher than they were a decade ago. "Mission-capable" rates for Navy aircraft are essentially unchanged since 1990, at 70 percent. Mission-capable rates for Air Force aircraft have declined since DESERT STORM, but only slightly, from 85 to 75 percent. The excellent condition of today's U.S. armed forces is manifest in its accident rates and its performance in Afghanistan. In 1980, the number of worldwide active-duty deaths from accidents was about eighty per hundred thousand service people. By 1990 it had dropped to forty per hundred thousand; currently it is below thirty. In any case, whatever problems the services are having in the readiness area are not caused by lack of funds. The operations and maintenance account, directly applicable to readiness, is at an all-time high, especially on a per capita basis. For example, in fiscal year 2000, real operations and maintenance spending per capita was 10 percent higher than at the height of the Reagan buildup.

Does this mean that the Pentagon can rest on its laurels? Absolutely not. None of this analysis implies that the military does not face challenges. Indeed it does face challenges, but they cannot be dealt with by throwing more and more money at the Pentagon. As Admiral William Owens, the vice chairman of the Joint Chiefs of Staff in the first Clinton administration, has argued, that would be the worst thing to do—it would justify the failure of the Pentagon to adjust to the end of the Cold War. The majority of the problems faced by the Pentagon are self-inflicted.

In the decade of the 1990s, the Department of Defense conducted three reviews of its strategy and force structure: the Base Force of 1990, the Bottom-Up Review of 1993, and the Quadrennial Defense Review of 1997. Although these reviews were conducted by three different secretaries of defense, they made no fundamental changes. The force of 2000 is structurally little different than it was a decade ago. Although the military is somewhat smaller now, it is in essence a "Cold War Lite" force— the "legacy" anti-Soviet military with some of the "fat" removed. Service men and women drive the same tanks, fly the same planes, and steam the same ships as they did in 1990. Moreover, they use the same procurement strategies and employ the same organizational and operational models. While such a state of affairs is understandable from a bureaucratic and political view, it has put the United States in the worst of all possible worlds. Not only
does the nation spend more than is necessary on defense but it gets far less than it should from what it spends. As then-candidate George W. Bush remarked in the 2000 campaign, the U.S. military is organized for Cold War threats “in which there is almost no relationship between our budget priorities and our strategic vision.” A true “bottom-up review” that resulted in a realistic budget would produce a more effective defense at a greatly reduced cost.

Just before 11 September, surprising momentum was emerging in Congress behind the theory that proposed Pentagon budget increases for 2002 were excessive or even unwarranted. In the wake of the terrorist attacks, the overwhelming assumption in Washington is that the Pentagon will need huge budget increases for the foreseeable future.

Ironically, the opposite is true. The Afghan war and the larger battle against terrorism have actually strengthened the argument that Congress and the president should trim the defense budget. The terrorist attacks changed many things in our country, but they did not alter the fact that America has overwhelming military power to defeat any adversary on the traditional battlefield.

To some degree, the war against the Taliban proved this, demonstrating that America’s military is hardly the hollow force that President Bush alleged in his campaign. In fact, given the three trillion dollars the United States has invested in defense over the past decade, the force that crushed the Taliban is much more technologically sophisticated than the one that routed Iraq a decade ago. For example, in the Persian Gulf War, only 10 percent of the bombs dropped were “smart bombs” or precision guided. Against Afghanistan, that number rose to 90 percent. In any case, there is no doubt that with a military budget twice as large as all of its potential adversaries, this nation would prevail in any military conflict.

This has obviously not changed since 11 September, but the global political environment has. It has tipped in favor of the United States. Thanks in part to diplomatic efforts surrounding the war, America has forged better relations with Russia, which is not officially considered an enemy but is nonetheless widely seen as a latent threat. Relations with Iran and China also have improved as the global community has rallied behind the war against terrorists. In fact, the war on terrorism should be regarded as the nail in the Cold War coffin.

If the Pentagon takes this news seriously, it should stop construction of an expensive new generation of planes, ships, helicopters, and other weapons originally designed primarily for Cold War-type battles. It should adjust its readiness and Cold War forward-deployment posture, bringing home at least a hundred thousand troops from Europe and Asia. It should stop the rush to deploy the very expensive and technologically questionable National Missile Defense program, the utility of which is even more dubious now, and reduce the nuclear
arsenal to a thousand warheads, and do it immediately—not over ten years, as pledged by the president.

To be sure, the war against terrorism necessitates some new investments: smart weapons, special forces, mobile weaponry, appropriate transport vehicles and aircraft, and communications and reconnaissance technology, among other military items. But it is clear that these expenditures will consume only a fraction of the savings that could be realized from cutting unnecessary weapons, such as the F-22 and V-22 aircraft and the Crusader artillery system, within the Pentagon budget.

The rest of the savings should be transferred out of the Pentagon. Some of the nation’s best weapons in the war against terrorism—such as the Federal Bureau of Investigation, the Central Intelligence Agency, the Coast Guard, and the Immigration and Naturalization Service—will require more money. For example, in 2002, the Pentagon will spend more on national missile defense than this nation spends on the U.S. Coast Guard. Given the fact that the federal budget is now projected to run deficits at least through the middle of this decade, new spending—even for vital programs—will increasingly not be an option.

Unfortunately, the Bush administration, which came into office pledging to transform and reform the military by eliminating the Cold War relics the armed services were purchasing, has backed down in the face of opposition from the military and will simply add more and more money to the Pentagon’s budget to continue to buy the same weapons. As a retired Navy captain, Larry Seaquist, noted, “They [the Bush administration] plan to pour more fertilizer on the same old crops.” Its proposed fiscal year 2003 defense budget will be at least eighty billion dollars, or 25 percent, higher than President Clinton had projected on leaving office.

NOTES

2. Budgetary totals for nations other than the United States are derived from the International Institute for Strategic Studies (IISS).


