



THE POLITICS OF PEACE

ARMY FOR SALE

BY SUSAN FEENEY

Since the Cold War is over, let's just bring home the troops, mothball the missiles, and give all that Pentagon money back to its rightful owners: the nation's day-care centers and soup kitchens.

That's the fantasy. Here's the reality.

The year was 1984.

Ronald Reagan, in the midst of orchestrating the biggest peacetime military build-up in U. S. history, called the Soviet Union the "Evil Empire" and "the focus of evil in the modern world."

Earlier he said of the Soviets: "The only morality they recognize is what will further their cause, meaning that they reserve unto themselves the right to commit any crime, to lie, to cheat in order to attain that."

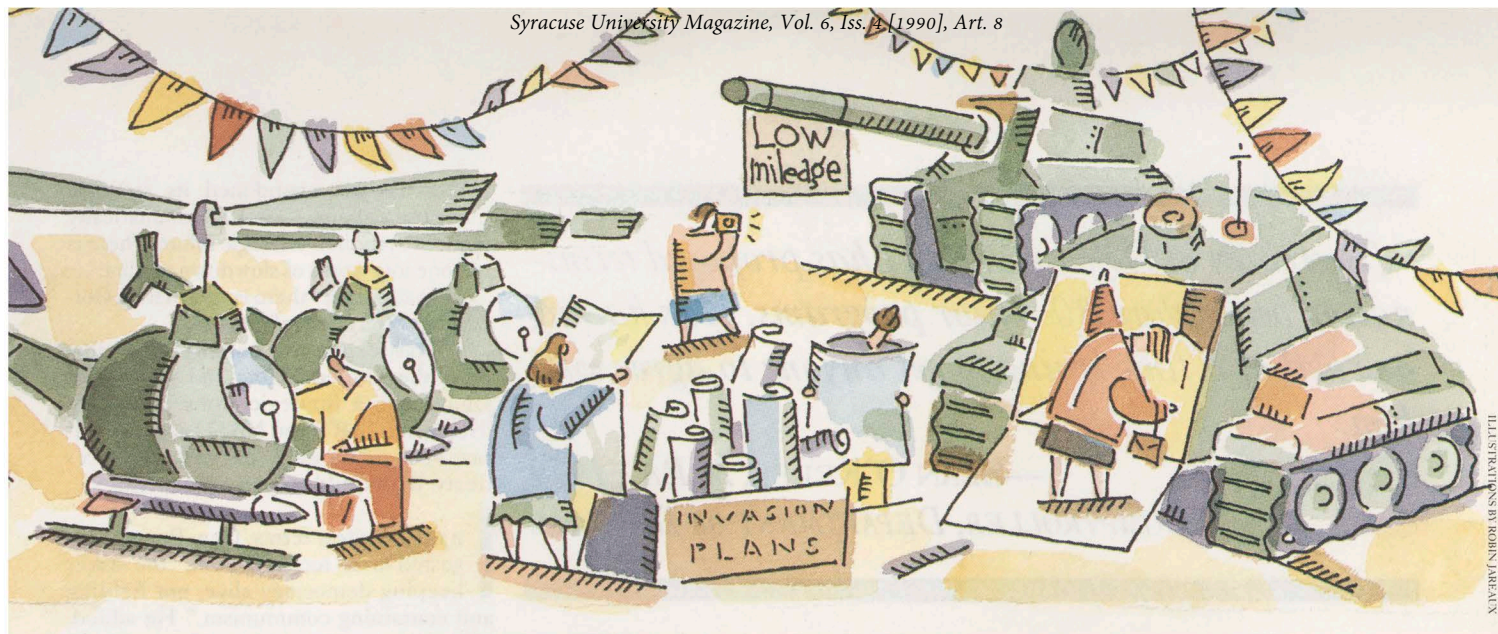
That same year, Army Lt. Col. David B. Berg, who had earned his Syracuse M.B.A. seven years earlier, was making soldiers of men on the sun-baked clay soil of Ft. McClellan, Alabama. If war broke out in Eastern Europe, these troops were going to fight it.

At the Pentagon in 1984, in the office of the secretary of defense, John W. Beach was writing the congressional testimony Pentagon brass used to justify ever-increasing military budgets. Justify? Hardly. "We had strong bipartisan support for the military build-up," says Beach, who is a graduate of SU's College of Arts and Sciences (1960) and the Maxwell School (1965).

And that year, Jay F. Dutcher received his masters degree in public affairs from SU. He was headed to Washington and, eventually, a job helping to manage the Cold War.

It all seems so Orwellian now.

The Berlin Wall came down in November. Citizen revolts toppled the communist governments in Rumania, Czechoslovakia, Hungary, Yugoslavia, and East Germany. The Warsaw Pact crumbled. By



ILLUSTRATIONS BY ROBIN JAREAU

June, George Bush and Soviet President Mikhail Gorbachev were pitching horseshoes together at Camp David.

Berg, now the Army's support director and acting director for operations, works at the Pentagon trying to assure smooth day-to-day operation of the Army, both now and *after* the massive military budget cuts envisioned.

Beach, working one floor below, is the Air Force deputy secretary for the budget. He will recommend to the secretary where the budget ax should fall in that branch of the service.

Dutcher, now a Pentagon strategic analyst specializing in procurement, studies what hardware the military should no longer buy.

The Pentagon is a different place from what it was four years ago, even one year ago.

"It's sort of a good news/bad news story," Berg says. "The American military was built to defeat the Soviet threat. And we have. In many ways, we won the battle. That's the good news. The bad news is that a lot of us are not going to be around to enjoy that."

With *perestroika*, Gorbachev's reform movement in the Soviet Union, the hand-writing had been on the wall for some time. But it wasn't until the Berlin Wall fell that even the Pentagon's most intractable Cold Warriors conceded the big changes ahead. "Once the wall fell, there was no more denying it," Dutcher says.

For now, there are more questions than answers.

How much has the Soviet threat actually diminished? Is it permanent? To what extent can the United States safely reduce its \$300-billion annual defense budget in response? And how fast?

How much change will the military culture, nurtured throughout the eighties, allow? Will Congress, concerned about home-town military bases and defense jobs, help or hinder?

What about the much-heralded peace

dividend? Will there be one? If so, how big will it be and what should it be used for? Social programs? The federal budget deficit? Aid for the emerging democracies in Eastern Europe?

"There's a cliché running around the Pentagon now," Beach says. "We don't have an enemy. And without an enemy, we don't have a reason for existing. But the real enemy now is uncertainty."

An economist with a philosophical bent, he suggests "it's like driving the train and looking down the track and seeing a stop sign. You don't know whether the stop sign is two miles away or ten miles away, but it sort of seems like the train is going to slow down and you should be doing something to get ready for it."

All of Washington is poised for change. Virtually every federal department faces adjustments in its mission or hopes to benefit from the money no longer needed for defense. But any change, experts agree, will be slow in coming, because:

- The solutions depend on world events.

No one could have predicted the dizzying changes in 1989-90, and no one is crazy enough to claim to know what lies ahead. And

- This is Washington. The Pentagon, one of the biggest office buildings in the world, is also one of the biggest bureaucracies. Congress isn't much better. Like it or not, democracy takes time.

"The thing I find most striking is how incredibly impatient the entire political atmosphere is at this point," says Sean O'Keefe, comptroller of the Department of Defense. O'Keefe, who received a Maxwell School M.P.A. in 1979, has direct responsibility for the entire Pentagon budget.

The mystery of all mysteries is the extent to which the Soviet Union remains a security threat. "Notwithstanding the intentions expressed by Gorbachev, there is a very slow movement toward implement-

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[Secretary of Defense Cheney] has proposed terminating better than 30 major programs. He's having one hell of a time trying to get anyone to agree with him.

—SEAN O'KEEFE, M.P.A., 1979
COMPTROLLER, DEPARTMENT OF DEFENSE

ing the things he talked about," O'Keefe says while sipping a Diet Coke in his vast Pentagon office.

More than two years ago, the Soviet leader talked about removing 500,000 people from the Soviet military rolls. "Today the same 500,000 people are still there," O'Keefe says.

"A year ago he was making noise about pulling back divisions from the Warsaw Pact nations. He certainly did. He brought them all over the mountains, over the Urals, and parked them in western Soviet Union. Their overall force hasn't changed," O'Keefe says.

As General Colin L. Powell, chairman of the Joint Chiefs of Staff, put it in a speech earlier this year: "Yes, the Soviet army is going home. But it is not disbanding."

Further, O'Keefe points out, the Soviet

Union has not abandoned its strategic nuclear programs. "They are dramatically modernizing their strategic effort. There is not one iota worth of slowdown on that."

Berg adds that "there is speculation Gorbachev won't survive" in power.

Military experts say nothing is bankable until the United States and the Soviet Union sign a Strategic Arms Reduction Treaty, or START, and NATO and the Warsaw Pact sign a new conventional forces treaty. Both could occur by year's end.

In the broadest terms, Gen. Powell suggested in his recent speech, "the task is keeping democracy alive, not fighting and containing communism." He added, "If we stay strong and lead, the world will follow. Of that I am sure."

One worry in the military is that the United States will move too precipitously, causing disarray or making missteps that would be difficult or costly to correct.

"Some people said, 'You don't know what you're doing,' when we had the big build-up in the early 1980s," says Air Force analyst Beach. "They said, 'It's too much too soon, in the wrong places.'"

Comptroller O'Keefe says, "I am not an advocate, by any means, of maintaining the present size of the department or the force structure. Absolutely, that's got to change and it ought to come down a lot. I think we ought to start at it right now. But we've got to go about it in a way that is reversible or in a way that does not undermine the capabilities that are left."

There are as many plans on the table for cutting the Pentagon budget as there are, well, Pentagon tables. Defense experts from all quarters have offered proposals, as have key defense figures in Congress. Sec-



retary of Defense Dick Cheney initially suggested a 10-percent reduction over five years. He has since entertained a 25-percent cut.

In real terms, a 10-percent cut in the military budget means reducing the number of Army tactical divisions from 18 to 14, the number of Army Reserve divisions from 10 to eight, the number of Navy aircraft carriers from 14 to 12, and the number of Air Force tactical wings—each of which usually has 72 war planes—from 36 to 28. About 225,000 troops would be left in Central Europe.

But even some conservatives criticize the Pentagon for clinging to old thinking.

Another school of thought, which has former defense secretary James Schlesinger among its members, advocates the 25-percent budget cut over five years. That would mean military forces with 10-12 Army tactical divisions, 8-12 Reserve divisions, 10-12 Navy aircraft carriers, and about 25 air tactical wings. Roughly 70,000 to 100,000 troops would remain in Central Europe.

Others advocate a full 50-percent reduction over five years. That would leave seven active Army divisions, eight reserve divisions, six aircraft carriers, 12 air tactical wings, and far fewer troops in Central Europe.

Secretary Cheney has said cutting defense by half “would give us the budget for a second-class power, the budget of an America in decline.”

Former defense secretary Robert McNamara says he believes the United States could safely make such a 50-percent reduction, but over 10 years instead of five.

On and on.

Beach, Berg, and others fret about the effect massive cuts would have on Pentagon employees. The fastest—though not necessarily the smartest—way to cut the most money out of the military budget is through reductions in personnel.

Roughly half of the military budget, or \$150 billion, goes toward paying people. One-quarter, or about \$75 billion, buys weapons. The last quarter is for operations and maintenance.

There are 2.1 million active military personnel in the U.S. Armed Forces. Another one million are employed part-time in the National Guard or the Reserves. About one million people work for the military in a civilian capacity. Each year, the services sign up about 250,000 new recruits—slightly more than leave or retire.

“The more radical the slope of the decline, the harder it’s going to be,” says Army operations director Berg. “The more gradual the slope—not that it’s going to be easier, but the pain is going to be a little less.”

In many ways, we won the battle. That’s the good news. The bad news is that a lot of us are not going to be around to enjoy that.

—LT. COL. DAVID B. BERG, M.B.A., 1977
*Support Director and Acting Director for Operations,
U.S. Army*

For Beach, the effect of upcoming changes on everyday workers conjures up an image of Ice Capades skaters in a pinwheel formation. “The skaters in the center would turn just a little bit but the ones on the outside were skating at sprint speed just to catch up with the wheel.”

In defense, “the people in the center—the Gorbachevs, the Bushes, the Bakers, the Shevardnadzes—they see the change. They’re the focal point. That’s what you see in the newspapers. What you don’t see in the newspaper is the little skater out on the end who is a GS-12 logistical mechanic at Wright-Patterson Air Force Base.

“The vast majority of the people only skate on the outside,” Beach says. “To them, the big deal is their paycheck, and rightly so. Their big deal is being employed. They’ve been taught all these years that the work that they’d been doing was fairly significant work.”

“The human aspect of this whole thing is enormously cumbersome,” says Beach.

Presuming the Pentagon readies for the big reductions now envisioned, a steady cutting hand also must come from Capitol Hill.

“On the whole, Congress wants to scale back defense,” says Paul Jacobson, a 1980 graduate of SU’s Newhouse School who serves as spokesman for New Hampshire Senator Warren Rudman, a member of the Senate Subcommittee for Defense Appropriations (and a member of SU’s Class of 1952 himself). “But when it comes to their local districts, they want it preserved.”

Pentagon procurement specialist Dutcher maintains that this puts a kind of “pork net” under the military budget. Comptroller O’Keefe, who worked for the Defense Appropriations Subcommittee for eight years before moving to the Pentagon last year, finds this duplicitous at best.

“This secretary has proposed terminating better than 30 major programs,” O’Keefe says, citing the F-14 and F-15 aircraft and the M-1 tank as example. “He’s having one hell of a time trying to get any-

To [military personnel], the big deal is their paycheck, and rightly so. . . . They've been taught all these years that the work that they'd been doing was fairly significant work. The human aspect of [a cutback] is enormously cumbersome.

—JOHN W. BEACH; *B.A., 1960; M.P.A., 1965*
Deputy Secretary for the Budget, U.S. Air Force

one to agree with him.”

Every part for every tank, every wrench, every microchip, every gun, bullet, and toilet seat “are all made in beautiful downtown somewhere,” Berg says.

Defense spending—which hit its recent peak in 1986 at 6.5 percent of the Gross National Product—currently makes up about 5.5 percent of GNP. But in some regions it can be as high as 20 percent or 30 percent of GNP.

James Joseph, assistant director of the Government Finance Officers Association (and holder of a 1976 M.P.A. from the Maxwell School) says that state and local governments aren't naive enough to think they're going to get any of the money from a peace dividend. “Their big concern is about the effect of regional reductions.”

O'Keefe says that people apparently visualize “this big pot with a label on it that says, ‘nobody cares if you cut this.’” It's a pot that O'Keefe has never found. “What do you do? Pull them out of a hat? Have a lottery?”

Beach suggests that “if you're going to produce a real peace dividend, there's going to have to be a real change in the political culture.”

This year's budget process in Congress—which is likely to last through the fall—is expected to pit region against region as members of Congress battle for local interests. Branches of the services are fighting each other already for the limited resources available.

“It's going to be a blood bath,” predicted a top aide to the House Armed Services Committee.

For defense contractors, O'Keefe has three pieces of advice: “To the extent you can, diversify.” Find other ways to employ defense technology. Martin Marietta Corp., the aerospace giant, recently discovered it could use its know-how to bid for electronic-mail sorting contracts.

Second, O'Keefe says, defense contractors shouldn't “bet the company.” Compa-

nies should not bid below cost and absorb the loss—as many do—just to get their foot in the door. “Programs may not last that long. You may not recover.”

His third suggestion to defense contractors is more of a plea. “Don't oversell” a product or weapons system and what it can do. O'Keefe says he knows that is asking a lot, but he says overselling by contractors repeatedly has gotten the Pentagon into deep trouble.

Even before anyone has a clue about what cuts will be made or how much of a “peace dividend” might result, there are a multitude of plans to spend it.

“I do think there will be money. How we use it is up for grabs,” says Cynthia Brown, director of the Resource Center for Educational Equity in Washington, D.C., and a 1966 M.P.A. graduate of the Maxwell School. “I'd like to see it spent in the area of social concerns like education and health care. But it's in competition with the budget deficit and the savings-and-loan crisis.”

The Urban League wants to use the money to rebuild America's neglected inner cities and invest in the nation's minorities. Some say a portion of the money inevitably will go to help the economically strapped new democracies in Eastern Europe.

The National Governors Association suggests a fund to help pay for economic conversion in regions hardest hit by defense cuts. A few conservatives in Congress want to return the money to taxpayers through new tax credits. Mayors are calling for more money to fight crime and illegal drugs.

“I hate to inject a note of realism here, but we're not going to have a ton of money to put into new programs,” says Jacobson, the Republican Senate aide. “The one thing people seem to have forgotten is that we've already spent that money. We have a huge national debt and a budget deficit to deal with.”

The federal budget deficit is hurtling toward \$150 billion this year, and the national debt is nearing \$2 trillion.

“As long as you've got that big deficit, the money has to go to that,” agrees John Templeton, an Army Corp of Engineers auditor and president of the Syracuse Army Comptrollers, a 31-year-old group of some 60 Washington-area graduates of a special SU-Army M.B.A. program (Templeton received his M.B.A. in 1977).

Beach, a beacon of caution, says flatly of the peace dividend: “I think expectations are running way ahead of reality.”

The conventional math holds that a 50-percent cut in the \$300 billion annual defense budget would yield an astounding \$150 billion for new uses. What that doesn't

take into account is the cost of building down, such as moving military personnel and equipment. Even if bases are closed, equipment will be put in storage or shipped to the Reserves. And there are many hidden costs, such as environmental clean-up of military sites.

Those who expect a gusher of money might do well to take a lesson from history, Beach maintains. This is his second cycle of military ebb and flow, having been a part of the build-up and reduction connected with the Vietnam War, the Reagan build-up, and the current build-down.

By the late sixties, the United States had 500,000 troops in Vietnam and was spending \$30-40 billion more than if there were not a war, Beach says. "The question that came up as soon as the arrangements for a cease fire were made was, 'What is a peace dividend and where is it?'"

What followed, he says, was high inflation after the energy crisis of 1973, which forced the Pentagon to pay higher prices for the services it continued to provide. In addition, many of the basic long-term needs, such as career training and modernization of weapons, had been neglected to pay for the immediate needs in Vietnam. "So by the middle 1970s it became apparent that the so-called peace dividend didn't happen to any great extent," Beach says.

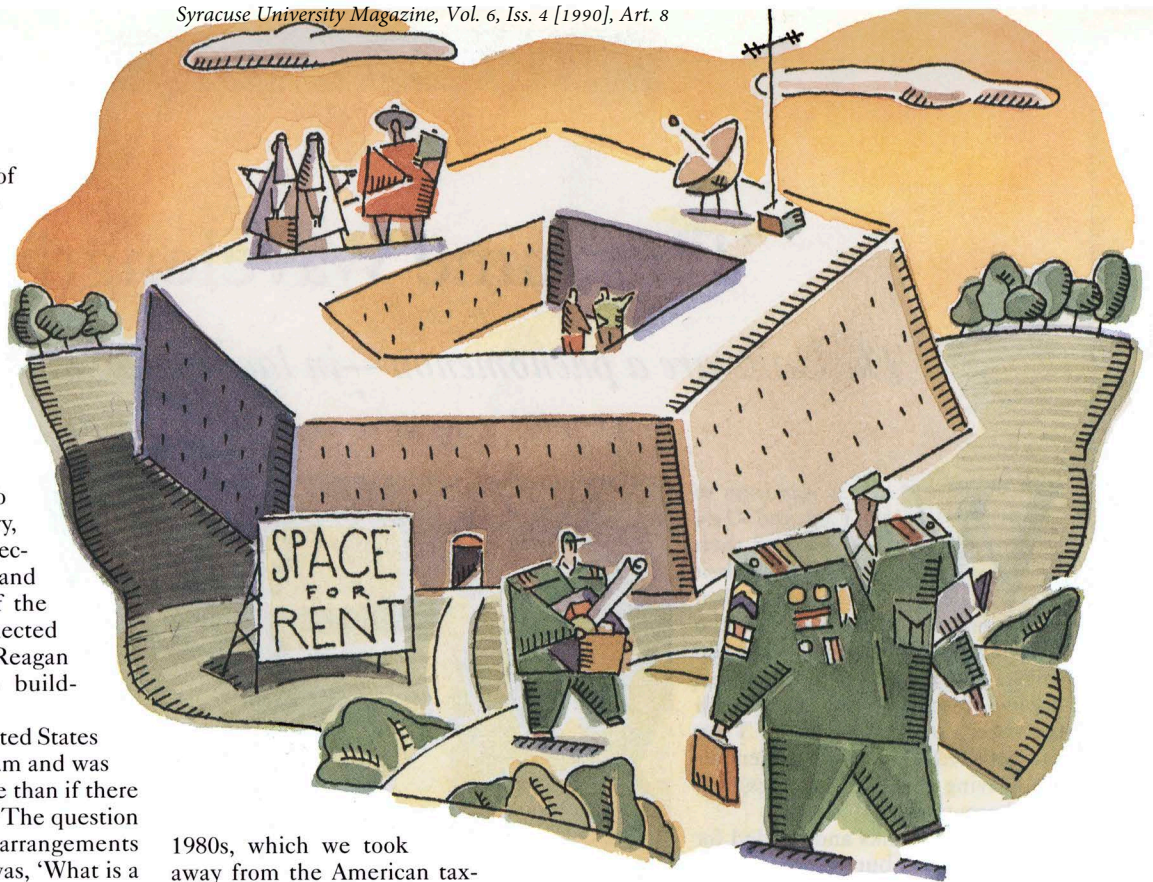
In 1968, defense spending was 9.6 percent of GNP. And by 1978 it had dropped to 4.8 percent, but without much bang, Beach maintains.

As Secretary Cheney told Congress, it may be that the only peace dividend is peace.

America already has been enjoying a slight peace dividend or savings since 1986, when defense spending peaked at 6.5 percent of GNP. But Beach argues that the concept of a peace dividend must be viewed more broadly.

There is a gigantic "economic dividend," he says, in the new technology developed during the eighties military build-up—technology that now can be put to general use. And consider the new world markets for American-made goods and technology, such as those in the Soviet Union and all of Eastern Europe. Those export markets would not exist but for U.S. military vigilance, Beach says.

"It's possible," he says, "that the \$100 billion that we added to defense in the



1980s, which we took away from the American taxpayer, will be returned to him many fold in the 1990s."

Another notion taking hold in Washington is to use the sudden end of the Cold War to make a sweeping, top-to-bottom reassessment of the U.S. military.

Should it be more of a reactive force? Should it be geared more toward quick action in places like the Third World? Should the work be divided differently among the branches of the service? Should the military be a bigger player in other federal government functions—like fighting illegal drug trafficking, paving roads, or building housing—now that its traditional role is diminished?

Most people agree such a reevaluation should occur. Few are confident it will happen anytime soon.

At the Pentagon, the job of rethinking military strategy falls to the Joint Chiefs of Staff. A first stab at it won't come before January, Comptroller O'Keefe says.

In Congress, "I don't think it's particularly likely to happen in the short term," says a Capitol Hill aide and a Syracuse graduate who specializes in defense but who asked not to be named. "It's very difficult for Congress, as an institution, to wrap its arms around something as fundamental as that. The focus here is politics and the budget."

As Senate Armed Services Committee Chairman Sam Nunn of Georgia said on the Senate floor recently, "This is the beginning of deliberation, not the conclusion of it." ■

Update

As this issue went to press, U.S. armed forces had been stationed in Saudi Arabia as a deterrent against Iraqi invasion. Undoubtedly this type of unforeseen crisis will weigh heavily in Washington as defense-budget deliberations continue. Even as the Eastern bloc fractures, other adversaries emerge.

—DLC