

# The Chart Page

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## The New Budget at a Glance

In January, President Bush presented to Congress a revised Fiscal Year 1993 budget. This revised budget calls for military spending cuts that go deeper than those proposed in the original Fiscal 1993 budget plan. The proposal for the entire national defense program (DoD activities and defense activities in the Department of Energy and other federal agencies) is \$280.9 billion in budget authority and \$285.9 in outlays for FY 1993. The **direct program** (DoD) activities only) is \$267.6 billion in budget authority and \$272.8 billion in outlays.

Pentagon spending, adjusted for inflation, will decline by seven percent between FY 1992 and FY 1993. The \$267.6 billion budget for 1993 is nearly \$20.2 billion below what Congress approved in FY 1992, once the effects of inflation are taken out. Defense spending reductions from 1985 to 1997 will total more than a third.

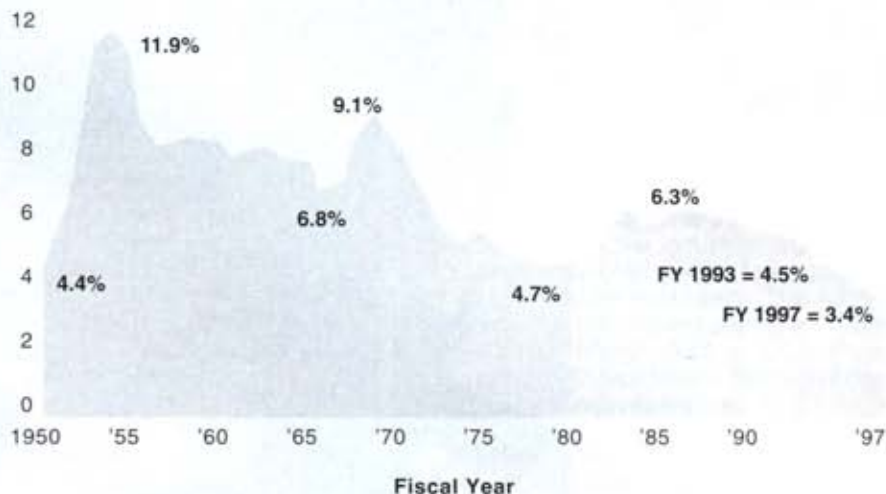
The budget for Fiscal Year 1997, adjusted for inflation, will produce about the same buying power as the budget in 1960 and will be close to the buying power resulting from the 1974-76 post-Vietnam cutbacks.

Funding levels can be expressed in several ways. Totals are most frequently stated as **budget authority** (the value of new obligations, including some to be met in later years, which the government is authorized to incur) or **outlays** (actual expenditures, some of which are funded by budget authority from previous years).

Another difference concerns the value of money. When funding is in **constant, or real, dollars**, the effect of inflation has been factored out to make direct comparisons between budget years possible. A specific year, often the present one, is chosen as a baseline for constant dollars. When funding is in **current or then-year dollars**, no adjustment for inflation has taken place. This is the actual amount of dollars that has been or is to be spent, budgeted, or forecast.

The following charts address only the direct program. In some instances, numbers on the charts in this section may not sum to totals shown because of rounding.

### Defense Outlays as a Percentage of GNP



One way to measure the total burden on the economy of defense spending is to look at defense outlays as a percentage of the Gross National Product. By FY 1996, planned defense outlays as a share of GNP would be at their lowest level since 1939. During the "hollow force" period of the late 1970s, defense outlays consumed 4.7 percent of GNP.

### Defense Outlays as a Percentage of Federal Outlays



Planned defense outlays represent a declining share of total federal outlays and by FY 1997 will be at their lowest level in fifty years.

## Budget Topline

	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
Budget authority (current \$ billions)	277.5 <sup>p</sup>	267.6	267.8	269.9	270.4	274.6
Budget authority (constant FY 1993 \$ billions)	287.8 <sup>p</sup>	267.6	258.0	250.4	241.8	237.5
Outlays (current \$ billions)	282.6	272.8	267.4	267.9	270.9	273.6
Outlays (constant FY 1993 \$ billions)	293.0	272.8	257.6	248.4	242.1	236.5

Excludes cost of Operations Desert Shield and Desert Storm; also excludes DoE and other related defense figures.

<sup>p</sup>Enacted in FY 1992 DoD Appropriations Act. The FY 1992 figure in this year's budget request (\$270.9 billion) differs because it reflects proposed rescission of already appropriated funds and other factors.

## How the Budget Dropped

(Budget authority in constant FY 1993 \$ billions)

	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
July 1990 budget, summit baseline	288.2	277.9	268.0	260.5	252.8	248.7
President's FY 1993 DoD budget	287.7	267.6	258.0	250.4	241.8	237.5
Decline in budget authority	.5	10.3	10.0	10.1	11.0	11.2
Percent real decline from prior year	—	7.0 <sup>a</sup>	3.6	2.9	3.4	1.8
Cumulative percent real decline since 1985	—	28.8	31.3	33.3	35.6	36.7

The summit baseline is based on defense spending at FY 1991 levels, plus inflation.

<sup>a</sup>From enacted level excluding cost of Operations Desert Shield and Desert Storm.

## Cutting the Pie: Who Gets What

(Budget authority in current \$ billions)

	FY 1990	FY 1991	FY 1992	FY 1993
Military personnel	78.6	78.4	78.3	77.1
Operations & maintenance	87.0	85.3	86.4	84.5
Procurement	81.4	66.5	58.5	54.4
Research, development, test, and evaluation	36.5	36.1	36.9	38.8
Military construction	5.1	5.2	4.9	6.2
Family housing	3.1	3.3	3.6	4.0
Revolving funds transfer	—	—	—	2.0
All other	-0.7	1.2	2.3	0.6
<b>Total</b>	<b>291.0</b>	<b>276.0</b>	<b>270.9<sup>a</sup></b>	<b>267.6</b>

Excludes cost of Operations Desert Shield and Desert Storm.

<sup>a</sup>Reflects \$6.6 billion in rescissions from enacted \$277.5 billion FY 1992 budget.

### Service Shares

(Budget authority)

	FY 1990	FY 1991	FY 1992	FY 1993
<b>Current dollars*</b> (in \$ billions)				
Air Force	92.4	83.6	80.2	83.9
Army	77.9	72.5	67.0	63.3
Navy	99.5	94.9	84.8	84.6
Defense Agencies, DoD-wide	21.2	25.0	38.9	35.9
<b>Total</b>	<b>291.0</b>	<b>276.0</b>	<b>270.9<sup>b</sup></b>	<b>267.6</b>
<b>Percentages</b>				
Air Force	31.8	30.3	29.6	31.4
Army	26.8	26.3	24.7	23.7
Navy	34.2	34.4	31.3	31.6
Defense Agencies, DoD-wide	7.3	9.1	14.4	13.4

The Air Force's share of the budget turned up slightly, rising by nearly two percent.

\*Excludes cost of Operations Desert Shield and Desert Storm.

<sup>b</sup>Reflects \$6.6 billion in rescissions from enacted \$277.5 billion FY 1992 budget.

### Manpower Losses

(End strength in thousands)

	FY 1987	Change, 1987-95	FY 1995	FY 1997	FY 1987-97
<b>Total active-duty</b>	2,174	-530	1,644	1,626	-548
Air Force	607	-178	429	430	-177
Army	781	-245	536	536	-245
Marine Corps	199	-29	170	159	-40
Navy	587	-78	509	501	-86
<b>Selected Reserves</b>	<b>1,151</b>	<b>-229</b>	<b>922</b>	<b>920</b>	<b>-231</b>
<b>Civilians</b>	<b>1,133</b>	<b>-221</b>	<b>912</b>	<b>904</b>	<b>-229</b>

Under current plans, in FY 1997, total active-duty military personnel will number 1,644,000, down 530,000 from the FY 1987 post-Vietnam peak. By FY 1997, the 904,000 civilian work force will reflect a 20.2 percent reduction from its 1987 high of 1,133,000.

### Force Structure Changes

	FY 1991	FY 1995
Army divisions	26 (18 active)	20 (12 active)
Aircraft carriers	15	12
Carrier air wings	15 (13 active)	13 (11 active)
Battle force ships	530	450
Air Force wing equivalents	34 (22 active)	26.5 (15 active)



## Funding for Major Systems, FY 1993

(\$ billions)

<b>Land Forces</b>	
UH-60 helicopter	0.4
RAH-66 helicopter	0.4
<b>Air Forces</b>	
F-22 (Advanced Tactical Fighter)	2.2
C-17 airlifter	2.9
Milstar satellite	1.3
B-2 Stealth bomber	4.0
E-8B Joint STARS aircraft	0.7
<b>Naval Forces</b>	
DDG-51 destroyer	3.5
F/A-18 strike fighter	2.6
Trident II missiles	1.1
<b>Strategic Defense Initiative</b>	<b>5.4</b>

Includes funds for procurement and RDT&E.



## Major Program Terminations

(\$ millions)

Reductions from FY 1992	Budget Level FY 1993	FY 1993-97
TOW Sight Improvement Program	-58	-255
LAMP-H (landing craft)	-11	-98
HARM	-71	-511
Supersonic Low-Altitude Target	-279	-302
Closed Cycle ADCAP propulsion system	-35	-127
SQY-1 ASW combat system	-211	-893
Mk. 50 vertical launch ASROC	-37	-91
SH-2 SLEP	-73	-147
ARS-class salvage ship	—	-334
E-2C early warning aircraft	-444	-444
LSD-41 amphibious ship	-251	-251
Peacekeeper rail-garrison*	-100	-202
SRAM II strategic missile*	-259	-1,218
SRAM-T	-107	-441
Mobile Small ICBM (launcher)*	-291	-672
Space-based wide-area surveillance	-29	-195
KC-135 reengining	-92	-1,128
<b>Total</b>	<b>-2,348</b>	<b>-7,309</b>

\*President's Nuclear Initiative, September 27, 1991.

## Funding for Major Air Force Systems

(\$ millions)

	FY 1991	FY 1992	FY 1993
<b>Aircraft Procurement</b>			
B-2A	2,508.4	2,798.2	2,610.7
C-130H	—	289.8	300.4
C-27	79.5	—	—
T-1A Trainer	155.8	156.1	158.6
EFS Trainer	—	14.0	12.3
MH-60G	36.9	23.5	30.1
E-8B (Joint STARS)	—	125.4	361.3
Aircraft modifications	1,477.1	1,810.1	1,732.7
Aircraft spares	510.7	603.4	724.4
<b>Missile Procurement</b>			
Peacekeeper (strategic missile)	398.2	194.5	—
Maverick	383.9	—	—
Spares	76.4	90.0	54.9
<b>Other Procurement</b>			
Sensor-Fuzed Weapon	—	108.7	18.6
Space and Missile Center improvements	47.0	61.2	94.0
Milstar terminals	—	263.9	211.5
Space boosters	207.0	290.5	382.2
Medium Launch Vehicle	269.8	221.3	226.6
Defense Meteorological Satellite	147.7	106.1	31.4
Global Positioning System	156.0	186.8	247.5
<b>Programs in RDT&amp;E</b>			
Advanced Cruise Missile	51.8	28.6	82.3
Milstar ground terminals	—	156.4	1,261.9
B-2	1,715.7	1,548.3	1,261.6
ICBM modernization	581.9	187.3	95.2
AWACS	125.4	205.6	130.9
C-17	732.2	372.8	210.0
F-22	943.5	1,621.1	2,224.3
EW development	79.1	197.7	158.5
Joint STARS	216.1	311.3	355.9
Satellite control network	115.6	111.7	106.5
Titan space launch vehicles	—	140.9	145.9
<b>DoD Joint Programs in RDT&amp;E</b>			
National Aerospace Plane	161.5	200.0	175.0
Strategic Defense Initiative	2,691.9	3,281.8	4,314.7
Tactical Missile Defense	176.9	833.7	997.7