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AN ANALYSIS OF CONGRESSIONAL
REDUCTIONS IN THE DEFENSE
BUDGET; FISCAL YEARS 1971-1976

RICHARD P. CRONIN
Analyst in National Defense
Foreign Affairs and National Defense
Division

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* This study was prepared at the request of Representative Les Aspin;
it is made available for general distribution with his concurrence.

I. Background and Methodology

This report basically addresses Department of Defense (Comptroller) tabular data showing that, among other things, the Congress has cut some \$33 billion from the recommended Department of Defense (DOD) budgets between fiscal years 1971 and 1976. The figures include regular DOD military appropriations, military construction, civil defense, foreign military assistance funding, and supplemental appropriation requests for these same programs. The DOD tabulation is shown at attachment A. The data are summarized in Table 1, below.

Table 1

CONGRESSIONAL REDUCTIONS IN DEFENSE BUDGET REQUESTS*

FY 1971-1976

(Appropriations** - Dollars in Millions)

	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>Total</u>
DOD Request	75,346	79,883	84,999	90,262	94,160	106,470	531,120
Cong Action	-2,507	-3,917	-6,160	-5,825	-6,719	-8,218	-33,346
Appropriated	72,839	75,966	78,839	84,437	87,441	98,252	497,774
% Reduction	3.3	4.9	7.3	6.5	7.1	7.7	6.3

* The figures cited in this report refer to funds appropriated to or managed by (military assistance) the Department of Defense. Excluded are other programs which make up the total national defense functional category of the budget such as AEC (Now ERDA) atomic energy defense activities, the Selective Service System, defense stockpile materials transactions etc. The DOD military and military assistance programs account for more than 95 percent of the total national defense functional category of the budget.

** Appropriations are provided in the form of New Obligational Authority (NOA). This is nearly, but not completely synonymous with the term Budget Authority (BA). The Department of defense also uses a term Total Obligation Authority (TOA) which excludes the financing and trust fund adjustments which in some cases distinguish Budget Authority from New Obligational authority.

In order to shed more light on the nature and effect of congressional action on defense spending requests, this report divides individual line item reductions (and additions) into four categories. These are: "substantive"; "non-critical"; "postponements and deferrals"; and "adjustments." Each category is described below.

Substantive Reductions

This category includes reductions in funds for items which are related to the primary military mission of a particular military service or agency. Examples include funds for operating and maintaining the military forces (including the pay of military and civilian personnel), ^{1/} procurement funds for weapon systems and other military equipment, and most research and development funds. In broad terms, of course, these items encompass nearly all DOD funds. As will be seen, however, recognition has been given to 1) the fact that some items in the budget are not vital to the primary military mission, i.e., "non-critical" category items, and 2) the need to acknowledge other kinds of reductions, such as postponements and financing adjustments. Most general reductions have been treated as substantive. Examples of substantive reductions are shown in attachment B.

^{1/} It is not possible, generally, to determine the extent to which civilian personnel are critical to the performance of the primary military mission. Many civilian functions are interchangeable with active duty military positions, including administration, budgeting and programming, research, and maintenance and overhaul functions.

Non-Critical Reductions

Reductions in this category do not directly affect the readiness and effectiveness of combat forces. Examples include reductions in certain headquarters staff, funds for programs such as public affairs, reductions affecting some kinds of administrative activities, and certain types of travel and training costs. It is recognized that many of these items may be meritorious, though not necessarily of high priority, and that over the long run certain reductions could affect morale, recruiting, retention of qualified personnel or combat effectiveness. The underlying assumption, however, is that these reductions can be absorbed with no seriously adverse effect on the U.S. defense posture. Some examples of non-critical reductions are contained in attachment B.

Postponements and Deferrals

This category is nearly self-explanatory. Reductions of this nature are most common in the multi-year procurement and construction accounts. Most procurement items would otherwise fall into the substantive category since weapons systems and military equipment predominate. In many cases the congressional rationale for postponing funding was that scheduling slippage or other problems developed in the test or procurement cycle, and, therefore, a deferral of funding was in order. In these cases action by the Congress was not likely to have any real program effect. In other instances, of course, postponements and deferrals could mean delays in acquiring equipment or modernizing the forces. Generally, reductions were placed in this

category when discrete stages or increments were identifiable. Reductions in level of effort funding for research and development were not usually regarded as postponements, but were normally treated as substantive cuts.

Adjustments

Reductions in this category involve: financing adjustments, such as the reapplication of prior year funds which would otherwise lapse in lieu of new spending authority; the elimination of funds for requirements which, by service admission, no longer existed as of the budget hearings; and the refusal of Congress to fund fully weapons procurement program cost escalation in advance of payment requirements.

Some kinds of adjustment type actions are rather complicated and deserve explanation. In the case of the reapplication of prior year funds in lieu of requested new obligational authority, the key element is that the DOD tabulations do not reflect the full reality of the situation. As an example, assume that the DOD requests \$100 million for procurement of aircraft for the Army for FY 1974, and that Congress provides only \$80 million in obligational authority but adds language to the appropriation act permitting the Army to apply also \$20 million in previously appropriated funds which no longer may be needed for the purpose originally intended. Effectively, the Army has gotten its requested \$100 million for the programs which it wanted funded in FY 1974. In the DOD tabulations, however, the Congress is shown to have cut \$20 million.

Another adjustment situation occurs when Congress declines to fund fully long term procurement or construction programs. In FY 1976, for instance, Congress declined to provide the full requested amount for cost growth and escalation on Navy shipbuilding programs. Instead of providing the \$2.1 billion requested, the Congress provided about \$900 million which was due and payable to contractors that year. There was little question that ultimately the Congress would provide the money to complete the ships, but it decided not to provide it all in FY 1976.

While in most of these cases the detrimental effect of adjustments on DOD programs may be negligible, we are not willing to say, in blanket fashion, that the cuts have no significance. For instance, while some programs may prove, by the time of the hearings, to be unneeded or overfunded, others may prove, for various reasons, to be underestimated. Normally, the congressional review focuses on the former category or programs. To use another example, it is clear that departures from the principal of full funding for procurement programs tends to add old funding obligations to the subsequent year's budget request in addition to the new programs being sought for that year. Depending on prevailing political or fiscal considerations, this carry over of old requirements may have the effect of crowding new programs out of the proposed budget or causing them to be underfunded, lest the increase between one year's budget and the next prove poli-

tically or fiscally indefensible.^{1/}

Methodological Problems

This kind of analysis necessarily requires some difficult methodological decisions. For want of any better way of evaluating them, the following kinds of reductions are regarded as substantive by definition: military assistance reductions, supplemental request reductions (except for a few cases which clearly fall into the "postponement and deferral" or "adjustment" categories) and, as a general rule, civilian and military personnel reductions. Military assistance reductions are treated as substantive partly because these programs are justified to the Congress as enhancing the security of the United States. A more practical reason, however, is that the reductions are not readily susceptible to evaluation. Reductions in supplemental requests, which are mainly for cost of living pay increases, are generally treated as substantive primarily because denials of the full request normally involve the absorption by the services, at a late point

^{1/} While this cannot be demonstrated, it is common knowledge that the final DOD budget figure reflects political and economic realities as well as service requirements. Service estimates during budget formulation customarily exceed by a substantial amount the estimates finally submitted to the Congress by the Administration. In presenting its final FY 1977 budget to the press in January 1976, the Department of Defense was at pains to highlight the carryover of the escalation and cost growth requirement for the shipbuilding program, which Congress had declined to fully fund in FY 76. This item was excluded from the so-called "baseline program" budget, thus reducing the apparent severity of the increase between FY 1976 and FY 1977.

in the year, of the denied amounts. The effect is thus the same as a general reduction. It cannot be determined whether funds which must be realigned to meet statutory pay requirements are from programs of a substantive or a non-critical nature. The handling of military and civilian personnel reductions has been discussed previously.

Undoubtedly many items are substantive on the surface but are really non-critical in nature, but there is no practical way to determine this. Another important unknown is the effect which funding for the intelligence community, which is mainly hidden in the DOD budget, affects the analysis. Certain intelligence reductions are identified in the congressional documents; others, perhaps, are not. All identified intelligence reductions were treated as substantive. Also, there is no practical way of addressing the issue of possible inflation of the request in anticipation of congressional reductions, whether in the form of "cut insurance" added to the request, or in the form of safety margins built into the budget through the action of individual program analysts and managers. The significant point is when a doubt exists the methodology leans in the direction of the substantive category. Unquestionably, in the terms of reference of this analysis, the substantive reductions have been overstated.

As a final note on methodology, it should be reiterated that in choosing between substantive and non-critical when categorizing a reduction, all decisions were made on the ostensible nature

of the item. For instance, the eliminatin of a weapon system is always treated as substantive rather than non-critical even if the system is in fact ineffective, duplicative of other systems, etc. An assertion by a congressional committee that the item was not justified or needed was not deemed sufficient to judge it a non-critical reduction, especially as committees of the House and Senate often disagree about the merit of need of an item.

Data Base

The following documents formed the basis of the analysis:

1) DOD financial tables, commonly known as "FAD" tables,^{1/} which itemize congressional action on the budget request by appropriation category and line item; 2) reports and conference reports of the Committees on Armed Services and Appropriations of the House and Senate; 3) cover letters to the DOD appeal of House cuts to the Senate Appropriations Committee;^{2/} and 4) in case of difficult judgment problems, the hearings before the relevant committees or subcommittees.

^{1/} Directorate for Program & Financial Control, Office of the Deputy Assistant Secretary of Defense (Program/Budget).

^{2/} The cover letters, which vary in detail from year to year, are accompanied by classified attachments which address the cuts in greater detail.

II. Findings and Analysis

The findings show that on the average over a six year period congressional cuts in the defense budget can be categorized as follows: substantive, 40.7 percent; non-critical, 7.5 percent; postponements and deferrals, 17.8 percent; and adjustments, 34.0 percent. The breakdown for each year is shown in Table 2, below. A fair degree of consistency is immediately evident. For each category there are a few atypical years, but on the whole the data tend to follow a pattern.

While there is no obvious reason why the data should be consistent from year to year, there are, nevertheless, factors which may partly explain divergences from the average for some years. The analysis addressed below relates to the DOD table at attachment A as summarized in Table 1 of this report, and to the reductions shown in Table 2.

FY 1971

The FY 1971 and FY 1972 defense budget requests experienced smaller congressional reductions than any other years in the series. Being the last two full war years, this result is not surprising. Moreover, the total FY 1971 request for DOD-military programs and military assistance, some \$71.6 billion in all, was about \$1 billion lower than FY 1970 appropriations for the same purposes and \$2.8 billion below the amount provided by the Congress for FY 1969. This was a direct consequence of the winding down of American combat involvement in Vietnam.

FY 1972

The FY 1972 defense budget request, some \$76.1 billion in all, exceeded FY 1971 appropriations by nearly \$7 billion and reversed the real decline in the DOD budget which occurred in FY 1971. In part, FY

Table 2
 CONGRESSIONAL REDUCTIONS BY CATEGORY, FY 71-76*
 (Dollars in Millions)

Fiscal Year	Substantive		Non- Critical		Postpone & Deferrals		Adjust- ments		Total
	\$	%	\$	%	\$	%	\$	%	\$
1976	-3,446	41.9	-1,477	18.0	-471	5.7	-2,824	34.4	-8,218
1975	-3,081	45.8	-487	7.3	-1,036	15.4	-2,115	31.5	-6,719
1974	-2,608	44.8	-172	3.0	-1,950	33.4	-1,096	18.8	-5,825
1973	-1,839	29.9	-159	2.6	-1,610	26.1	-2,551	41.4	-6,160
1972	-1,681	42.9	-70	1.8	-351	9.0	-1,815	46.3	-3,917
1971	-903	36.0	-125	5.0	-512	20.4	-967	38.6	-2,507
Total	-13,559	40.7	-2,490	7.5	-5,930	17.8	-11,367	34.0	-33,346

*Numbers may not add due to rounding
 **Includes \$183 million in rescissions

1972 budget action was characterized by the Congress taking a larger "dividend" from the winding down of the war than was offered by the Department of Defense.

FY 1973

FY 1973 cuts were, proportionately, the second largest of any year in the study. A significant feature was an unusually large number of postponement actions by the Congress. This, however, resulted from a large budget amendment including weapons for South Vietnam, which the authorizing committees deferred "without prejudice" on grounds that it was received "too late for consideration" (Senate Rept. 92-962, p. 5). The amendment included \$973.4 million in procurement items subject to annual authorization.

FY 1974

The total FY 1974 request included a very large (\$6.2 billion) supplemental request which the Congress cut by \$1.5 billion. The Administration's request, which was termed a "readiness" supplemental, included normal cost of living pay increase items (\$3.4 billion); force readiness items, including funds for the dramatic increases in fuel prices which occurred at mid-fiscal year, costs associated with U.S. support to Israel during the October 1973 Middle East War, and various force readiness, modernization and airlift capability items (\$2.8 billion in all); and a requested increase in the ceiling, but no additional appropriations, for service funded assistance to South Vietnam (+\$474 million). Of the \$1.5 billion which Congress cut from the supplemental, some \$553 million fell into the substantive category, and some \$967 in procurement items fell into the postponement and

deferral category.

FY 1975

Congressional action on the FY 1975 budget request included large cuts in service funded assistance to South Vietnam and other military assistance, including aid to Cambodia. In all, military assistance cuts amounted to approximately \$1.8 billion, or about 60 percent of the total substantive category cuts for the year. The reductions shown in the DOD tables also included \$183 million in rescissions. These were counted in the adjustments category.

FY 1976

FY 1976 budget action included the reduction or elimination of funds for a large number of personnel fringe benefit programs such as enlistment bonuses, graduate training and enlisted separation pay, thus accounting for the unusually large total for non-critical type reductions. Adjustments were swollen by the elimination of some \$917 million to meet increased costs for prior year funded shipbuilding programs and the elimination of \$1.3 billion rendered unnecessary by the fall of South Vietnam. Table 3 displays the cumulative reductions for FY 1971-76 by category of reduction and appropriation category.

Table 3
SUMMARY BY APPROPRIATION ACCOUNT AND CATEGORY

FY 1971-1976*

(Dollars in Millions)

Appropriation Account	Substantive Reduction	% of Total Request	Non-Critical Reductions	% of Total Request	Postponements & Deferrals	% of Total Request	Adjustments	% of Total Request	Total Reductions	% of Total Request	Total Request FY 71-76
Military Pers.	-1,522	1.0	-722	0.5			-713	0.5	-2,957	2.0	146,773
Ret. Mil. Pers.	-10	0					-50	0.2	-60	0.2	30,541
Oper. & Maint. (Incl. Civ. Pay)	-3,469	2.4	-1,352	0.9	-2	0	-867	0.6	-5,690	3.9	146,072
Procurement	-3,476	2.8	-190	0.1	-4,363	-3.6	-7,718	6.3	-15,747	12.8	122,700
ADTSE	-3,067	5.8	-181	0.3	-366	0.7	-247	0.5	-3,862	7.0	52,557
MASF (FY 75-76)**	+700***	NA					-1,293	100.0	-593	NA	1,293
Other	-300	NA	+72	NA		NA	-80	NA	-308	NA	1,254
Total DOD-Military	-11,144	2.2	-2,375	0.5	-4,731	0.9	-10,967	2.2	-29,218	5.8	501,230
Military Construction & Family Housing	-201	1.1	-95	0.5	-1,199	6.6	-400	2.2	-1,895	10.4	18,217
Civil Defense			-20	4.0					-20	4.0	505
Military Assistance	-2,217	19.8							-2,217	19.8	11,172
Other	+3	NA							+3	NA	
Grand Total	-13,559	2.6	-2,490	0.4	-5,930	1.1	-11,367	2.1	-33,346	6.3	531,120
Percent	40.7		7.5		17.8		34.0		100.0		

*Numbers may not add due to rounding

**Military Assistance Service Funded (for South Vietnam) was included in the regular service accounts prior to FY 1975. For FY 1975 and FY 1976 MASF funding was included in a separate title in the DOD appropriation.

***Congress did not actually add \$700 million, in fact it cut a net amount of about \$800 million. The \$700 million figure reflects the transfer of SVN funds out of the service O&M and procurement accounts into a separate MASF account.

Military Assistance Reductions

One fact, which may be apparent from the year-by-year commentary and from a perusal of Table 3, is the significance of military assistance reductions in the substantive category. Of total substantive reductions for the FY 1971-76 period of \$13.6 billion, some \$2.2 billion can be attributed to military assistance reductions (via the Foreign Assistance Appropriation) and \$800 million to a reduction in FY 1975 service funded assistance to South Vietnam (MASF).^{1/} Prior to FY 1975 service funded assistance to South Vietnam was not readily distinguishable from regular appropriations to the military departments. It is likely, therefore, that total military assistance cuts for the FY 1971-76 period were even larger. Certain postponement type actions relating to equipment and supplies for South Vietnamese forces have been noted in the year-by-year commentary.

Supplemental Appropriation Reductions

Another factor worthy of note is the role played by supplementals in enlarging the substantive category. While the FY 1976 supplemental appropriation reductions are not included in the data, supplemental appropriation reductions for the period FY 1971-76 account for \$1.5 billion of the total substantive category.

1/ The \$700 million addition which appears on the MASF line in table 3 is not a net figure. See footnote to the tables.

Both factors are a necessary consequence of the decision to regard military assistance and supplemental reductions as substantive by definition. A different perspective on Congressional reductions can be seen if the military assistance and supplemental reductions are separately identified. This is shown in Tables 4 and 5.

Table 4

ADJUSTED CUMULATIVE CONGRESSIONAL REDUCTIONS, FY 1971-76*

(Dollars in Millions)

	Substan- tive	Non- Critical	Post & Def	Adjust	Total
Total Reductions	13,559	2,490	5,930	11,367	33,346
(Percent)	(40.7)	(7.5)	(17.8)	(34.0)	(100.0)
Less: Mil Asst & MASF**	<u>-3.012</u>	<u> </u>	<u> </u>	<u>-1,293</u>	<u>-4,305</u>
Adjusted Reductions	10,547	2,490	5,930	10,074	29,041
(Percent)	(36.3)	(8.6)	(20.4)	(34.7)	(100.0)

* Numbers may not add due to rounding

**Military Assistance Service Funded reductions to extent identifiable (FY 75 & FY 76 only).

The above table shows that in terms of reductions which affect U.S. forces only, the share of cuts which fall into the substantive category is 36.3 percent, versus 40.7 percent on a total reduction basis. On an adjusted basis postponements and deferrals are also proportionately somewhat higher, while non-critical reductions and adjustments change very little.

The exclusion of supplemental reductions further changes the result. This is shown in the following table.

Table 5
ADJUSTED CUMULATIVE CONGRESSIONAL REDUCTIONS, FY 1971-76*

(Dollars in Millions)

	Substan- tive	Non- Critical	Post & Def	Adjust	Total
Total Reductions	13,559	2,490	5,930	11,367	33,346
(Percent)	(40.7)	(7.5)	(17.8)	(34.0)	(100.0)
Less: Mil Asst & MASF**	-3,012			-1,293	-4,305
Less: Supplementals	<u>-1,553</u>	<u>+72</u>	<u>-967**</u>	<u>-30</u>	<u>-2,478</u>
Adjusted Reductions	8,994	2,562	4,963	10,044	26,563
(Percent)	(33.9)	(9.6)	(18.7)	(37.8)	(100.0)

* Numbers may not add due to rounding

** As in Table 4

*** Most of this supplemental reduction item was for South Vietnamese forces

Another factor worthy of note is that supplemental requests suffered, on a percentage basis, more severe treatment than regular appropriation requests. For the whole FY 1971-76 period, all congressional reductions, including supplemental cuts, amounted to about 6 percent of the total funds requested. Supplemental cuts alone, however, amounted to nearly 16 percent of the total supplemental requests.^{1/} Excluding FY 1974.

^{1/} In all, supplemental requests totaled \$18.0 billion for the period FY 1971-1976. Supplemental requests thus constituted about 3.4 percent of the total funds requested

which was an atypical year for the period, the cumulative reductions to supplemental requests amounted to about 2 percent.

A final problem stemming from the methodology employed in this analysis is handling congressional additions to the budget, such as additional unrequested funding for the guard and reserve forces. A list is included at Attachment C which shows most, but not all, of the substantive type congressional additions. The items shown total nearly \$1.3 billion. The effect of these additions, which must be regarded as substantive in the context of this report, is to understate by an equal amount the reductions to DOD requested programs.

III. Implications

One implication of the data is that congressional reductions to the defense budget between FY 1971 and FY 1976 were less critical than might be supposed by a superficial presentation of the total reductions or even by an analysis of reductions according to appropriation category (i.e., military personnel, operation and maintenance, procurement, etc.). For instance, some \$11.4 billion of the total \$33.3 billion shown in the DOD table falls into the category of adjustments, both financing and otherwise. Another small share of the reductions, some \$2.5 billion is in the area of items not readily identifiable with the primary military mission, i.e., non-critical. Nevertheless, substantive cuts loom large, at some \$13.6 billion although these are less in dollars if military assistance and MASF reductions are excluded. Postponements and deferrals are also a significant factor, amounting to some \$5.9 billion.

One interesting result is that in dollar terms the substantive reductions were nearly equal for the operation and maintenance, procurement and RDT&E appropriation categories. As a proportion of the request, however, the reductions were unequal. Substantive reductions to the O&M request amounted to 2.4 percent of the total O&M request for the period, versus 2.8 percent for procurement and 5.8 percent for RDT&E.

While the data presented give a more useful picture of the nature and impact of congressional reductions than is evident from the gross numbers shown at attachment A, even these results must be interpreted with caution. There are a number of rather intangible factors which bear on any such analysis. For instance, there is no method of weighing the possibly inhibiting effect of past congressional reductions in subsequent budget requests - i.e., considerations of "what the market will bear" in the form of defense budget requests. The effect of certain reductions, such as postponements and deferrals, is also very difficult to quantify. Relatively small reductions in research and development funds could have much larger implications in terms of delays in the development of potential weapons systems, and in fact, the RDT&E appropriation has consistently borne substantial cuts.

Still, the available data suggest that if the United States is deficient in any important military area the reasons are far more complex than the mere iteration of how much money Congress has cut from the defense budget over the past six or ten years. There are, for instance, few major weapons systems which Congress has killed outright. More often than not, when Congress terminates a major program it does so because significant questions have arisen during the development phase or there is

controversy among the "experts" over its viability or military effectiveness. Substantive category reductions account for only about 2.6 percent of the total funds sought by the Department of Defense over the period in question, and only a part of these reductions involve the investment accounts, (procurement and RDT&E). With some exceptions in the shipbuilding and aircraft accounts, where Congress has exercised a rather more firm influence, Congress has largely confined its budget review actions to identifying areas where waste seems likely to be found rather than to major realignments of the proposed defense program.

While the implication of this review of congressional budget action is that Congress has exercised only a limited influence on U.S. defense policy and the military force structure, this observation is partly a result of the limitations of quantitative analysis of this nature. Congress also exercises its influence in subtle (and some not so subtle) ways which are not susceptible to quantification. These include legislative actions and statements of congressional intent such as the Nunn Amendment to the FY 1975 Department of Defense Appropriation Act (P.L. 93-365, Sec. 302), which may be reflected in subsequent DOD budgets, and the continual dialog between the Department of Defense and the various defense committees and subcommittees in Congress. The effect of this kind of influence on the defense budget does not show in the data considered in this report.

Appropriations
Request and Appropriated
(In Millions of Dollars)

	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>
DoD Appropriation Act ^{1/}										
Request	69,930	76,211	79,945	78,389	71,583	76,183	80,845	83,451	88,813	100,351
Congressional Action	+299	-2,057	-5,543	-5,722	-2,326	-3,326	-5,460	-4,984	-5,427	-7,691
Appropriated	70,229	74,153	74,402	72,667	69,247	72,857	75,385	78,467	83,386	92,660
Military Construction										
Request	1,218	2,123	1,430	1,311	1,416	1,479	1,691	1,821	2,141	2,887
Congressional Action	-121	-721	-262	-351	-94	-291	-335	-257	-214	-527
Appropriated	1,097	1,402	1,168	960	1,322	1,188	1,356	1,563	1,927	2,360
Family Housing										
Request	533	814	602	694	809	927	1,067	1,293	1,357	1,329
Congressional Action	-26	-123	-12	-5	-3	+15	-3	-93	-96	+3
Appropriated	507	691	590	689	806	942	1,064	1,199	1,261	1,332
Military Construction - Appropriation Act)										
(Request)	1,751	2,937	2,031	2,005	2,225	2,406	2,758	3,113	3,498	4,217
(Congressional Action)	-146	-844	-273	-357	-97	-276	-338	-350	-310	-524
(Appropriated)	1,605	2,093	1,758	1,648	2,128	2,130	2,420	2,763	3,188	3,693
Civil Defense										
Request	133	111	77	77	75	78	89	88	86	89
Congressional Action	-32	-25	-16	-6	-1	-	-5	-6	-4	-3
Appropriated	101	86	61	71	74	78	84	82	82	86
Military Assistance										
Request	917	596	716	700	1,463	1,216	1,308	3,610	1,762	1,813
Congressional Action	-135	-96	-45	-280	-73	-315	-357	-485	-987	-
Appropriated	782	500	671	420	1,390	901	951	3,125	775	1,813
Total Department of Defense										
Request	72,731	79,855	82,769	81,172	75,346	79,883	84,999	90,262	94,160	106,470
Congressional Action	-14	-3,022	-5,877	-6,366	-2,507	-3,917	-6,160	-5,825	-6,719	-8,218
Appropriated	72,717	76,832	76,892	74,806	72,839	75,966	78,839	84,437	87,441	98,252

^{1/} Detail attached

Appropriations
Request and Appropriated
(In Millions of Dollars)

	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>
Military Personnel										
Request	18,541	20,462	21,944	23,871	22,751	23,432	24,362	24,707	25,553	25,968
Congressional Action	+55	-463	-517	-863	-353	-468	-644	-524	-657	-311
Appropriated	18,596	19,999	21,427	23,008	22,398	22,964	23,718	24,183	24,896	25,657
Retired Pay										
Request	1,839	2,095	2,450	2,859	3,391	3,931	4,442	5,175	6,276	7,326
Congressional Action	-	-	-	-	0	-10	0	-24	-25	0
Appropriated	1,839	2,095	2,450	2,859	3,391	3,921	4,442	5,151	6,251	7,326
Operation & Maintenance										
Request	19,262	19,307	23,561	22,496	20,332	20,962	22,065	24,707	27,734	30,272
Congressional Action	-36	-298	-1,209	-961	-210	-408	-603	-783	-1,873	-1,266
Appropriated	19,226	19,009	22,352	21,535	20,122	20,554	21,462	23,924	25,861	29,006
Procurement										
Request	22,714	22,917	23,971	20,903	17,359	19,682	21,170	20,142	19,867	24,480
Congressional Action	+219	-916	-3,349	-3,045	-1,330	-1,905	-3,370	-3,111	-2,759	-3,274
Appropriated	22,933	22,001	20,622	17,858	16,029	17,777	17,800	17,031	17,108	21,206
RDT&E										
Request	7,040	7,273	8,006	8,260	7,448	7,980	8,796	8,718	9,381	10,234
Congressional Action	+53	-164	-455	-853	-444	-461	-837	-542	-804	-771
Appropriated	7,093	7,109	7,551	7,407	7,004	7,519	7,959	8,176	8,577	9,463
Special Foreign Currency										
Request	-	16	13	-	3	12	3	3	3	3
Congressional Action	+7	-5	-13	-	0	0	0	0	0	0
Appropriated	7	11	-	-	3	12	3	3	3	3
Military Construction										
Request	-	-	-	-	-	173	-	-	-	-
Congressional Action	-	-	-	-	-	-74	-	-	-	-
Appropriated	-	-	-	-	-	99	-	-	-	-

Appropriations
Request and Appropriated
(In Millions of Dollars)

	<u>FY 1967</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>
Family Housing										
Request					-	11	6	-	-	-
Congressional Action					-	0	-6	-	-	-
Appropriated					-	11	-	-	-	-
Emergency Fund, Southeast Asia										
Request		3,900	-	-	-	-	-	-	-	-
Congressional Action		-149	-	-	-	-	-	-	-	-
Appropriated		3,751	-	-	-	-	-	-	-	-
Combat Readiness, SVN Forces										
Request					300	-	-	-	-	-
Congressional Action					0	-	-	-	-	-
Appropriated					300	-	-	-	-	-
Military Assistance SVN Forces										
Request					-	-	-	-	-	1,293
Congressional Action					-	-	-	-	+700	-1,293
Appropriated					-	-	-	-	700	-
Revolving and Management Funds										
Request	535	241			-	-	-	-	-	477
Congressional Action	-	-63			-	-	-	-	-	-477
Appropriated	535	178			-	-	-	-	-	-
Inventory Replenishment										
Request					-	-	-	-	-	300
Congressional Action					-	-	-	-	-	-300
Appropriated					-	-	-	-	-	-

EXAMPLES OF ITEMS IN SUBSTANTIVE AND NON-CRITICAL CATEGORIES

(Partial or Total Reductions)

Substantive Reductions

Military Personnel	Reduction of 50,000 military man years (FY 72) Communications and Intelligence (FY 71) Automatic Data Processing (FY 71) Permanent Change of Station Travel (several years) Headquarters and Force Structure, Korea (FY 75) ROTC Disestablishments (FY 76)
Operation & Maint.	New line of communications in Europe (FY 71) Ship overhauls and repairs (FY 71) Civilian personnel (FY 72) Supplies and materials (several years) B-52 flight training (FY 73) Rotation of C-130 aircraft (FY 76)
Procurement	M113A1 armored personnel carrier (FY 76) Modification of tracked combat vehicles (FY 76) AGM-53A Missile (Condor) (FY 75) Cluster bomb CBU 59/B (FY 765) Contingency modifications (FY 73) Missile spares and repair parts (FY 72)
RDT&E	Advanced aerial fire support system (FY 73) Aerial Scout helicopter (FY 73) Surface effect ships (FY 74) F-401 engine (FY 75) General combat support (FY 75) Air ASW (FY 76)

Non-Critical Reductions

Military Personnel	Enlistment bonus (FY 76) Graduate training (FY 76) Reenlistment travel (FY 75) Enlisted personnel college training (FY 75) Intercultural relations counselors (FY 74) Shipment of foreign automobiles (FY 73) Headquarters reductions (several years)
Operation and Maint.	Public affairs (several years) Support of commissary operations (FY 76) DSA travel costs (FY 71) Civilianization of KP duties (FY 73) Project Transition (FY 73) Hometown canvasser program (FY 75)

Attachment B

CONGRESSIONAL ADDITIONS TO THE DOD BUDGET, FY 1971-76:

SUBSTANTIVE TYPE ITEMS

<u>FY 1971</u>	(\$000)
Retention of 5 Reserve Units	+23,900
Additional nuclear submarine	+166,000
Adv. Proc. funds for additions FY 72 nuclear submarine	+22,500
 <u>FY 1972</u>	
Air National Guard Technician strength	+18,300
SSN advance procurement	+22,500
As sub. tender, advance procurement	+15,000
Prototype tank development	+40,000
 <u>FY 1973</u>	
A-7D aircraft (24)	+83,200
C-130 aircraft (12)	+49,800
F-5B aircraft	+11,900
 <u>FY 1974</u>	
DLGN Frigate advance procurement	+79,000
F-111A attack aircraft	+151,600
 <u>FY 1975</u>	
Authorized strength increase (Army Reserve)	+8,000
" " " (Navy Reserve)	+10,000
" " " (Army Nat'l Guard)	+55,000
" " " (Air Nat'l Guard)	+5,950
Operation of flying units (Air Nat'l Guard)	+10,000
Increase airlift of C-5 & C-141 (Air Force Res)	+3,000
A-7D Corsair II	+77,800
E-3A AWACS advance procurement	+21,000
F-111F advance procurement	+205,500
Completion of prior year shipbuilding programs	+70,000
 <u>FY 1976</u>	
Trident ballistic missile submarine	+38,700
An/ALG-123 Infrared countermeasures pod	+4,000
Communications security equipment	+84,000
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Total	+ \$1,277,050

NOTE: While this list includes most substantive type additions it is intended to be illustrative rather than all inclusive.

Attachment C