

AP FACT CHECK

Trump's facts on Navy's size don't float

By **ROBERT BURNS**
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Associated Press

WASHINGTON — President Donald Trump painted an overly bleak picture of the condition of the armed forces as he made his case for military expansion.

A look at some of his statements from the Gerald R. Ford, a \$12.9 billion aircraft carrier being built in Newport News, Virginia:

TRUMP: "We are going to have very soon the finest equipment in the world."

THE FACTS: Pentagon leaders have said for years that the U.S. already has the world's best weaponry and military equipment. They sometimes claim the U.S. is in danger of losing its advantage unless the Congress continues to spend heavily to develop and build new generations of weapons.

The Navy's top officer, Adm. John Richardson, has said repeatedly that the Navy is the world's finest. He also has said the Navy must adapt to a world of changing security threats. Richardson's main focus has been on sharpening and changing the way sailors think about the nature of war, rather than relying on bigger budgets.

"We will not be able to 'buy' our way out of the challenges that we face," he wrote in a January 2016 plan for maintaining U.S. naval superiority.

TRUMP: "This great aircraft carrier provides essential capabilities to keep us safe from terrorism and take the fight to the enemy for many years in the future."

THE FACTS: Aircraft carriers are not the crucial element



AP Photo/Pablo Martinez Monsivais

President Donald Trump speaks while aboard the nuclear aircraft carrier Gerald R. Ford, Thursday at Newport News Shipbuilding in Newport, Va. Trump traveled to Virginia to meet with sailors and shipbuilders on aircraft carrier which is scheduled to be commissioned this year after cost overruns and delays.

in the defense against terrorism. They do provide a flexible means of bringing warplanes and intelligence-gathering aircraft to areas where terrorists are being hunted, like off the coast of Libya or in the Persian Gulf, but their main function is to deter bigger wars with state powers like China, Russia and North Korea. The Pentagon's counterterrorism campaigns rely more on special operations forces, Air Force fighters and surveillance drones, military trainers and advisers and the intelligence agencies.

TRUMP: "I am calling for one of the largest defense spending increases in history."

THE FACTS: Three times in recent years, Congress raised military spending by larger amounts, in percentage terms,

than the \$54 billion, or 10 percent, increase that Trump proposes. The base defense budget grew by \$41 billion, or 14.3 percent, in 2002; by \$37 billion, or 11.3 percent, in 2003, and by \$47 billion, or 10.9 percent, in 2008, according to Defense Department figures.

The proposed expansion pales in comparison with skyrocketing increases in earlier times. Military spending consumed 43 percent of the economy in 1944, during World War II, and 15 percent in 1952, during the Korean War. It was 3.3 percent in 2015, says the World Bank.

TRUMP: "Our Navy is now the smallest it's been since, believe or not, World War I. Don't worry. It's going to soon be the largest it's been."

THE FACTS: No, the fleet is not growing to the largest it's been, or anything close.

The fleet indeed shrank to its smallest size since the decade after World War I — bottoming out at 271 in 2015 before rising to 274 this year, compared with 139 in 1930. But that number alone is not that meaningful.

The nature of warfare has changed since the naval battles of the world wars — the rise of air power being just one significant factor. As well, for the last few decades the Navy has dramatically increased the warfighting effectiveness of its ships, meaning it can do more with far fewer vessels than it could during the Cold War, for example.

The fleet stood at a record high of 6,768 fighting ships during World War II, declined gradually in the 1950s and '60s and shrank significantly after the Vietnam War. During the 1990s the number fell from the high 500s to the mid-300s as the Navy decommissioned many older ships and the U.S. reaped a "peace dividend" from the end of the Cold War. The count includes aircraft carriers, cruisers, destroyers, submarines, amphibious assault ships and other large combat ships.

The fleet may grow more than planned if Trump's military expansion is approved by Congress. But no one is talking about matching — much less exceeding — the enormous armada of another age.

The number of Navy personnel has also fallen over time, from more than 725,000 in 1954 to about 323,000 now. It's unlikely to grow anywhere near that higher level.

Environmental programs face deep cuts under budget proposal

By **JOHN FLESHER, MATTHEW DALY**
and **CATHERINE LUCEY**
Associated Press

WASHINGTON — The Trump administration would slash programs aimed at slowing climate change and improving water safety and air quality, while eliminating thousands of jobs, according to a draft of the Environmental Protection Agency budget proposal obtained by The Associated Press.

Under the tentative plan from the Office of Management and Budget, the agency's funding would be cut by roughly 25 percent and about 3,000 jobs would be cut, about 19 percent of the agency's staff.

President Donald Trump has said he plans to pay for billions of dollars more for the military by cutting spending on domestic agencies and departments. Trump plans to submit his budget to Congress the week of March 13.

A spokesperson for the EPA declined to comment. The agency had the opportunity to respond to the initial proposal, and any final plan would be subject to congressional approval, which likely is months away at the earliest.

The EPA is now under the leadership of Scott Pruitt, a former state attorney general for Oklahoma, who has questioned the scientific consensus that human activities are contributing to global warming and joined lawsuits against the agency's emission curbs.

Proposed cuts include slashing the climate protection budget by nearly 70 percent to \$29 million, cutting the Great Lakes Restoration Initiative by 97 percent to \$10 million and environmental justice programs by 79 percent to \$1.5 million.

Environmental groups said the proposed cuts would threaten thousands of jobs and could harm health and safety protections for millions of Americans. The proposals would especially affect programs to address climate change and enforce clean air and water laws, they said.

"Instead of working to protect American families, President Trump's plans put the interest of big-money special interests over people," said Nat Mund, legislative director of the Southern Environmental Law Center, a Virginia-based advocacy group.

The proposal would all but eliminate funding for the Great Lakes Restoration Initiative, a wide-ranging cleanup of the world's largest surface freshwater system that has deep bipartisan support across the eight states adjacent to the lakes, from Minnesota to New York. The program has received around \$300 million annually from the federal budget during former President Barack Obama's tenure — more than \$2.2 billion in all. Under the Trump proposal, it would get only \$10 million.

Sen. Debbie Stabenow, a Michigan Democrat, described the proposed cut as "outrageous."

"This initiative has been critical to cleaning up our Great Lakes and waterways, restoring fish and wildlife habitats, and fighting invasive species, like Asian carp," Stabenow said. "I call on President Trump to reverse course on these harmful decisions."

Yellen signals the Fed will likely raise rates this month

WASHINGTON (AP) — Federal Reserve Chair Janet Yellen signaled Friday that the Fed will likely resume raising interest rates later this month to reflect a strengthening job market and inflation edging toward the central bank's 2 percent target.

Yellen also said in a speech in Chicago that the Fed expects steady economic improvement to justify additional rate increases. While not specifying how many rate hikes could occur this year, Yellen noted that Fed officials in December had estimated that there would be three in 2017.

Yellen's signal of a likely rate hike this month reflects an encouraging conclusion by the Fed: That nearly eight years after the Great Recession ended, the U.S. economy has finally regained most of its health.

At a separate appearance Friday in New York, Vice Chair Stanley Fischer added his voice

to a series of Fed officials who have indicated this week that they would likely favor raising rates at the Fed's next meeting March 14-15.

Asked whether there had been a conscious effort by Fed officials to signal a probable rate hike at that meeting, Fischer said, "If there has been a conscious effort, I'm about to join it."

Many economists now say that barring an unexpectedly disastrous monthly jobs report next Friday, a Fed rate increase this month appears certain.

"The Fed will hike unless next week's payroll report is calamitous," said Ian Shepherdson, chief economist at Pantheon Macroeconomics. "That's unlikely, so we expect rates to rise."

At the March 14-15 meeting, Yellen said the Fed's policymakers will "evaluate whether employment and inflation are

continuing to evolve in line with our expectations, in which case a further adjustment of the federal funds rate would likely be appropriate."

Friday's remarks from Yellen and Fischer echoed those made earlier this week by several other Fed officials, including Lael Brainard, a board member who had been a leading voice urging caution in raising rates.

What has shifted the sentiment of most Fed officials decisively toward a rate increase has been a wave of robust economic data — notably on job growth, manufacturing and consumer confidence — along with surging stock prices.

On Thursday, for example, the government reported that first-time applications for unemployment benefits — a proxy for the pace of layoffs — fell last week to their lowest level in nearly 44 years.

The stock market has been setting a string of record highs, fueled by confidence that President Donald's Trump's plans for cutting taxes and boosting spending will win congressional approval.

And inflation, which had been lagging at chronically low levels, has been edging steadily up, reflecting in part a rebound in gasoline prices and higher wages. The Fed's preferred inflation gauge showed that prices rose 1.9 percent over the 12 months that ended in January. That was the largest 12-month gain in nearly five years and just below the Fed's 2 percent target for inflation.

In December, the Fed raised its benchmark rate by a quarter-point to a range of 0.5 percent to 0.75 percent. It was its first increase since December 2015, when the Fed raised its key rate from a record low.



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