

Solving The Debt Crisis: A Military Budget For A Republic

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The U.S. government is effectively bankrupt. The deficit this year will run \$1.5 trillion. The national debt exceeds \$14 trillion. In response, the president has proposed to freeze domestic discretionary spending, which accounts for just 7% of federal outlays.

Uncle Sam is like the neighborhood wastrel who buys everyone a drink and cosigns everyone's loans even though he is unemployed. When faced with bankruptcy, he immediately goes down to the bar and buys another round for the road.

Only cutting government's responsibilities can restore a fiscal balance. Every program must be reassessed. The U.S. can't afford to be an endless soup line for every interest group which hires a lobbyist. Uncle Sam doesn't have the money to continue providing welfare to middle class Americans through Social Security and Medicare. The federal and state governments don't even have the means to cover ever-rising outlays for Medicaid, which provides health care to the poor badly.

And Washington no longer can afford to play at empire, subsidizing rich allies and remaking failed states. Military spending must be cut. Substantially.

Real, inflation-adjusted outlays on "defense" nearly doubled over the last decade. President Barack Obama has continued to increase military expenditures. Even if Congress adopts Defense Secretary William Gates' proposed five-year "cut" of \$78 billion, military spending will increase. Secretary Gates only wants to slow the rise.

Calling America's ongoing fiscal crisis a national security issue, a number of conservative activists, including leading figures like David Keene and Grover Norquist, have called for cuts in Pentagon outlays. Top Republican leaders such as House Majority Leader Eric Cantor and Senate Majority Leader Mitch McConnell agree. Said the former: "We've got to have everything on the table right now."

But a number of neoconservative theorists and, more important, Republican politicians are resisting. For instance, presidents of the Heritage Foundation and American Enterprise Institute, along with the editor of the *Weekly Standard*, wrote a joint article rejecting any cuts. Fred Kagan of the American Enterprise Institute and Kimberly Kagan of the Institute for the Study of War ramped up the rhetoric, claiming, "Cutting U.S. defense spending would put the nation and the current global order at grave risk."

Rep. Todd Akin (R-Mo.) moved to the House Budget Committee to advocate devoting four percent of America's GDP to the military, irrespective of need. House Armed

Services Committee Chairman Howard P. McKeon (R-Cal.) reportedly has been meeting with GOP House freshmen to “educate” them on the issue.

Rep. McKeon said he will resolutely oppose “any measures that stress our forces and jeopardize the lives of our men and women in uniform.” Fair enough: If the American government wants its armed services to undertake certain missions, then it must ensure adequate personnel numbers and equipment quality. But precisely what missions *should* the military perform?

The bulk of the Defense Department’s \$721 billion budget this year, \$159 billion of which is expected to go for the conflicts in Afghanistan and Iraq, has nothing to do with defense. At least, with the defense of America. Most of the outlays on the U.S. armed services are for other countries rather than America, and for promoting social engineering abroad rather than serving Americans at home.

More than two decades after the Cold War dramatically ended, the U.S. maintains a Cold War military. America has a couple score allies, dozens of security commitments, hundreds of overseas bases, and hundreds of thousands of troops overseas. Yet international hegemonic communism has disappeared, the Soviet Union has collapsed, Maoist China has been transformed, and pro-communist Third World dictatorships have been discarded in history’s dustbin.

The European Union has a larger economy and population than America does. Japan spent decades with the world’s second largest economy. South Korea has 40 times the GDP and twice the population of North Korea. As Colin Powell exclaimed in 1991, “I’m running out of demons. I’m running out of enemies. I’m down to Castro and Kim Il-sung.”

Yet America accounts for roughly half of the globe’s military outlays. In real terms the U.S. government spends more on the military today than at any time during the Cold War, Korean War, or Vietnam War. It is difficult for even a paranoid to concoct a traditional threat to the American homeland.

Terrorism is no replacement for the threat of nuclear holocaust. Commentator Philip Klein worries about “gutting” the military and argued that military cuts at the end of the Cold War “came back to haunt us when Sept. 11 happened.” Yet the reductions, which still left America by far the world’s most dominant power, neither allowed the attacks nor prevented Washington from responding with two wars.

And responding with two wars turned out to be a catastrophic mistake. Evil terrorism is a threat, but existential threat it is not. Moreover, the best response is not invasions and occupations—as the U.S. has learned at high cost in both Afghanistan and Iraq. Rather, the most effective tools are improved intelligence, Special Forces, international cooperation, and restrained intervention.

Attempts at nation-building are perhaps even more misguided than subsidizing wealthy industrialized states. America's record isn't pretty. The U.S. wasn't able to anoint its preferred Somali warlord as leader of that fractured nation. Washington's allies in the still unofficial and unstable nation of Kosovo committed grievous crimes against Serb, Roma, and other minorities. Haiti remains a failed state after constant U.S. intervention. The invasion of Iraq unleashed mass violence, destroyed the indigenous Christian community, and empowered Iran; despite elections, a liberal society remains unlikely. After nine years most Afghans dislike and distrust the corrupt government created by the U.S. and sustained only by allied arms.

The last resort of those who want America to do everything everywhere is to claim that the world will collapse into various circles of fiery hell without a ubiquitous and vast U.S. military presence. Yet there is no reason to believe that scores of wars are waiting to break out. And America's prosperous and populous allies are capable of promoting peace and stability in their own regions.

Indeed, U.S. security guarantees are profoundly dangerous. Intended to deter by making American involvement automatic, they ensure American participation if deterrence fails. Moreover, Washington's defense promises discourage friendly states from defending themselves while encouraging them to take more provocative positions against their potential adversaries.

Yet analysts keep coming up with bizarre new duties for the U.S. government. John Guardiano, for one, thinks it is America's responsibility to prepare "to occupy and rebuild North Korea when it implodes." Actually, that should be *South Korea's* job.

If "defense" again became the purpose of the Defense Department, the military budget could be reduced significantly. My Cato Institute colleagues Ben Friedman and Chris Preble propose starting with a \$1.2 trillion reduction over the coming decade. If Washington consistently acts with restraint, more money could be cut.

In essence, military spending is the price of one's foreign policy. Do less around the world, and you need fewer air wings, carrier groups, and armored divisions. And conventional forces are what cost the most.

As advocates of an imperial America constantly emphasize, cutting back on military spending—really foreign welfare—would not eliminate the need for reductions in domestic outlays, especially "entitlements." However, the fact that government is spending too much for Social Security is no argument for spending too much on the military.

Perhaps the strangest argument against cutting the Pentagon budget is that "defense" outlays make up a smaller percentage of the GDP today than in the past. As a result, argued author Mark Helprin, "We have been, and we are, steadily disarming even as we are at war."

But this is a profoundly silly argument. As noted earlier, the U.S. is spending far more not only than during the distant past, but a decade ago. In real terms, the GDP today is more than 11 times as large as in 1940 and nearly seven times as large as in 1950. Thus, one percent spent on defense today is 11 times as much as in 1940, when World War II was nearing America, and seven times as much as in 1950, when the Korean War exploded.

Military expenditures should be tied to threat, not economic growth. Surely the world is not 11 times as dangerous as in 1940 or seven times as dangerous as in 1950. If not, it makes no sense to hold military spending constant as a percentage of GDP. Military hawks obviously would not be making this argument if the international threat environment was growing more ominous. Then they would argue that GDP-spending ratios were irrelevant.

Indeed, this was President Ronald Reagan's position. He didn't want to build up the military to maintain the percentage of GDP spent on the Pentagon. He did so to confront what he believed to be the growing Soviet military advantage. His objective always was to reduce armaments, especially nuclear weapons. He had a serious purpose for increasing military outlays. It is impossible to make a similar case today.

Cutting military outlays should be one of the easier tasks in Washington today. Even Secretary Gates acknowledged that "not every defense dollar is sacred and well-spent." It's simply a case of setting priorities. What is more important: restoring America's fiscal health, or protecting Europe's welfare state? While defense—unlike so many domestic programs—is a core federal responsibility, the government's duty is to defend America, not the rest of the world.

The U.S. government's current fiscal course is unsustainable. Tough decisions have to be made about what Americans expect their government to do at home and abroad. That means all federal programs, including military outlays, must be on the cutting block.