

United States General Accounting Office

Report to the Chairman, Subcommittee on
Conventional Forces and Alliance Defense,
Committee on Armed Services, U.S. Senate

GAO
D-A259 470



GAO 1992
NATO

A Changing Alliance Faces New Challenges



013789 93120 036

1/26/93 93-01285





United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-248358

July 22, 1992

The Honorable Carl Levin
Chairman, Subcommittee on Conventional
Forces and Alliance Defense
Committee on Armed Services
United States Senate

Dear Mr. Chairman:

This is an unclassified version of our classified report to you dated June 22, 1992. This report includes some updated information. As you requested, we have reviewed the North Atlantic Treaty Organization's (NATO) new strategic concept and the allies' defense plans and identified the hurdles to implementing the concept. Also, we analyzed the U.S. contribution to NATO's future force structure. We are sending copies of this report to the Secretaries of Defense and State. Upon request, copies will be sent to other interested parties.

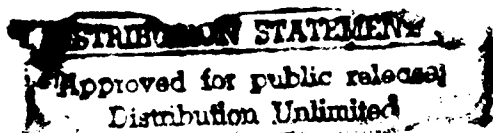
Please contact me on (202) 275-4128 if you or your staff have any questions concerning this report. Major contributors to this report are listed in appendix I.

Sincerely yours,

Joseph E. Kelley
Director, Security and International
Relations Issues

Accession For	
NTIS	CRA&I ☒
DTIC	TAB ☐
Unannounced	☐
Justification _____	
By _____	
Distribution / _____	
Availability Codes	
Dist	Avail and/or Special
A-1	

DTIC QUALITY CONTROL 3



Executive Summary

Purpose

In 1990, a dramatically altered geopolitical landscape led the North Atlantic Treaty Organization (NATO) to reconsider its strategic concept and reevaluate its force structure. In conjunction with NATO's review, the United States and most of its allies concluded that, without an immediate threat, they could substantially reduce defense budgets, personnel, and equipment.

To assist Congress in evaluating these changes and in response to a request from the Chairman, Subcommittee on Conventional Forces and Alliance Defense, Senate Committee on Armed Services, GAO reviewed (1) NATO's new strategic concept, including changes in the security threat and features of the new force structure; (2) NATO members' national defense plans and the extent to which they reflect the new strategy; (3) hurdles to realizing the strategy; and (4) U.S. plans for contributing to the new force structure.

Background

NATO's defense planning process involves two interrelated phases that run concurrently: the force goals and the defense *planning questionnaire*. The force goals, which are developed every 2 years, define NATO's requirements. Each nation typically has over 100 force goals. Annually, each member nation responds to a planning questionnaire in which it verifies its commitment for the previous year and defines its commitment for the next year and plans for the following 5 years. Members provide data on defense spending using NATO's definition, which includes some nondefense budget items, such as the cost of some domestic military forces.

Results in Brief

In NATO's view, the Warsaw Pact threat has been replaced by diverse security challenges and risks that are difficult to define and assess. Under its new strategic concept, NATO intends to have smaller, more mobile and flexible forces, including multinational units, that can move within and outside the NATO area. NATO plans to decrease foreign troops in Germany and emphasize the buildup of forces in a crisis. Although NATO has not defined exactly the type and amount of equipment and training needed, it is encouraging nations to invest in transport, air refueling, and reconnaissance aircraft and improved command and control equipment, among other items. NATO anticipates that nations will reduce defense spending.

NATO is starting to implement its concept, and some national plans are consistent with the concept. NATO has begun planning an immediate reaction force, a rapid reaction force, and six multinational corps. Nations are reducing active troop levels and bringing troops home from Germany. To increase mobility and flexibility, some countries are reorganizing their forces and buying new equipment. Most nations are reducing defense spending in real terms.

NATO recognizes that to fully realize the new strategy, it needs to (1) develop new mission statements and operational plans, (2) redefine readiness levels, and (3) organize the reaction forces and multinational corps. Some national plans appear inconsistent with NATO's concept of creating a highly mobile and capable force.

After completing its military reductions, the United States intends to maintain a substantial contribution to NATO's combined force structure. It plans to participate in both of the reaction forces and the multinational corps. For the multinational corps, the United States intends to provide two divisions, a brigade, and corps troops. Details of the U.S. contribution for the reaction forces are classified.

GAO's Analysis

NATO Is Undergoing Major Restructuring

During the Cold War, NATO's strategy was based on countering a powerful aggressor that might attack across the inter-German border. According to NATO, this monolithic threat has been replaced by multifaceted risks. For example, NATO believes that instability in Central and East European nations and the former Soviet republics could lead to conflicts that spill into NATO nations. Further, the alliance states that its interests can be affected by other types of risks, such as "disruption of the flow of vital resources," that may warrant a response—an apparent reference to situations like the Persian Gulf War.

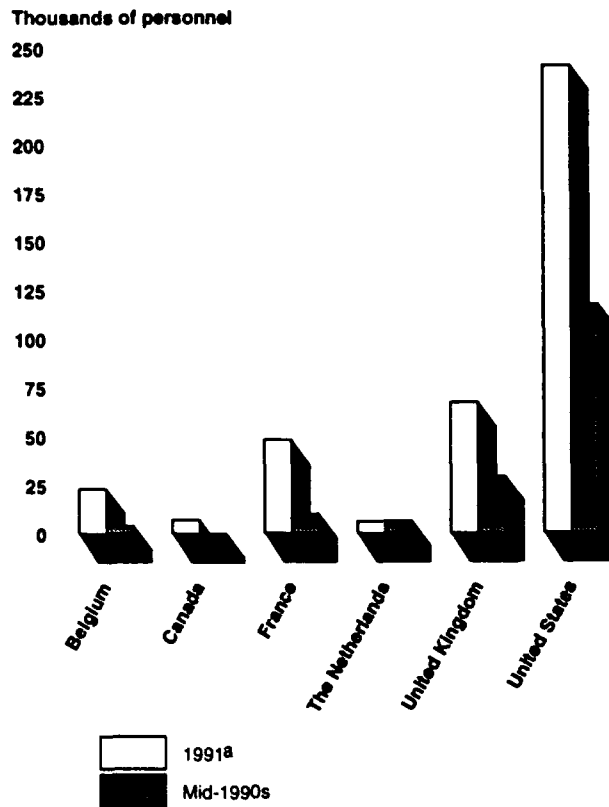
According to NATO, the alliance will (1) consist of smaller, more mobile and flexible forces that can counter diverse risks; (2) require fewer troops to be based away from their home countries; (3) reduce many active units' readiness levels; (4) emphasize building up forces in a crisis; (5) reduce its reliance on nuclear weapons; and (6) consist of immediate and rapid reaction forces, main defense forces (including six multinational corps), and augmentation forces.

**Progress Made in
Implementing the Strategic
Concept**

NATO has started planning the reaction forces — which include land, maritime, and air units — and multinational corps. Member nations have committed several battalions and squadrons for the immediate reaction force, which will be designed to respond to developing crises in and outside the NATO area. Nations will take turns commanding the force. Under British command, the rapid reaction corps will be centered around two British divisions—one located in Germany—two multinational divisions, and a few national divisions. Six multinational corps and other national forces comprise the main defense forces.

NATO members' national plans will result in smaller forces and a reduced forward presence. Two changes demonstrate this point. First, of the NATO nations with the largest military forces, the United States plans to cut its total active military personnel by 24 percent, Turkey by 15 percent, Germany by 31 percent, and France by 15 percent. Italy is considering reducing its force levels by 25 percent. Second, foreign troops stationed in Germany, where most forward-based troops are located, will decrease by 58 percent. (Fig. 1 depicts planned reductions in Germany.) Because other countries plan to withdraw a higher percentage of troops than does the United States, the remaining U.S. share will increase from 62 to 70 percent.

Figure 1: Planned Reductions of Foreign Troops Based in Germany



^aFor the United States, this figure is the number of troops in Germany before the Persian Gulf War.

Sources: Various government documents and officials.

Several nations have some plans to increase mobility and flexibility. For example, Germany may acquire an air refueling capability, the British plan to procure a new generation tank, Turkey is acquiring transport aircraft, the Netherlands is forming an airmobile brigade, and Spain intends to form a rapid reaction force.

Most NATO members are reducing defense spending. Between 1989 and 1992, Belgium plans to reduce expenditures by 21 percent, Spain by 15 percent, Italy by 8 percent, and the United Kingdom and the United States by 7 percent each. During the same period, Luxembourg and Turkey plan increased spending, while Canada, France, and Portugal expect less than a 1-percent change.

NATO Faces Several Hurdles

As of May 1992, NATO had not written mission statements for the various forces, determined precisely how these forces would be used in a conflict, fully revised its command structure, or defined new readiness requirements. Since most forces will be stationed in their home countries, nations must decide how the reaction units and six multinational corps will train and the degree to which they will integrate within each unit.

At a time when defense budgets are declining, some nations may be unwilling to make the necessary investments. None of the European nations have a heavy lift capability, and some countries are not prepared to quickly move to other regions within NATO, let alone outside NATO. Also, the new multinational units will require greater interoperability.¹

Some national plans do not support NATO's new requirements for smaller, more capable forces; the ability to move outside the NATO area; and greater reliance on reserve forces to build up active units. Most of the 11 NATO members with conscription have reduced or will reduce their conscription terms, probably resulting in less capable forces. For example, Portugal plans to reduce its term from 15 to 8 months. Although many nations have discussed changing to an all volunteer force or increasing the portion of volunteers, they may be unwilling to pay for it. According to government officials, some national laws prohibit conscripts from fighting outside the NATO area without special authorization. Finally, some nations rely heavily on reserve forces to reinforce their active units but offer little or no training after conscripted service.

U.S. Contribution Declining but Still Substantial

Between 1991 and 1995, the United States plans to reduce the total number of divisions it contributes to NATO by nearly 30 percent and the number of brigades by 42 percent. It plans to contribute land, maritime, and air units to the immediate and rapid reaction forces. For the multinational corps, the United States intends to contribute one division and corps troops² for a U.S.-led corps, one division to a German-led corps, and one brigade to a Belgian-led corps. Of these, it intends to base two divisions and the corps units in Germany and the brigade in the United States.

¹NATO defines interoperability as the "ability of systems, units, or forces to provide services to and accept services from other systems, units, or forces and to use the services so exchanged to enable them to operate effectively together."

²The U.S. corps troops will include an armored cavalry regiment and some combat support and combat service support units.

By 1995, the United States plans to continue contributing over 50 percent of NATO's offensive, transport, and electronic warfare aircraft; cruisers; nuclear-powered submarines; and ballistic missile submarines. The United States will remain the sole contributor of heavy bombers, large aircraft carriers, and mine countermeasure helicopters. Further, it intends to continue contributing at least 30 percent of NATO's divisions, main battle tanks, frigates and destroyers, antisubmarine helicopters, and maritime patrol aircraft. On the other hand, according to U.S. plans, it will still contribute less than 10 percent of NATO's mine countermeasure vessels and patrol vessels. The allies contribute all the diesel submarines as the United States does not have any.

Recommendations

This report contains no recommendations.

Agency Comments

GAO did not obtain fully coordinated comments from the Departments of Defense (DOD) or State on this report. However, DOD and State officials responsible for managing U.S. participation in NATO programs and bilateral relations with NATO members were given an opportunity to review the draft report. Where appropriate, GAO incorporated their comments into the final report.

DOD officials stated that GAO's discussion on reduced forces in Germany could be misinterpreted to indicate that U.S. force contributions within the alliance are increasing vis-a-vis the NATO allies, when the opposite is true. These officials noted that the U.S. drawdown in ground and air forces based in Europe is roughly double that planned by our NATO allies in the aggregate.

The purpose of GAO's discussion on reductions is to demonstrate that the United States and other NATO members are reducing their overall force levels and numbers of forward-based troops as called for under NATO's new strategic concept. Because other nations are bringing home a higher percentage of their troops than is the United States, the U.S. portion of troops in Germany will increase. GAO does not believe that this information is misleading, since the report also states that the total U.S. contribution to NATO is declining.

Contents

Executive Summary		2
Chapter 1		10
Introduction	Objectives, Scope, and Methodology	11
Chapter 2		12
NATO and Its Future Force Structure	NATO Has Unveiled a New Strategic Concept	12
	National Plans Drive NATO'S Force-Planning and Goal-Setting Process	13
	NATO Is Making Progress in Realizing Its Strategic Concept	13
	NATO Still Faces Hurdles to Implementing Its Concept	15
Chapter 3		17
NATO Members' National Defense Plans	Central Region	19
	North America	27
	Northern Region	30
	Southern Region	33
Appendixes	Appendix I: Major Contributors to This Report	40
Figures	Figure 1: Planned Reductions of Foreign Troops Based in Germany	5
	Figure 2.1: NATO's Proposed Multinational Corps	15
	Figure 3.1: NATO Members, by GAO-Defined Regions	18
	Figure 3.2: France's Planned Total Force Reductions	20
	Figure 3.3: Germany's Planned Total Force Reductions	23
	Figure 3.4: The Netherlands' Planned Total Force Reductions	26
	Figure 3.5: U.S. Planned Total Force Reductions	28
	Figure 3.6: The United Kingdom's Planned Total Force Reductions	31

Abbreviations

CFE	Conventional Armed Forces in Europe
DOD	Department of Defense
GAO	General Accounting Office
ICBM	Intercontinental Ballistic Missile
NATO	North Atlantic Treaty Organization
WEU	Western European Union

Introduction

The North Atlantic Treaty Organization (NATO) provides for Europe and North America's collective defense against armed aggression. Until recently, the former Soviet Union and Warsaw Pact constituted the primary threat to NATO. However, since the Soviet Union broke up, the Warsaw Pact dissolved, and East and West Germany unified, NATO is changing its strategic concept and force structure to address the evolving security situation in Europe.

In response to the changing security environment, NATO has been defining the security risks to alliance members and developing the strategic concept, military strategic guidance, command and force structures, and the operational concept. As part of NATO's defense planning process, members annually submit responses to a questionnaire in which they define their defense plans. France does not submit a response, as it withdrew from NATO's integrated military structure in 1966. Although Spain is not in the integrated military structure, it participates in NATO's collective force planning.

NATO members provide actual and projected defense spending using NATO's definition of such expenditures, which provides a common baseline for comparing national expenditures. According to the NATO definition, defense expenditures are those made by national governments specifically to meet the needs of the country's armed forces. These expenditures include some nondefense budget items, such as the cost of some domestic military forces, contributions to military pension systems, and unreimbursed military assistance to other NATO members. Throughout this report, we use these figures converted into 1990 dollars.

In this report, we group NATO members into four geographic regions: (1) the central region, which includes Belgium, France, Germany, Luxembourg, and the Netherlands; (2) North America, which includes Canada and the United States; (3) the northern region, which includes Denmark, Norway, and the United Kingdom; and (4) the southern region, which comprises Greece, Italy, Portugal, Spain, and Turkey. We did not include Iceland because it does not have any military forces.

The Conventional Armed Forces in Europe (CFE) Treaty, which has not yet gone into effect, will change the force structures of several NATO members. Negotiated between NATO and the former Warsaw Pact, the treaty limits the number of specific weapons systems, such as tanks and aircraft, that a nation can retain. Instead of destroying all of this equipment, some NATO

nations are transferring equipment to other NATO members to reduce their stocks to allowed levels.

Objectives, Scope, and Methodology

In response to a request from the Chairman of the Subcommittee on Conventional Forces and Alliance Defense, Senate Committee on Armed Services, we reviewed (1) NATO's new strategic concept, including changes in the security threat and features of the planned force structure; (2) alliance members' national defense plans and the extent to which they reflect the new strategy; (3) hurdles to realizing the strategy; and (4) U.S. plans for contributing to the new force structure.

In Brussels, Belgium, we interviewed officials at the U.S. Mission and Military Delegation to NATO and analyzed NATO documents on military risks, the strategic concept and its military implementation, and future NATO force structures.

To review NATO members' national defense plans from 1989 through 1995, we interviewed officials and obtained documents from the Departments of Defense (DOD) and State, the Central Intelligence Agency, the Defense Intelligence Agency, and the U.S. Mission and Military Delegation to NATO. We contacted foreign officials from Washington embassies of each NATO member except Iceland. Despite our attempts, officials from the following embassies did not meet with us: Canada, Greece, Luxembourg, Spain, and Turkey. We interviewed U.S. officials at the U.S. embassies and foreign military and civilian government officials in Ankara, Turkey; Bonn, Germany; Brussels, Belgium; London, England; and Paris, France. We chose these nations based on their military contribution and strategic importance to NATO.

We analyzed countries' responses to NATO's defense planning questionnaire, NATO's chapters on each country's defense plans,¹ and public foreign government defense plans. For consistency in our analysis of defense spending, we used the NATO definition of defense expenditures. We conducted our review from September 1991 to March 1992 in accordance with generally accepted government audit standards.

¹Because of required unanimity of chapter contents, Greece and Turkey do not have country chapters, as each vetoes the other's chapter.

NATO and Its Future Force Structure

NATO Has Unveiled a New Strategic Concept

In 1990, in response to changes in the geopolitical landscape, NATO began to reevaluate its strategic concept and its force structure. The United States and most of its allies concluded that, without an immediate threat, they could reduce defense budgets, personnel, and equipment. In July 1990, NATO announced that its integrated force structure and strategy would change fundamentally. Since then, NATO has been simultaneously developing a risk assessment (formerly called the threat assessment), military and political strategies, and command and force structures.

In NATO's view, the Warsaw Pact threat has been replaced by diverse security challenges and risks that are difficult to define and assess. These include potential conflicts resulting from political, economic, and social instabilities; border disputes; and ethnic and nationalist tensions. NATO envisions that its forces may fight in countries outside the alliance area. According to NATO, members' interests can be affected by other risks, such as "disruption of the flow of vital resources," that may warrant a response—an apparent reference to the Persian Gulf War and similar situations that may arise in the future.

NATO's new strategy calls for cooperation with Central and East European nations, places greater emphasis on crisis management and conflict prevention, and outlines the characteristics of the future force structure. Key features of the future structure include (1) smaller, more mobile and flexible forces that can counter multifaceted risks, possibly including those outside the NATO area; (2) fewer troops stationed away from their home countries; (3) reduced readiness levels for many active units; (4) emphasis on building up forces in a crisis; (5) reduced reliance on nuclear weapons; and (6) immediate and rapid reaction forces, main defense forces (including multinational corps), and augmentation forces. Although NATO has not defined exactly the type and amount of equipment and training needed, it is encouraging nations to invest in transport, air refueling, and reconnaissance aircraft and improved command and control equipment, among other items. NATO anticipates that nations will reduce defense spending.

Nearly all of NATO's major force structure categories will decrease, according to national defense plans. NATO will have 22 percent fewer divisions and 13 percent fewer brigades. Other categories with substantial cuts include offensive aircraft, heavy bombers, reconnaissance aircraft, electronic warfare aircraft, antisubmarine warfare aircraft, mine countermeasure vessels, aircraft carriers, and ballistic missile submarines. In several categories, the force structure contributions will shift from the

central region nations and the United States to the southern region countries.

National Plans Drive NATO's Force-Planning and Goal-Setting Process

NATO's force-planning and goal-setting process covers a 6-year planning period and involves two interrelated phases that run concurrently: the force goals and the defense planning questionnaire. The force goals, which are developed every 2 years, define NATO's requirements. Each nation typically has over 100 force goals. With input from their subcommands, the major NATO commanders propose force goals for each nation based on command requirements. NATO and national officials frequently consult one another while developing force goals and national defense plans. NATO commanders will not demand that member nations establish units or acquire equipment they do not have.

In its annual response to NATO's defense planning questionnaire, each member verifies its commitment for the previous year and defines its commitment for the next year and plans for the following 5 years. After questionnaire responses are complete, alliance members review each nation's response. In meetings, they can question national plans and urge member nations to alter their plans. When they finish these reviews, generally in October or November, NATO staff write a report summarizing each nation's plans and assessing national commitments to NATO. Once NATO members approve it, this report becomes the alliance's consensus view on national strengths and weaknesses and each country's plan to support the force structure. For example, a report might state that a nation has made excellent progress in improving its Army's combat capability but needs to focus more resources on training conscript forces.

NATO Is Making Progress in Realizing Its Strategic Concept

NATO has started conceptualizing the reaction forces and the multinational corps, and member nations have started defining their commitments. NATO divided the reaction forces into immediate and rapid reaction forces, both of which could be used within or outside the NATO area and include land, maritime, and air units. The United States plans to contribute to both reaction forces. As of June 1992, the exact number and type of U.S. and other NATO members' planned contributions for the future force structure were classified.

The immediate reaction force will be modeled after and replace the Allied Command Europe Mobile Force, which is a multinational task force of about 5,000 people. According to NATO, the immediate reaction force could

be sent on short notice to any threatened area to demonstrate solidarity within the alliance. NATO plans to rotate the command position among participating nations.

Under British command, NATO's rapid reaction corps will include two British divisions—one located in Germany and one in the United Kingdom—a central region multinational division, a southern region multinational division, and a few national divisions. NATO anticipates the corps will be fully operational by 1995. The maritime reaction forces will be centered around NATO's three standing multinational naval forces.¹ Several nations will contribute already established air units to the rapid reaction force's air component, which will be led by a German officer.

The main defense forces will consist of national forces and six multinational corps. The national forces will essentially be those that are committed to NATO but are not designated for multinational, reaction, or augmentation forces. If the main defense forces are needed in a crisis, the reaction forces would become part of the larger main defense forces.

NATO plans to have six multinational corps that will comprise forces from Belgium, Denmark, Germany, the Netherlands, and the United States (see fig. 2.1). Some of these troops will be stationed in their home countries, and others will remain in Germany. Belgium plans to base one brigade in Germany and three in Belgium, Denmark will keep its forces home-based, German forces will remain in Germany, the Netherlands is evaluating where it will base its troops, and the United States intends to station two divisions and the corps troops in Germany and one brigade in the United States.

¹Until recently, NATO had only two standing naval forces—Standing Naval Force Atlantic and Standing Naval Force Channel. In April 1992, NATO inaugurated a permanent Mediterranean force, which had been an "on-call" force.

Figure 2.1: NATO's Proposed Multinational Corps

Corps	Belgium	Denmark	Germany	Netherlands	United States
1	4 Brigades ^a		1 Brigades		1 Brigade
2		1 Division ^b	1 Division ^b		
3			1 Division ^c	1 Division ^a	
4			2 Divisions ^a		1 Division
5			1 Division	1 Division ^a	
6			1 Division		1 Division ^a
Total	4 Brigades	1 Division	6 Divisions 1 Brigade	2 Divisions	2 Divisions 1 Brigade

^aThis country is leading the corps.

^bDenmark and Germany alternate leading this corps.

^cWhen a particular British division is not deployed with the NATO rapid reaction corps, the division would join this corps.

Source: NATO.

NATO Still Faces Hurdles to Implementing Its Concept

NATO is still developing its command structure, mission statements, operational plans, specific force goals, and new readiness requirements and is rewriting its risk assessment. Participating nations will design the reaction forces and multinational corps. Also, NATO recognizes the need to remain alert to any signs that independent European security forces, such as the Western European Union (WEU), are eroding the alliance.

NATO has not yet developed mission statements or detailed plans as to how its forces would be used in a conflict. Although the three force types—immediate and rapid reaction, main defense, and

augmentation—would seem to follow one another as a crisis escalated, NATO has not detailed which forces would be used under what circumstances. Also, it has not detailed how the units would be transported.

The force goal cycle is only now starting to catch up with the new strategic concept. Although the 1991 defense planning questionnaire contained goals that still referred to the Warsaw Pact, NATO's 1992 force goals reflect the new strategic concept. The defense ministers approved the new goals at their meeting on May 26-27, 1992. The goals focus on interoperability, standardization, and specific national contributions to the new force structure.

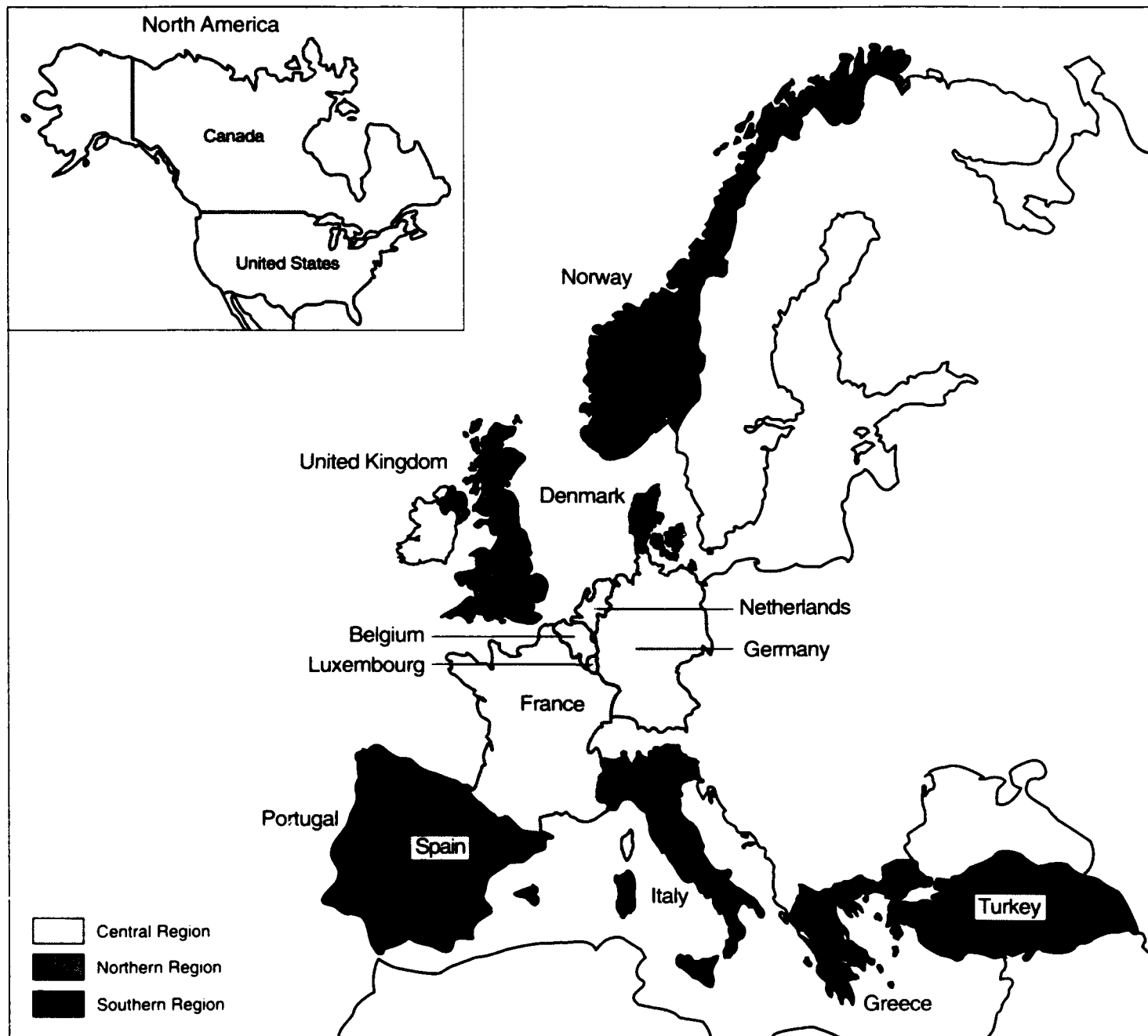
Although the strategic concept prescribes reduced readiness levels for many active units, NATO has not yet defined its new readiness and availability requirements. With increased warning time before an attack, units do not need to be able to respond as quickly as was required when the Soviet Union threatened NATO's security. In the meantime, nations are substantially reducing conscription terms—in some cases beyond what NATO appears to have intended. For example, Portugal plans to reduce its conscription term from 15 months to 8 months.

Some countries are concerned that a future independent European security force would compete with and possibly diminish NATO's position. In December 1991, WEU declared that it would serve as the European Community's defense component and as the means to strengthen NATO's European pillar. At the same time, WEU asked the NATO nations that are members of the European Community but not of WEU—Denmark and Greece—to join the organization and offered Norway and Turkey associate memberships. France and Germany plan to expand their current joint brigade into a European corps, which they plan to headquarter in Strasbourg, France, near the German border. As of June 1992, the two countries had not detailed how this corps would relate to NATO or WEU if a crisis occurred.

NATO Members' National Defense Plans

During our review of NATO's new strategic concept, we examined each nation's view of the new security environment and its plans for defense spending, military personnel—including force level reductions, troop withdrawals from Germany, conscription terms, and reserves—and major equipment. In this chapter, we divided the NATO members into four regions: central Europe, North America, northern Europe, and southern Europe (see fig. 3.1).

Figure 3.1: NATO Members, by GAO-defined Regions.



Under NATO's new strategic concept, the central region will no longer be NATO's focus for defense, and nearly 60 percent of the foreign troops stationed in Germany will return to their home countries. Although the North American countries are reducing their overall contribution to NATO and withdrawing forces from Europe, the United States remains the single largest NATO contributor. In the northern region, the United Kingdom is cutting its force structure substantially, while Denmark and Norway are generally making few changes. The southern region will become more important than in the past, primarily because of its proximity to potentially threatening Middle Eastern and North African nations.

Central Region

Most nations in the central region plan to decrease their active military personnel, withdraw some forces from Germany, and alter their force structures to increase mobility and flexibility. Germany, Belgium, and the Netherlands each plan to lead multinational corps. Except for Luxembourg, central region nations are reducing their defense expenditures. However, none of the nations have heavy airlift capability or specific plans to procure any, which could be viewed as inconsistent with NATO's concept of creating a highly mobile force. Declining defense expenditures have resulted in equipment delays and cancellations.

France

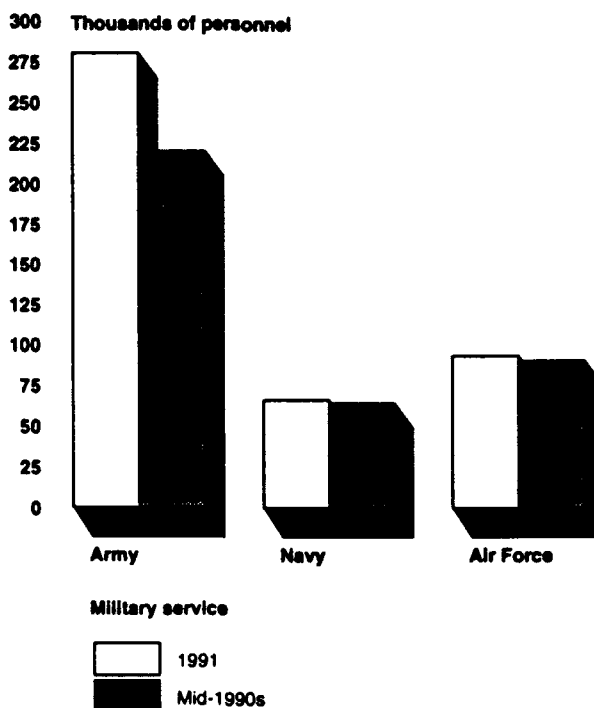
France withdrew its forces from NATO's integrated military structure in 1966 but is a member of the North Atlantic Council and has about 50 protocols with NATO that govern the deployment and use of French forces in a crisis. French defense policy stresses independence, greater Franco-German unity, and an expanded role for the European Community and WEU. According to French and U.S. officials, the French government views participation in NATO's integrated military structure as an entangling alliance that could allow the United States undue influence over French foreign policy. The Socialist Party, which has governed France under President Francois Mitterand since 1981, is internally divided on security issues. The extreme left wing is anti-NATO and would like the United States to completely withdraw from Europe. The more moderate majority, including the President, wants a reduced U.S. presence in Europe.

The French government believes it faces security risks from instability in East Europe and the former Soviet republics. Also, French officials express concern about improved conventional weapons and rising Islamic fundamentalism in Algeria, Libya, and Tunisia.

France plans to reorganize its military into smaller, more flexible forces. The Army intends to streamline its command system to comprise one Army, with two corps, and a corps-equivalent rapid action force. The Air Force will reduce the number of combat aircraft from 450 to about 350. France will not consider reducing its strategic nuclear force until the U.S. and former Soviet arsenals are comparable in size to France's nuclear arsenal.

By the mid-1990s, France plans to reduce the number of Army personnel by 60,000 and nominally reduce the number of Navy and Air Force personnel (see fig. 3.2). The Army had planned to withdraw all of its forces from Germany; however, because of the Franco-German decision to create a European corps, France will now leave 10,000 of the current 48,000 troops in Germany.

Figure 3.2: France's Planned Total Force Reductions



Source: U.S. Embassy, Paris, France.

Some policies on conscripts and reserves may inhibit France's ability to move quickly and fight within and outside the NATO area. First, French conscripts, which comprise about 90 percent of armored division personnel and about one-third of each service's total personnel, cannot be deployed outside the NATO area without Parliament's consent, according to a French official.¹ Second, France recently reduced its conscription term from 12 to 10 months, possibly resulting in reduced readiness. Third, French reservists—conscripts who have completed service within the past 2 years—receive no additional training. France's plans to increase the Army's proportion of volunteers to about 40 percent may alleviate some of the problems with conscripts.

France, which plans a less than 1-percent reduction in real terms in defense spending between 1989 and 1992, canceled a few major procurement programs and cut back several other programs. It canceled the procurement of the S-45 intermediate-range ballistic missile and may cancel the Franco-German attack helicopter program. France reduced its purchase of LeClerc tanks from 1,400 to about 800 tanks, the multiple launch rocket system from 82 to 57, and the Hades short-range nuclear missile from 120 missiles and 40 launchers to 30 missiles and 20 launchers. It plans to stockpile, rather than deploy, the missiles. After almost withdrawing from NATO's NH-90 helicopter program, France plans to procure 150 transport and 60 antisubmarine warfare helicopters through the program.

Because of budgetary constraints, the French Navy terminated the construction of two nuclear-powered attack submarines, one of which was over 25 percent complete, and may cancel the second Charles de Gaulle class nuclear-powered aircraft carrier. Also, it delayed by at least 6 months its new ballistic missile submarine and reduced its total buy of new maritime patrol aircraft from 48 to 28 planes.

Because of increased costs, France reduced its total planned procurement of Rafale fighters for the Navy and Air Force from 250 to 233 planes and stretched out the program by 2 years. The Air Force will thus not have an operational Rafale squadron until 2000. France may yet cancel the program.

¹ Conscripts may be sent outside the NATO area as part of a United Nations force if the conscripts voluntarily sign short-term service contracts.

Germany

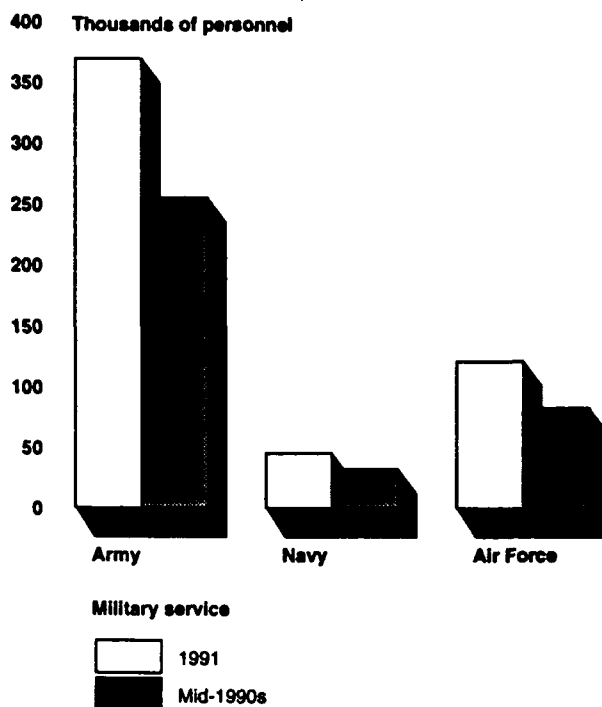
Both the governing coalition² and the primary opposition party—the Social Democratic Party—support retaining NATO and remaining involved in multinational organizations. Germany sees risks to its security coming primarily from instability in East Europe and the former Soviet republics. As one German official wrote, the region from the Balkans to Poland “could once again become Europe’s ‘political storm zone.’” In addition, the Gulf War highlighted the risks that can arise from the Near and Middle East.

Germany may be changing its policy not to participate in conflicts outside the NATO area. Each of the armed services is preparing for possible involvement outside NATO’s central region, according to a German spokesman, and Germans are debating whether their constitution allows them to send forces outside the NATO area. Most government officials believe that the constitution does not prohibit missions outside NATO, although the public does not necessarily support this position. Some officials believe that to clear up any ambiguity, the constitution should clearly state that such missions are allowed.

Before unification, former West Germany had about 474,000 military personnel; as of 1991, the total for unified Germany was 534,900—an increase of 60,900 personnel. As Germany pledged in its unification agreement, it plans to reduce military personnel to 370,000 by 1995 (see fig. 3.3), and German forces stationed in eastern Germany will not be assigned to NATO before 1995. As part of NATO’s future structure, Germany plans to participate in all six of the multinational corps and contribute substantially to the immediate and rapid reaction forces.

²Germany is governed by a coalition of the Christian Democratic Union, the Christian Socialist Union, and the Free Democratic Party.

Figure 3.3: Germany's Planned Total Force Reductions



Note: These figures include the troops from former East Germany that joined unified Germany's military.

Source: Embassy of Germany.

Germany has historically favored conscription but now is debating whether to continue it. While some members of Parliament are considering an all volunteer force, the Defense Ministry is strongly opposed because (1) it wishes to maintain the strong link between the population and the armed forces, and (2) it believes it could not afford to raise a 370,000 force. In 1990, Germany reduced its conscription term from 15 to 12 months. This reduced term may diminish the overall capability of Germany's troops, according to a German official. The length of the term is particularly important to the Army because about 55 percent of its troops are conscripts.

The reserves will also continue to play an important role in the German Army's future force structure. After leaving service, personnel are on reserve status for about 4 years, depending on their age and specialty, and are usually called up twice for training during that period. However,

according to U.S. officials, because of the cost of training reserves, some reserves receive no training once released from active service.

Although unification resulted in an increase in troops, equipment, and territory, Germany plans to reduce its defense expenditures by 5 percent, in real terms, between 1989 and 1992. To lower the spending levels, it has delayed or stretched out some procurement programs and recently announced it would reduce or cancel more programs. However, it plans to continue several equipment programs that may create more mobile and flexible forces.

The Army canceled plans for a Leopard III battle tank, a tank destroyer, and an upgrade for its antitank helicopter. It reduced its 1989 request for TOW II-A missiles from 6,500 to 4,000. The rolling airframe missile, multiple launch rocket system, Hawk/Patriot systems, and Stinger programs will continue.

Under the Marine 2005 plan, Germany plans to reduce and modernize its maritime force. The German Navy intends to delay its submarine and patrol boat programs but continue with the ship-to-ship missile, minehunter, frigate, maritime patrol aircraft, torpedo, and air-to-ship missile programs.

The Air Force is moving ahead with many of its major modernization plans and will place greater emphasis on air defense. However, it lacks large transport aircraft primarily because it was not planning to fight outside Germany. According to a German spokesman, Germany cannot afford to invest in airlift, and it has not been a priority because other methods of lift will be available. However, the Air Force has expressed interest in procuring C-17 cargo aircraft and will modify A-310 planes to carry cargo. It may also modify four Boeing 707 planes into air refueling aircraft, which would extend the range of its cargo aircraft.

Germany may withdraw from the joint European Fighter Aircraft program. This program was designed to provide an air superiority fighter to the participating countries—Germany, Italy, Spain, and the United Kingdom—by the mid- to late 1990s. If Germany withdraws, the other countries will face increased costs and may be forced to discontinue the program. German officials are considering U.S., Russian, and French aircraft as alternatives.

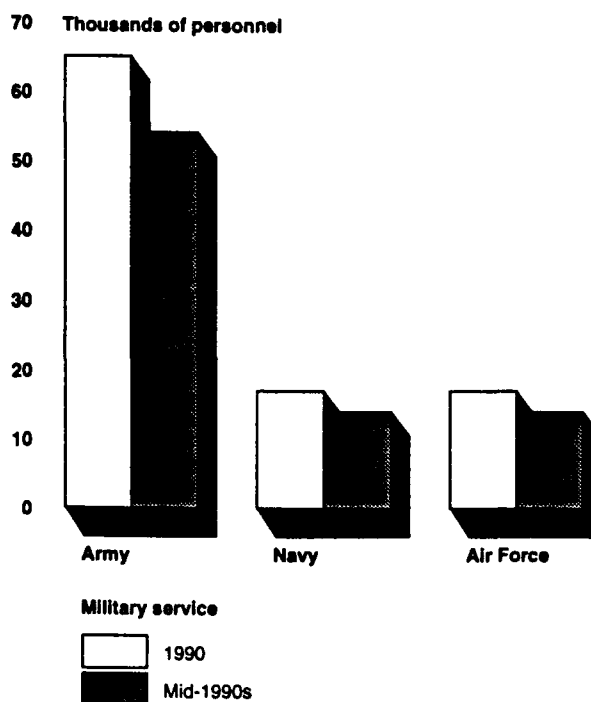
Belgium, the Netherlands, and Luxembourg

Belgium and the Netherlands support NATO, a continued U.S. presence in Europe, and an independent European defense force. The Dutch government believes that WEU will allow the Europeans to cooperate outside the NATO theater, serve as a bridge between the European Community and NATO, and more closely involve France in NATO. Both countries are reorganizing their forces in response to the reduced threat and increased pressure to reduce their national budgets.

Belgium's reorganization and its plans to lead a NATO multinational corps, add a paracommando brigade, reduce overall force levels, and withdraw most troops from Germany are consistent with NATO's new strategic concept. The Netherlands intends to have smaller, more mobile and versatile forces. It is forming an airmobile brigade that could operate as part of a multinational rapid reaction force.

Both Belgium and the Netherlands are cutting troop levels. By 1995, Belgium plans to reduce its total active personnel levels by 18 percent and reduce the number of troops in Germany from about 22,000 to 3,500—an 85-percent reduction in forces deployed in Germany. The Netherlands intends to reduce its active military personnel by 17 percent (see fig. 3.4), with nearly 60 percent of the reduction from conscripts, slightly increasing the percentage of volunteers. The Netherlands is considering whether to withdraw its 6,400 troops stationed in Germany.

Figure 3.4: The Netherlands' Planned Total Force Reductions



Source: The Dutch government.

In 1990, the Netherlands reduced its conscription term from 14 to 12 months, and Belgium is reducing its term from 12 to 8 months. According to U.S. officials, as a result of this decrease in the conscription term, less time will be available for training in advanced skills, and active units may not have any conscripts from March to June, leaving personnel levels low. Both nations are debating changing from a partially conscript force to an all volunteer force. However, they may not be willing to pay for the higher cost of volunteer troops.

Belgium and the Netherlands are reducing defense spending, while Luxembourg plans to increase expenditures. Between 1989 and 1992,

Belgium will reduce defense expenditures by 21 percent, with equipment and personnel taking the largest cuts.³ In the same period, in response to a budget deficit and an economic recession, the Netherlands plans to decrease real defense spending by 5 percent.

Belgium has not canceled or delayed any major procurement programs. Its Army has modest modernization plans and will retire many major combat systems before it procures replacements. The Netherlands has canceled a few programs, and the Army intends to decrease the number of its tanks by 50 percent and armored personnel carriers and artillery by about 40 percent. The Air Force will reduce the number of F-16 aircraft available to NATO from 162 to 144 and decommission and replace older transport aircraft. Luxembourg, with only a battalion-sized military, is not planning any major changes.

North America

The United States and Canada plan to reduce their active personnel levels and withdraw forces from Europe. The United States plans to withdraw about half of its 307,000 troops from Europe, and Canada will withdraw all of its 6,600 troops from Germany. Between 1989 and 1992, Canada plans to slightly increase spending, while the United States plans to reduce expenditures. Although U.S. equipment cancellations do not appear inconsistent with NATO's new strategic concept, some of Canada's plans may result in less flexible forces.

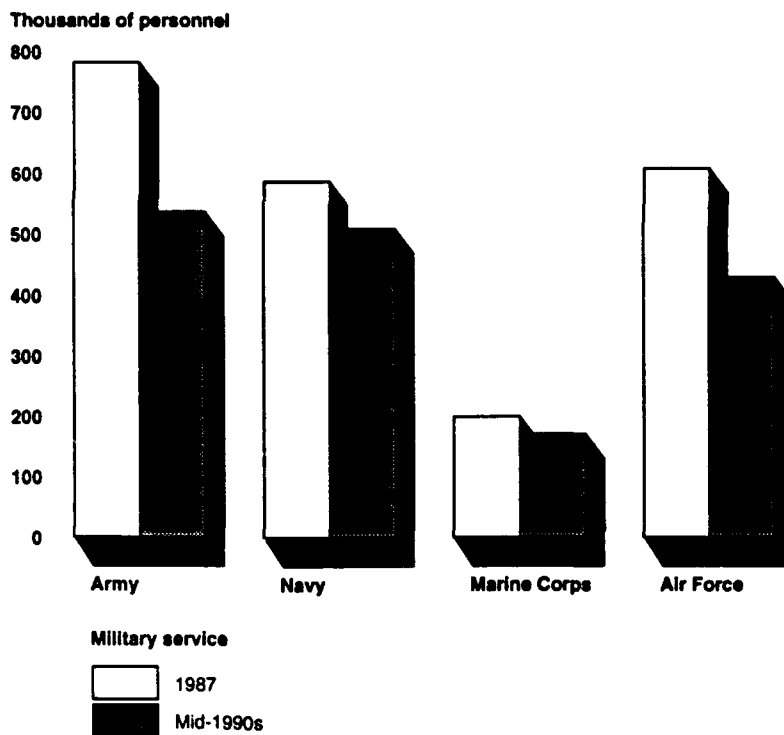
The United States

In response to the reduced threat, the United States plans to substantially reduce the force structure it contributes to NATO in nearly all major categories, including divisions and brigades, air defense and offense aircraft, frigates and destroyers, and submarines. It plans to reduce the number of divisions it contributes to NATO by nearly 30 percent and the number of brigades by 42 percent. As a result of these reductions, the U.S. contribution as a proportion of all NATO allies' contributions will decrease in these categories. For example, in 1990, the United States accounted for 35 percent of all NATO-committed divisions; in 1995, it will account for 31 percent.

³Part of the 21-percent reduction is due to some forces being reassigned, thus removing them from the NATO definition of defense expenditures.

Between 1987 and 1995, the United States intends to reduce its active military personnel by 24 percent, from 2.17 million to 1.64 million (see fig. 3.5) and the selected reserve by 20 percent, from 1.15 million to 922,000. From 1990 to 1995, the United States will reduce its forces in Europe from 307,000 to 150,000; for forces in Germany, where most forward-based troops are located, the reduction will be from 240,000 to about 117,000.⁴ As a result of European nations withdrawing their forces from Germany, U.S. plans will result in increasing the U.S. share of foreign troops in Germany from 62 to 70 percent.

Figure 3.5: U.S. Planned Total Force Reductions



Source: DOD.

⁴The 240,000 troops represent U.S. forces in Germany before the Persian Gulf War. Although the United States has not determined precisely how many troops will be in Germany, a U.S. official estimated 117,000.

Between 1989 and 1992, the United States plans to lower defense expenditures from \$314 billion to \$292 billion (in 1990 dollars)—a 7-percent real reduction. Excluding the cost of Operations Desert Storm and Desert Shield, defense spending would have been reduced by 11 percent, according to DOD. In 1993, the United States intends to further decrease spending by 9 percent—down to \$266 billion (in 1990 dollars). According to DOD officials, the general emphasis of reductions over the next few years will be on personnel and procurement spending.

In 1991 through 1993 budgets, the executive branch recommended terminating over 100 new and in-production weapon programs, including the Apache and Comanche helicopters, the M-1 Abrams tank, an air defense antitank system, the Trident ballistic missile submarine, the Seawolf attack submarine, the F-14D aircraft, the Navy's advanced and tactical fighter, the A-12 stealth aircraft, the F-15 aircraft, the F-16 aircraft, and the advanced tactical fighter aircraft. It plans to halt production of the B-2 stealth bomber after the 20th aircraft and terminate production of the advanced cruise missile at 640 instead of the originally planned 1,000. The United States canceled several strategic weapons programs, including the small intercontinental ballistic missile (ICBM), both versions of the short-range attack missile, and rail garrison basing for the Peacekeeper (or MX) missile.

The U.S. nuclear force is also changing substantially. The United States has eliminated its ground-launched tactical nuclear weapons, will withdraw tactical nuclear weapons from surface ships and submarines and those associated with Navy aircraft, and has taken strategic bombers and Minuteman II ICBMs off alert. It plans to reduce the number of warheads on all Minuteman III ICBMs, reduce ballistic missile warheads on submarines, and shift many strategic bombers to primarily conventional roles.

Canada

In response to the reduced threat to NATO nations, Canada plans to reduce its forward presence, decrease its active forces, and place more emphasis on reserve units. Canada intends to withdraw all of its 6,600 forces from Germany. This move may make it difficult for Canada to field flexible forces as specified by NATO's strategic concept. Canada will withdraw its two fighter squadrons from Germany by 1994, after which they will be prepared for deployment to support NATO.

Canada plans to reduce its all volunteer armed forces from 84,000 to 76,000, increase the primary reserves from 29,000 to 40,000, and increase

the supplementary reserves from 15,000 to 25,000. Supplementary reservists do not receive training and would usually be mobilized only in a national emergency.

Canada is committed to or considering several procurement programs for each service. However, between 1989 and 1992, Canada projected a less than 1-percent real increase in defense expenditures and recently announced plans to reduce defense expenditures over the next 5 years. As a result, the cumulative costs of these programs and reduced equipment expenditures make Canada's acquisition programs uncertain.

Northern Region

The United Kingdom plans numerous changes to its force structure, while Denmark and Norway are taking a more cautious approach in making changes. The United Kingdom, which already has highly mobile and flexible forces, plans to reduce active personnel levels and withdraw forces from Germany. Denmark has no public plans to reorganize its armed forces. Norway, however, plans to decrease its force levels and is considering a smaller force structure. Although the United Kingdom intends to reduce defense spending, Denmark and Norway do not plan to substantially alter their expenditures.

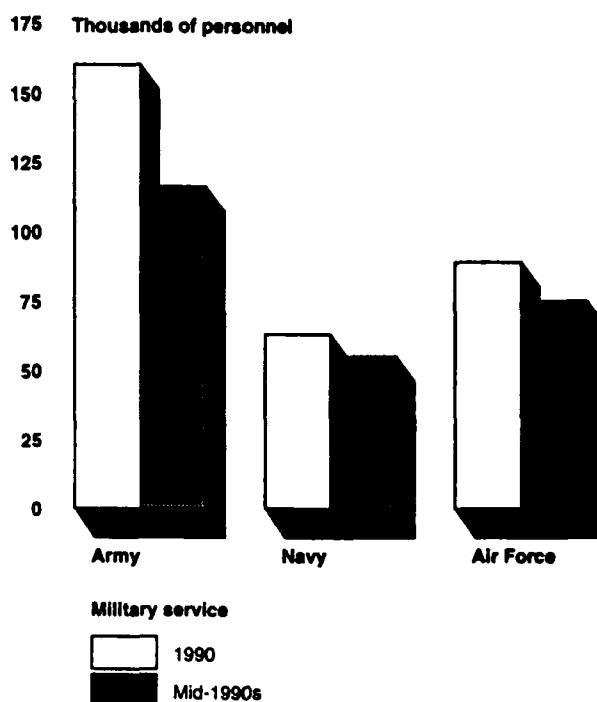
United Kingdom

In the United Kingdom, the governing Conservative Party supports a strong national defense, continued participation in NATO, and a strong transatlantic link, according to British and U.S. officials. It also favors an independent European security force that is linked to NATO and does not compete with it. The opposition Labor Party recently substantially revised its defense policy and is now very close to the Conservatives on defense matters.

In the British government's view, the threat to NATO has been replaced by risks arising from instability in East Europe and the former Soviet republics and nuclear proliferation as more nations acquire weapons of mass destruction. Because of these risks, the United Kingdom wants NATO to establish a closer relationship with the former Soviet republics and East European nations.

The British government plans to reduce defense spending by 7 percent between 1989 and 1992⁵ and to substantially cut its force structure. From 1990 to the mid-1990s, the United Kingdom plans to reduce its total forces by 21 percent (see fig. 3.6) and bring home some troops based in Germany. The Army will absorb over 65 percent of the total reduction, and its reserves will later be reduced from 75,000 to around 65,000. According to U.S. and British officials, the reserves are not very efficient or capable. Of the forces based in Germany, only 23,000 of the 55,000 Army troops will remain—a 58-percent reduction—and the Air Force will reduce its squadrons from 12 to 6. Assuming there are 1,000 people per squadron, the United Kingdom's forces in Germany will decrease from a total of 67,000 to 29,000.

Figure 3.6: The United Kingdom's Planned Total Force Reductions



Source: House of Commons Defence Committee.

⁵The 7-percent reduction includes expenditures for the Persian Gulf War.

The United Kingdom canceled few programs but has reduced and delayed some procurement programs. Despite these reductions, British forces will be mobile and flexible, and equipment procurement plans will support the new concept. As discussed in chapter 2, the United Kingdom will lead NATO's new rapid reaction corps.

The Army reduced its buy of Challenger II tanks to 127 and plans to continue upgrading the Challenger I tanks. The Navy intends to reduce by over 20 percent the total number of vessels, going from 27 to 16 submarines, from 50 to 40 destroyers and frigates, and from 40 to 34 mine countermeasure vessels. The Navy has canceled orders for seven mine warfare vessels and terminated some smaller programs. It plans to procure four Trident ballistic missile submarines but is stretching out other ship construction projects. The Air Force will reduce its Tornado aircraft squadrons from 17 to 13 and phase out all 4 Phantom squadrons. The United Kingdom plans to procure 250 of the future European Fighter Aircraft. However, if Germany withdraws from the program, the United Kingdom and the other participating nations probably cannot afford to continue the program. The Air Force still plans to buy the Advanced Medium-range Air-to-air Missile and develop the Advanced Short-range Air-to-air Missile. It will need to replace or refit its C-130 transport aircraft and its maritime patrol aircraft but has no specific plans, according to a British official.

The United Kingdom plans to continue modernizing its strategic nuclear weapons and wants to develop an air-launched standoff nuclear attack missile. However, it plans to eliminate its ground-launched tactical nuclear weapons.

Denmark and Norway

The Danish and Norwegian governments support NATO membership and a strong link with the United States and are concerned about risks from instability in the former Soviet republics and East Europe. The Norwegian government is also concerned about the buildup of Russian forces on the Kola peninsula.

Between 1989 and 1992, Denmark and Norway each plan to reduce defense spending by about 1 percent. In early 1992, a Norwegian parliamentary defense commission recommended a smaller force structure based on a no-growth budget adjusted for inflation. The military opposes the plan and has presented its own recommendations calling for a larger force structure. As of May 1992, Norway had not made any firm decisions.

Denmark relies heavily on reserves but trains them infrequently. The Army's wartime strength of 72,000 is composed of 75 percent reserves; the Navy relies on over 50 percent and the Air Force on over 60 percent reserves. Although the Danish government believes its Home Guard is a valuable force for local defense, the Guard may not be useful for NATO purposes. These 70,000 unpaid volunteers, organized into regular units for training and mobilization, receive basic military training and participate in annual military exercises.

Although Denmark is not substantially altering its defense plans until it more clearly defines its threats and risks, Norway intends to reduce military personnel by 15 percent between 1989 and 1992 and is evaluating whether to reduce conscription terms. Norway plans to lower personnel levels from about 38,000 to 32,000, with most cuts coming from Army forces. Norway relies heavily on mobilizing reserves to fill out its force structure in a crisis; active forces comprise only 16 percent of Norway's wartime strength of 235,000. Lower personnel levels place a greater burden on reserve forces that would be mobilized during a crisis because the active contribution would decrease to 14 percent. Neither Denmark nor Norway have canceled major equipment programs. However, Denmark is still evaluating some programs, and Norway has delayed some.

Southern Region

Southern region nations believe that there are still risks to their security, particularly from unstable or hostile nations in North Africa, the Balkans, and the Middle East. All of the southern nations have embarked on, or identified the need for, reorganizing and modernizing their armed forces, and some plan to reduce active duty personnel levels. However, southern region nations have several hurdles to implementing the new concept. Reduced defense expenditures will probably result in canceled or delayed equipment programs, and because of limitations in lift capability, it is unclear how these nations could quickly move their forces anywhere in, or possibly outside, the NATO area. Some southern region nations have decreased, or plan to decrease, conscription terms, and reserves usually receive no training after leaving active duty.

Turkey

Turkish officials emphasize that Turkey shares "common values of freedom and democracy" with the other members of NATO and point to Turkey's role in the Persian Gulf War to demonstrate its contribution to European security. Turkey has applied for full membership in the European Community and WEU, but neither organization has fully accepted

it. Turkey fears that WEU forces may diminish NATO's influence, thereby isolating Turkey from Europe.

As Prime Minister Suleiman Demirel stated before Parliament, "in spite of having entered into a general calm and peaceful period, Turkey is in the center of a triangle formed by the Balkans, the Caucasus, and the Middle East and characterized by uncertainties and instability." As such, Turkey's security concerns involve the former Soviet republics, many of which are looking to Turkey for assistance; Iran, because Turkey challenges the Moslem model that it exemplifies; Iraq; Cyprus, which remains a point of controversy between Turkey and Greece; and two terrorist groups.

To improve mobility and flexibility and in response to the reduced threat in Europe, Turkey will restructure its armed forces by substantially cutting personnel and units. According to U.S. officials, the military recognized several years ago that it needed greater mobility and modern equipment, and the Persian Gulf War highlighted the need for air defenses; effective command, control, communications and intelligence; air and ground transport; and more modern equipment. The General Staff intends to restructure the Army's 16 divisions and 26 brigades into 3 divisions and 42 brigades. By 1994, the Turkish General Staff plans to reduce Army personnel from about 550,000 to 470,000—a 15-percent decrease.

Turkey has steadily increased its national defense expenditures and plans to increase defense spending at an annual rate of 3 percent for 1991 through 1995, according to Turkish officials. Turkey's Chief of the General Staff has indicated that he plans to cut defense spending in the future, but he has not stated when or by how much.

Turkey has numerous ongoing and planned procurement programs but remains dependent on security assistance to complete these programs. Military capability will improve when Turkey receives tanks, armored personnel carriers, and artillery through CFE transfers. Under its modernization program, Turkey is producing about 1,700 armored combat vehicles and plans to procure 200 general purpose helicopters and 110 multiple launch rocket systems.

More than 60 percent of Turkey's destroyers, frigates, and submarines are over 40 years old. To modernize these forces, Turkey has started constructing the first of two new submarines; in 1990, signed contracts for two Meko frigates; and may soon sign a contract for six minehunter

vessels. The Navy hopes to acquire modern maritime patrol aircraft, but this may not be fiscally possible.

The Air Force has purchased 160 F-16 aircraft, will soon contract for 80 more, and has requested an additional 80. Turkey is acquiring about 50 light transport aircraft, plans to procure about 4,000 Stinger air defense missile systems, and is reviewing proposals for a low-level air defense system, according to Turkish officials. It recently received 3 C-130B transport aircraft and 30 F-4E aircraft and is scheduled to receive 40 trainer aircraft and about 20 Cobra attack helicopters. Turkey is developing the Turkish Armed Forces Integrated Communications System, a segment of a NATO system. Although the NATO program's future is uncertain, Turkey plans to press ahead with its system.

Greece

In 1990, Greek voters elected a conservative government that supports improving relations with the European Community and the United States. The primary opposition party is pro-European and strongly nationalist. In 1974, Greece withdrew from NATO's integrated military structure but partially reintegrated in 1980. The current government has increased cooperation with NATO, but old disputes with Turkey continue to hinder Greece's complete integration into NATO military structures.

The Greek government is concerned about the political dynamic in which countries, especially Yugoslavia and the former Soviet Union, are breaking apart, and it fears an influx of refugees and military maneuvers on Greece's borders. Relations with Turkey remain strained over unresolved issues involving Cyprus, the Aegean Sea's continental shelf, airspace over the Aegean Sea, and the treatment of Greeks in Turkey and the Muslims in Greece.

Over the next few years, Greece plans to increase its sea and air forces for NATO, and its forces will become more mobile and flexible through CFE equipment transfers and new equipment. In the early to mid-1990s, Greece plans to acquire four new Meko frigates, and four U.S. guided-missile destroyers will replace Greece's World War II era destroyers. The Navy plans to lease three frigates and procure maritime patrol aircraft and shipborne helicopters. Despite a program delay, the Air Force has acquired various aircraft.

Economic difficulties, lower defense budgets, and reduced security assistance from the allies, however, may result in delayed and canceled

procurement programs. Between 1989 and 1992, Greece plans to decrease defense expenditures by 3 percent. Greece receives assistance from Belgium, Germany, the Netherlands, and the United States. Some of these nations are reducing their assistance.

Italy

In the Italian government's view, security threats may arise from the potential spillover of political instability and economic hardship in East Europe and North Africa. Also, Italian officials are concerned about the Mediterranean, the Middle East, and locations where United Nations' peacekeeping forces are required. Italy's reliance on North Africa and the Middle East for oil and other raw materials makes these areas of particular strategic concern.

Italy's proposed defense model, unveiled in November 1991, would reshape Italian forces to be more in line with the NATO strategic concept. However, the model's success depends on a level of funding that its authors admit may not be feasible. Italy would have to double its actual current defense budget to meet the requirements specified in the model, according to U.S. officials in Rome. Between 1989 and 1992, Italy expects to decrease defense spending by 8 percent.

The proposed defense model calls for reducing total personnel levels by 25 percent and conscripts by about 40 percent, increasing the number of volunteers, and reducing conscription terms from 12 to 10 months. Any cost savings from the reduced number of conscripts would be offset by the 40,000 volunteers the military plans to recruit and pay nearly 10 times the salary of a conscript. The armed forces rely heavily on conscripts, but strong movements in Italy support establishing an all volunteer service.

Italy has canceled, reduced, or delayed several systems for financial reasons but continues to acquire a substantial number of major weapon systems. As with several of the southern region nations, Italy may soon cancel additional systems.

The Army continues to acquire new equipment but has canceled or delayed some programs and, according to an Italian spokesman, may soon cancel some of the delayed programs. Italy's proposed defense model calls for an ambitious Navy procurement program, but the Navy may never receive some of these systems. According to the model, without an acquisition program, the Navy will lose half of its seagoing vessels, coastal vessels, helicopters, and underwater forces. To address this concern, the model

calls for a 10-year acquisition program for a second aircraft carrier with a full complement of aircraft, high-speed coastal patrol vessels, submarines, helicopters, minesweepers, a fuel resupply vessel, short takeoff/vertical landing aircraft, and a short-range air defense system. However, this program has already encountered trouble as the aircraft carrier has been postponed and may be canceled.

The Air Force has canceled or reduced numerous aircraft procurement programs; a tight defense budget may force Italy to cancel additional programs. Under the defense model, the Italians would reduce their procurement of the future European Fighter Aircraft from 165 to 130. However, if Germany withdraws from the program, it would be fiscally difficult for Italy and the other partners to continue.

Portugal and Spain

Portugal and Spain support NATO, but each country has a different relationship with the alliance. Portugal sees a future for both NATO and WEU and believes NATO should be emphasized to prevent the United States and Europe from separating. Although Spain is a NATO member, it is not part of the integrated military command structure and, therefore, does not commit forces to NATO. According to Spanish public opinion polls, about 30 to 35 percent of the population favors NATO. On the other hand, Spanish parliamentarians of the governing and primary opposition parties recently adopted a nonbinding resolution that strongly supported NATO.

Portuguese and Spanish officials express concern about the risk from rising Islamic fundamentalism in North Africa. Portugal will increasingly focus its defense resources on the "strategic triangle" of Portugal, Madeira, and the Azores, according to a U.S. official. Internally, Spain worries about the Catalanian and Basque separatist movements, especially because the Soviet Union's and Yugoslavia's disintegration may bolster the nationalist claims of these groups, according to U.S. officials.

Under a proposed new force structure plan, Portugal would move toward leaner, more mobile brigades and dismantle its garrison army. Although Portugal plans to procure some equipment to increase mobility and flexibility, some of these programs may be canceled to decrease the budget. Further, the planned 8-month conscription term will most likely diminish the Army's fighting capability.

Consistent with NATO's strategic concept, Spain is restructuring its ground forces into a leaner, more modern force and is in the early stages of

developing a rapid reaction force. However, it is unclear how Spain would transport the rapid reaction force, given the limitations in airlift capability.

In the recently adopted resolution, Spanish parliamentarians called for reducing the size of the armed forces, decreasing the conscription term, moving to a 50-percent volunteer Army, and increasing defense spending as a percent of the gross domestic product by the year 2000. Substantially reduced defense expenditures and canceled and postponed procurement programs may hinder Spain's ability to transform to NATO's strategic concept.

Between 1989 and 1992, Portugal expects to slightly increase defense spending. Spain, on the other hand, plans to lower its defense expenditures by 15 percent—the second highest rate of the NATO members.

Portugal is gradually reducing its conscription term from 15 to 8 months, and Spain is reducing its term from 12 to 9 months. While Spain plans to reduce its percentage of conscripts, Portugal is debating whether it should change from a partly conscripted force to an all volunteer force. Between 1990 and 1991, Spain slightly increased its total personnel levels to about 270,000 but plans to reduce levels by 1994. The reduced conscription term will account for most of the lower levels.

Portugal plans to improve its force structure capabilities with CFE transfers, additional Navy equipment, and F-16 and transport aircraft. Portugal has not canceled any major equipment programs. Spain has canceled some Army procurement plans and delayed some Navy and Air Force programs.

Major Contributors to This Report

National Security and
International Affairs
Division, Washington,
D.C.

Thomas J. Schulz, Associate Director
Louis H. Zanardi, Assistant Director
Kathleen J. Hancock, Evaluator-in-Charge
David J. Black, Evaluator