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Defense Spending: A Cautionary Word
By LAWRENCE HAAS

“Reducing defense spending was one of the most popular options for cutting the national deficit,” the nonprofit AmericaSpeaks reported recently after tabulating the results of its June 26 “National Town Meeting” on the budget deficit (a project on which I was involved behind the scenes). Eighty-five percent of participants at the 19 primary town meeting sites supported at least a 5 percent cut, and 51 percent of participants supported a 15 percent cut.

In fact, cutting defense was not just “one of the most popular options.” It apparently was the single most popular. Defense cuts of at least 5 percent scored better than options that would reap far larger savings down the road, such as cuts in federal health care spending, higher income taxes, and a new value-added tax. (AmericaSpeaks receives funding from the Peter G. Peterson Foundation. Separately, Peterson, a New York businessman, funds *The Fiscal Times*.)

As the White House and Congress, President Obama’s National Commission on Fiscal Responsibility and Reform, another fiscal commission created by the Bipartisan Policy Center, and other budget experts focus more on our looming budget deficits, you should expect to see many policymakers zero in on the defense budget for sizable cuts.

As a deficit hawk who has warned about the economic risks and policymaking downsides of soaring budget deficits, I’m reluctant to criticize almost any effort at serious deficit cutting. Nevertheless, as explained below, we should keep a few things in mind before taking the axe to defense.

Make no mistake, however. The axe is coming. For one thing, the U.S. drawdown in Iraq and the decade-long ramp-up in defense spending have lawmakers thinking that the time for defense cuts has arrived. For another, other major options for deficit savings – tax increases or cuts in Social Security, Medicare, and Medicaid – are far less politically appealing.

Defense Secretary Robert Gates clearly thinks that the days of ever-rising defense budgets are ending and, rather than seek more money, he hopes to find \$100 billion in savings over the next five years that he can then use to ensure that U.S. troops have the equipment they need. The *Wall Street Journal* reported that Gates “met with more than a dozen top defense-industry executives last week to deliver a message: Start delivering cost savings, or the government will do it for you.”

Meanwhile, Senate Appropriations Committee Chairman Daniel Inouye, D-Hawaii, who also chairs the panel’s defense subcommittee, was quoted late last week as declaring, “I’m pretty certain cuts are coming – in defense and the whole budget.”

To be sure, defense should contribute to any serious deficit-cutting effort. Congress continues to fund programs that the Pentagon says it doesn’t need, and weapons projects continue to suffer

serious cost overruns. Moreover, defense experts disagree about whether the military already has too broad an agenda.

The Pentagon's February 2010 Quadrennial Defense Review proposed new missions to go along with its traditional focus on winning wars, deterring enemies and patrolling the world's sea lanes. An independent panel of defense experts created to critique that review proposed to add even more missions – all of which prompted Matthew Leatherman, a Stimson Center research associate, to slam both panels this week as undisciplined.

But if defense savings are achievable, we also must not treat defense as a piggybank from which to draw for the sole purpose of rescuing our budget or funding other needs. It's simply too important. As John Kennedy put it, "Domestic policy can only defeat us; foreign policy can kill us."

Washington traditionally has subjected defense spending to boom-and-bust cycles that invite (if not guarantee) waste during booms and threaten national security during busts, as Max Boot, a senior fellow at the Council on Foreign Relations, reminded us late last week.

We have, indeed, paid the price. Our drawdown after World War I left us scrambling at the start of World War II. Our post-World War II drawdown left us ill-prepared when North Korea invaded the south. Our drawdown after Vietnam encouraged the Soviets and Cubans to challenge us throughout Africa in the late 1970s, and the failure of our mission to rescue our hostages in Iran in 1980 demonstrated our military incompetence at that time. More recently, in the aftermath of a post-Cold War drawdown, we still have trouble finding the few hundred thousand troops we need – from a nation of about 310 million people – to fulfill our missions in Iraq and Afghanistan.

Clearly, defense cannot, and should not, be exempt from deficit-cutting efforts. At an estimated 19 percent of federal spending this year, its share of the budget is too big – and evidence of waste is too great.

But, as we consider a proper allocation for the Pentagon, here's hoping we do not simply pursue the next bust but, instead, seriously align the threats we face with funding for the troops and weapons that we will need.

Lawrence J. Haas is former Communications Director to Vice President Gore and, before that, to the White House Office of Management and Budget. He's now a public affairs consultant who writes widely about foreign and domestic affairs, including fiscal policy.