



a report from

2nd congressional district of arizona

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How Much For Defense?

No one I know is making an argument these days that our country should not have the best and strongest national defense possible. We should have the toughest Army, the best Navy, the most modern Air Force and the readiest Marines that money can buy. Public opinion polls tell us that now, more than ever, Americans support an increase in spending to pay for all of that.

But we are living in an age of strange cross-currents, and on another side of the ledger, just as many Americans are arguing just as strongly and loudly for two or three other things:

- * A balanced federal budget.
- * Tax cuts.
- * Holding the line on government spending.

In view of that, I have a feeling that the debate in the weeks and months ahead will be not whether we should have the toughest fighting forces available. A substantial majority seems to agree on that. The real debate is going to be how to reconcile these apparently conflicting approaches to economic policy. How, in short, can we have a balanced budget, lower taxes and more dollars for defense?

Most Arizona Republicans and Democrats alike have argued for years that it is fiscally irresponsible for Congress to spend more money than the government collects, that deficit spending is an evil that cannot be tolerated.

Others have argued for years that defense spending is, by definition, inflationary, because the money is spent on goods that cannot be purchased by consumers, and that it pours more and more money into an already overheated economy.

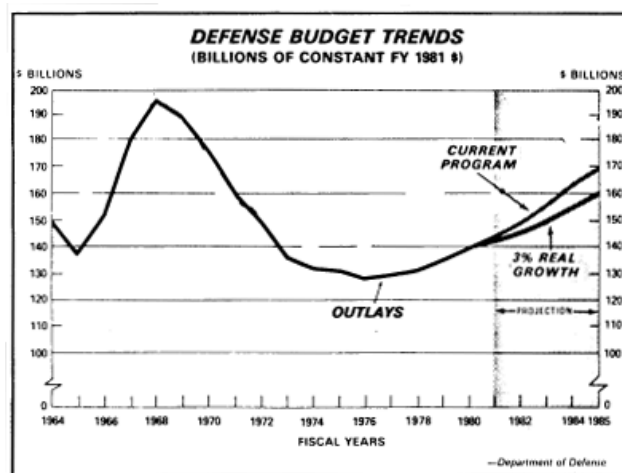
If deficit spending is the hole out of which we have been trying to pull ourselves, how do we justify it for defense? And if we can justify it, how do we answer a public that wants Congress to get tough about inflation?

Looking For More Money

Most folks would agree that it doesn't make very good sense to think we can spend our way out of inflation. Yet, that's exactly what some have proposed: balance the budget, but pour more money into an already damaged economy through either a tax cut or increased defense spending, or both. Proponents of this approach insist that balancing the budget would make inflation disappear.

Let's look at our options:

* **A Balanced Budget.** There is nothing wrong with balancing the budget, but it's no fast cure for what ails us. A year ago, the Congressional Budget Office estimated that budget cuts of \$25 billion would slow the rate of inflation by only 0.1 percent a year. The most optimistic forecast came from the Brookings Institute, where economists calculated that cuts of \$15 billion would slow the rate of inflation by 0.3 percent. At the same time, the respected magazine, *Business Week*, has estimated that every \$10 billion in *new* defense contracts will *increase the rate of inflation by 0.3 percent*. So even if we take the most optimistic report and put it against new defense money, we have achieved a net gain in the war on inflation of zero, with each side cancelling out the other. Beyond that, to take the *Business Week* projection a step farther, any *additional* \$10 billion increases in defense contracts would push the inflation rate still another 0.3 percent higher. Balance the budget? Yes. Will it be a magic cure? Probably not.



* **Cut Taxes.** One of the lines that you hear these days is that a tax cut in an inflationary economy is like throwing gasoline on a fire. I agree. President Kennedy was able to ask for, and get, a substantial tax cut in the early 1960s and it helped stimulate a sluggish economy. But inflation was miniscule in those days, and the times today have little in common with that period. What an inflationary economy does not need is more money pumped into it -- and that's exactly what a tax cut would accomplish. As this is written, in fact, the people of Southern Arizona seem to agree: the first several hundred questionnaires returned to my office show an overwhelming majority favoring no tax cut, but an all-out effort against inflation instead. Any way you cut it, a tax cut now is pure Snake Oil, and cruelly misleading.

* **Hold Government Spending.** A look at the Carter budget policies during the President's first term shows that a lot of programs have been cut, and that's reflected in our smaller budget deficits. (Back during President Ford's term, this country hit the all-time peacetime deficit record of \$66 billion. I don't long to return to those days.)

We have arrived at the point where we face a projected \$20 billion deficit in 1981, and the White House now is calling for more cuts, aiming at a balanced budget this year. Well, why not transfer money for other programs to defense? In all of the federal budget, only 23 percent is subject to that kind of transfer. The remaining 73 percent is "locked in." But why not repeal some of that 73 percent outright? Where would we begin? Even my good Republican friends haven't found an answer to that question. Last year, when the GOP submitted its "alternative budget," it called for big -- but *unspecified* -- cuts in spending, *and for a \$20 billion deficit!* In any case, where government spending is concerned, Congress has cut, has held the line, and is getting ready to cut more. The record bears this out. It will bring the deficit closer to zero, but it won't give us any new money.



Is Bigger Always Better?

At the end of World War II, it was said that the three weapons that most helped to win the war were the jeep, the bazooka and the atomic bomb.

One a highly-sophisticated, very costly and extraordinarily deadly weapon, another cheap and semi-sophisticated and the third, cheaper still and quite ordinary.

Americans have a fondness for being first and that's a fondness I share. But many of us sometimes equate being first with having the biggest. In our military situation, that translates into having the biggest weapons.

But is biggest always best? Let's take a look at a few:

* **The B1 Bomber.** The most recent estimate puts a price tag of \$100 million on each B1 bomber. Once touted as an integral part of the mixed-force concept of the Air Force that calls for a given number of missiles and bombers, the B1 now is not even listed in the new Air Force budget. Why? Air Force Gen. David Jones, Chairman of the Joint Chiefs of Staff, said the plane was dropped in favor of the Cruise missile because by the late 1980s, the Soviet Union will have the capability to destroy 100 to 200 low-flying B1s much easier than they can react against the smaller Cruise. Even Capitol Hill proponents of the B1 have been told that if they push the project, they probably won't get much help from the Air Force, because the Air Force isn't interested.

* **The XM1 Tank.** This tank is already in production, at a cost of \$1.5 million per tank. It weighs between 60 and 63 tons, limiting its use on certain types of terrain, and preventing more than one being airlifted at a time by our biggest transport plane. This and other factors have caused the Army to begin to look at development of another, light tank. Proponents can point to the overwhelming number of tanks in the Soviet arsenal, but that isn't worth much without considering that the United States also possesses the highly-accurate TOW anti-tank missile (used by the Israelis with a startling rate of success) and the deadly A10 "tank-killer" attack plane. Is numerical superiority in tanks important, especially when we seem to have far-advanced anti-tank capabilities? And is biggest (not to mention heaviest) really the best? The Army's new interest in a light tank before the first few dozen XM1s roll off the assembly line seems to indicate otherwise.

* **The Trident Submarine.** Since the end of World War II, the United States has been one of the few countries that has opted to build bigger and bigger submarines. The others have elected to go for smaller subs.

In doing so, they may get about the same firepower in more subs that in turn gives them far greater flexibility. Yet, here we are, building a submarine called Trident -- as big as the Washington monument and costing \$1.4 billion per sub, not including another \$900 million just for the missiles it will carry. Trident is big, and it can be a

big target, and once we lose one of these, where is our back-up? And is it really wise to put this much of our Navy budget into just a few big submarines?

* **The Neutron Bomb.** Like something out of *Buck Rogers*, this was to be a nuclear bomb that would kill people but leave property intact. One can wonder if either side possesses some sort of advantage because they have perfected a bomb that vaporizes people but doesn't touch the general store. The efficiency of a nuclear weapon depends on the delivery system, and not the refinement of warheads we already have. I did not support this measure in Congress, and President Carter later scrapped the whole program. Not even staunch proponents have moved to resurrect this bad and expensive idea. (There is no reliable cost estimate for the Neutron bomb, but it's safe to guess it would run into the millions of dollars.)

* **The MX Missile System.** The Pentagon originally estimated the cost of this system at \$33 billion and the General Accounting Office now estimates that could double. Because SALT II has been derailed, the GAO said, the Soviets could build enough new warheads to completely neutralize MX by the time the system is to be operational, sometime in 1986. On top of that, Sen. Jake Garn of Utah, a conservative Republican and early MX enthusiast, warned at a Senate Appropriations Committee hearing last month that public opinion in his own home state has turned against the MX project. Local officials, Garn said, are worried about their communities absorbing the needed 100,000 workers to build the MX complexes and ranchers and farmers are upset over the prospect of being fenced out of 10,000 square miles of land on the Utah and Nevada valley floors.

Strong and Fast

Maintaining an effective, first-rate military doesn't mean we have to buy every new weapon conceived, such as the B1 bomber, which the Air Force doesn't want, or the MX, when public opinion seems to be moving against it.

When we buy costly weapons simply for the sake of building an exotic arsenal and when that exotic arsenal duplicates other weapons or when that exotic arsenal is threatened with obsolescence before it's designed, we're not buying security. We're fooling ourselves.

When we spend more and more money for fewer and fewer pieces of equipment, I fear we are in danger of boxing ourselves into a corner with more power than mobility. It does no good to build hundreds of the world's most powerful tanks when our biggest transport plane can only lift one at a time.

Time changes everything, and military strategies, weapons and tactics are certainly no exception. What is suitable to one age may not be suitable to another. I don't want us to make the mistake of arming for the 1980s by using the standards of the Cold War of the 1950s.

During the Civil War, the Union Navy far surpassed anything the Confederacy could put in the water. The South simply could not compete, and Union blockades were cutting into their supplies. But all of that changed (at least, momentarily) when the South suddenly launched a single ironclad fighting ship. The South rendered the numerically superior Union Navy helpless with a single weapon.

The talk about our number of tanks versus the Russians' number of tanks ignores the fact that between the United States and our allies, we have several hundred thousand anti-tank weapons in Western Europe today. One reason we have the anti-tank weapons instead of the tanks is that our commitment to that part of the world has historically been defensive and not offensive.

While we build bigger and bigger submarines, the Russians build many more smaller, and some diesel-powered, subs. While we move bigger and bigger aircraft carriers, the Soviets supplement their force with smaller carriers equipped with "jump jets" that can provide some air cover at low cost.

Today, the U.S. Navy seems to be considering this supplemental factor. They are considering pulling a number of battleships from mothballs to refit them with missiles. They are considering pulling a World War II class aircraft carrier from storage, which could serve as our counterpart to those smaller Soviet carriers and their jump jets.

We can have strength -- and speed and quality -- in our arsenal, while getting the best and most efficient use of our tax dollars.



A Udall Defense

I have supported the approach I've discussed in this newsletter. I have voted for development of the Cruise missile, for smaller carriers as a supplemental force, the A10 "tank-killer" attack aircraft, the light tank, the Surface Effect Ship (a hovercraft carrier that may be capable of a speed of 90 knots) and I support the Rapid Deployment Force, an elite, highly-mobile task force that may best suit our strategic tactics for the 1980s.

I've rattled on here a bit and I don't intend to leave you feeling hopeless about the future of our country's defense. Far from it. Whatever happens this year, I suspect Congress will be enacting what will amount to a record defense budget. (See graph, page 1.) But we must find the right *balance*. If it is true that the Soviets threaten the world, it is just as true that inflation unchecked can threaten us, and our ability to maintain the peace on this planet. Defense spending has been on the rise since 1976, and it will continue to go up.

A strong defense is vital. *A strong and efficient defense that gets the best bang for the bucks*, a defense geared to the 1980s and not to the Cold War of the 1950s. We cannot arm ourselves for decades past.

Trying to have everything our way dealt us severe blows in the Vietnam War years. President Johnson was determined to pay for the war and the Great Society without any increase in taxes. (And you can imagine what would have happened if he had done that with a cut in taxes, as some are now suggesting.) Deficits began inching up as spending increased. OPEC gave us the shove in the early 1970s that helped put us where we are today.

The lesson of those years, I think, showed that we can have some guns and some butter. But we must not let the balance get out of kilter. Should that happen, we would all be the losers.

A handwritten signature in dark ink, appearing to read "Tim W. Lister". The signature is fluid and cursive, with the first name "Tim" being more prominent than the last name "Lister".



Make Yourself Count

Throughout 1980, Census counters will be canvassing the 2nd Congressional District as the United States again conducts the official "Head count" of our population. The information that the government collects is important for several reasons, but it can have particular significance to every citizen at every local level. The number of citizens living in any city, county or state is a key factor in helping to determine the amount of federal money that is spent in each locality to help veterans, farmers, senior citizens and a lot more. The new budget is going to be a tight one, and that's why these numbers are more important than ever. I hope every Southern Arizonan will help make the 1980 census the most accurate ever. I appreciate your help, and I think your community will, too.

We're counting on you.
Answer the census.

*The 2nd Congressional District of Arizona
includes parts of Maricopa and Pinal Counties
and all of Cochise, Pima and Santa Cruz Counties.*

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