

How Romney, Ryan Differ on Defense Spending

Jen DiMascio / August 20, 2012

When it comes to defense spending, plans presented by presidential hopeful Mitt Romney and his new running mate Paul Ryan diverge in ways that typify an ongoing rift within the Republican Party.

But those who spend their time analyzing aerospace and defense programs see the selection of Ryan as confirmation that the Republican Party has already made a transition that does not bode well for the defense industry.

The choice of Ryan, "completes the shift away from defense hawks and toward budget hawks," says Richard Aboulafia, an aerospace analyst with the Teal Group.

Loren Thompson, chief operating officer of the industry-funded Lexington Institute, says that the change has taken place because immediate threats to national security have receded, while defense spending has grown.

"The basic glue that holds Ryan's budget plan together is the real belief that major entitlement programs will be scaled back," Thompson says. "When it doesn't happen, he will have to choose between raising taxes and cutting defense."

Romney's campaign came out early reclaiming a pledge crafted by the Heritage Foundation in the 2008 election, a call to spend 4% of GDP on defense. Ryan's House Republican budget plan, called "the Path to Prosperity," doesn't call for extreme reductions in defense spending. But it does present a four-year vision that is \$1.6 trillion less than Romney's, according to Christopher Preble, vice president for defense and foreign policy studies at the libertarian CATO Institute.

The difference highlights a knotty conflict within the Republican Party, one that largely is weary with the wars begun in George W. Bush's administration and anxious to return its focus to a domestic agenda. But after 10 years of war and troops still in Afghanistan, defense hawks are continuing to push for record-high levels of Pentagon spending.

In fact, the dollar-for-dollar gap between Romney and Ryan is steeper than the separation between Ryan's plan, which offers \$158 billion in additional military spending and a potential budget penalty that would trim \$504 billion from the Pentagon's coffers next January.

"If Paul Ryan wants to be taken seriously as a budget guy, he has to explain where he is going to come up with the extra money," says Preble, who has advocated a nearly \$1 trillion reduction in defense spending over 10 years.

Romney spokeswoman Andrea Saul downplays the difference, going on the offensive against Obama by trying to make it seem as if the President is endorsing the budget cuts that Congress is currently wrestling with.

"President Obama has been no friend to our veterans or our military. His massive defense cuts would leave us with the smallest Navy since 1916, the smallest Army since 1940, and the smallest Air Force in our history," says Saul in a statement emailed to Aviation Week. "Gov. Romney and Paul Ryan share a common commitment to protecting our national defense. The Romney plan will reverse the President's defense cuts and rebuild our nation's military, just as the budget proposed by Rep. Ryan stopped the defense sequester and opposed the Obama defense cuts."

Of course Ryan is just the vice presidential candidate, and one whose record on defense is scant. Without a record, Republicans and Democrats can make of it what they will.

"This is something that happens a lot for people who aren't in defense," says Heather Hurlburt, executive director of the National Security Network. Once the national spotlight focuses on a candidate without previously-crafted positions, Republicans project a neo-conservative image on to them, she says.

James Jay Carafano, a defense analyst at the conservative Heritage Foundation, says Ryan's position on defense spending evolved closer to Romney's long before anyone knew he was a candidate. That his budget preserved defense spending was an enormous achievement given the current economic environment, Carafano says.

Carafano rejects the idea that the U.S. must opt for either defense spending or tax increases. "It's like a choice between do you want to die of a heart attack or a brain aneurysm," he says.

The only reason the U.S. is struggling to spend 4% of GDP for defense is because the nation does not have its fiscal house in order, Carafano adds. And with the proper amount of investment in defense, the Pentagon will be able to recapitalize attack aviation, modernize combat aviation with fifth-generation fighter jets, and boost the number of ships in the Navy's fleet, he says.

He and other defense hawks point to <u>a 2011 speech Ryan delivered to the</u> <u>Alexander Hamilton Society</u> as evidence that Ryan will prioritize all of the issues conservatives hold dear—including military and foreign policy—along with reducing the deficit and protecting values. "Our fiscal policy and our foreign policy are on a collision course; and if we fail to put our budget on a sustainable path, then we are choosing decline as a world power," Ryan said, adding that the U.S. can continue to both maintain a strong defense policy and fix the budget.

Ryan's supply-side economic philosophy aligns with that of Republican power broker Grover Norquist, president of Americans for Tax Reform, who argues that a smaller government will ultimately lead to a larger economy.

Norquist's approach to foreign policy puts him at odds with those who want to hold the line on defense spending. In a speech last week to the Center for the <u>National Interest</u>, Norquist, the man famous for persuading the party's lawmakers to pledge not to increase taxes, urged the candidates to turn their focus back home the way George W. Bush did during his 2000 campaign. "Foreign policy also affects domestic policy. Go back and look at the last administration," said Norquist. "If the government comes in and decides to focus on a particular war or occupation down the road, you lose the bandwidth to do other things."

Norquist says he has talked with members of Congress who are resisting further reductions to defense. He posits that the "good news is there's a very small number of them." He adds that they are not the ones holding sway over the deficit debate. "The handful of Republicans who have talked about tax increases are either near the end of their terms, not coming back or don't know yet that they're not coming back."

Sen. Lindsey Graham (R-S.C.), Sen. John McCain (R-Ariz.) and Rep. Buck McKeon (R-Calif.) are continuing to lobby against further defense spending cuts. Graham, in particular, has been outspoken about being willing to close loopholes as a way of increasing revenue without raising taxes.

Norquist sees lawmakers who say nothing can be done about defense spending as "now competing" with the tax reformers, one of whom was just made the vice presidential nominee.

But Hurlburt says the VP pick may not change anything at all for the A&D industry. "Everyone knows the budget is going down," she says. "Is it going to go down in a smart way or a dumb precipitous way?"