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A Response To CATO's Plan to Cut Defense Spending

November 16th, 2010

Recently, the libertarian <u>CATO Institute</u> released its plan to <u>cut defense spending by over 1.2 trillion dollars over ten years</u>. The plan was conceived by CATO's two defense policy experts <u>Benjamin Friedman</u> and <u>Christopher Preble</u>. Preble spent some time in uniform, serving aboard an Aegis cruiser from 1990-1993.

CATO's plan disappointingly falls victim to many of the misconceptions about military service and our overall defense posture that have plagued other plans to curtail defense spending. The report for the most part simply regirtrates ideas from the War is Making Us Poor Act and Secretary Gates's plan to cut defense spending, while tweaking a few cuts here and there. I find this unfortunate because while I disagree with some of CATO's positions, I usually find their work to be of high quality.

While I disagree with most of the report, let me start off by highlighting some of the agreements I have with CATO when it comes to defense spending. More below the fold...

1. Cut the nuclear weapons arsenal.

The nuclear weapons arsenal should be cut to 500 deployed warheads. This would include a 50 percent cut in the number of delivery platforms, and would include elimination of the bomber leg of the nuclear triad and consolidation of nuclear laboratory and testing facilities. Our proposals would cut \$66 billion from the Department of Defense (DoD) budget and \$21 billion from the Department of Energy (DoE) budget over 10 years.

This proposal would retain six ballistic nuclear missile-carrying submarines (SSBNs), which would allow for at least four ballistic missile submarines to be deployed at any one time, saving \$3 billion over 10 years. These platforms, which were designed to carry as many as 192 warheads, will deter any leader foolish enough to contemplate a strike on the United States. To make doubly sure, we would retain 150 Minuteman III Intercontinental Ballistic Missiles in the continental United States. We would also forego the purchase of Trident II missiles for the SSBNs and upgrades to nuclear cruise missiles and shelve plans to deploy nuclear weapons on the F-35 Joint Strike Fighter. Because a smaller arsenal requires less support, we would consolidate nuclear weapons production and testing facilities, which fall under DoE's purview.

500 deployed warheads is enough to destroy the world and we frankly don't need anymore now that the Cold War is over. We should insure we have enough tactical warheads that can be employed by SSNs, fighter aircraft, in addition to the SLBMs and ICRMs

However, right away we see CATO making a proposal that is either totally unfeasible or would put tremendous strain on our Navy. Having a total inventory of six SSBNs and then having four of those deployed at a time would mean that there would be practically no shore time for the crews and there would literally no ability to refit/upgrade the SSBNs. Good luck getting sailors to volunteer for sub duty if they aren't going to get any time on dry land....

15. Reform maintenance and supply systems.

According to the CBO, reform of DoD maintenance and supply systems would save \$13 billion over 10 years. Reforms would include consolidating DoD retailing, changing DoD's depot pricing structure for equipment repairs, and easing restrictions on contracting for depot maintenance.

I will admit this is easier said than done, but it is something that our military frankly needs to do, cuts or no cuts. Every year too many pieces of gear are unaccounted for and all four services can't give a complete inventory of their equipment as a result.

17. Reform command, support, and infrastructure.

About 40 percent of DoD's budget goes toward overhead, including rents, depreciation of equipment, facilities maintenance, utilities, headquarters staff, information technology, and other defense-wide support programs. The Defense Business Board, a DoD advisory group, recently noted that this overhead ratio is at an historic high, reflecting rapid growth in Pentagon management costs in recent decades. As part of an effort to shift \$100 billion from swollen overhead costs to force structure over the next decade, the secretary of Defense recently suggested closing Joint Forces Command and several other small DoD organizations, hiring fewer contractors, and reducing staff in the Office of the Secretary of Defense.

We have too many generals and admirals with large staffs and in light of the fact that the much of operational control in the current wars in Iraq and Afghanistan is in the hands of battalion commanders and below, we need to cut some of the fat at the top.

My agreements with CATO pretty much end there. I feel the rest of the report recommends budget cuts that would severely degrade our military's capabilities and would make it difficult to recruit and retain high-quality personnel in both the active duty military and the Reserve/National Guard components. Friedman and Preble seem to think these cuts will lead to the military being deployed less and as a result the DoD will be able to absorb the cuts without much pain. They push this "restraint strategy", yet they cannot guarantee that a President (or Congress) will follow this strategy because they have a smaller military at their disposal. One simply has to look back to 1990s' to see this doesn't work. Despite massive cuts to the military's size and budget at the end of the Cold War under the first President Bush and President Clinton, the U.S military conducted more large-scale overseas operations in the 1990s' (both combat and "non-combat") than during the 1980s', when defense spending and the size of the military were much larger. Operations in Somalia, Haiti, Bosnia, Kosovo, and the containment of Iraq all saw the deployment of tens of thousands of troops not mention smaller operations in places like Liberia and Albania that still saw the deployment of thousands of troops. The combination of this high op-tempo, the lack of quality equipment (especially in the Infantry), and poor military compensation in the 1990s' led to thousands of highly-qualified NCOs and officers leaving the service who would have probably otherwise made a career out of the military.

Many of the cuts CATO has proposed I believe will have the same effect. Lets look at the "reforms" they suggest for military compensation:

14. Reform military compensation.

Currently, some components of military compensation, including tax advantages and housing allowances, are not included in the pay raise calculations that are pegged to changes in the civilian sector. We propose including these benefits when pay raises are calculated, phasing the reform in as forces are withdrawn from Afghanistan and Iraq. That would save \$55 billion over 10 years.

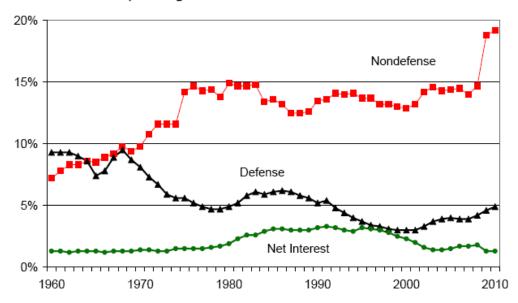
Premiums for DoD's health care system, TRICARE, have not risen in 10 years. Lower premiums encourage military retirees earning full-time civilian salaries to choose TRICARE even though health coverage is available through their employer. According to a June 2009 CBO report, reform of TRICARE could save more than \$60 billion over 10 years. Such changes are more reasonable under a restraint strategy because that strategy would greatly reduce the burden on military personnel.

Jonn harps on this nonsense all time and rightly so. Lets be clear: THE MILITARY IS NOT LIKE ANY OTHER JOB. When you sign up for four years (or longer) you can't just quit the next day like you would be able to if you were flipping burgers at McDonalds. As I have already stated, cutting benefits will drive out NCOs and officers from the military and make it difficult to recruit quality people into the military. These supposedly generous benefits are essential to maintaining an all-volunteer force. I doubt Preble and Friedman want to bring back the draft, however they do not offer specifics on how DoD can retain high-quality personnel when benefits are being cut.

Preble and Friedman also propose ending the V-22 and EFV programs for the Marines. Both programs have been charlie foxtrots without a doubt, but it doesn't negate the fact that the Marines need new helicopters and armored vehicles. Preble and Friedman even think that Marine Corps should continue using the 40 yr old AAV-7, which proved to be death traps in Iraq. There are several other similar proposals in this report as well.

I do not think that the DoD's budget should be off-limits to any cuts or reforms. However, the DoD is not the reason for our current fiscal mess. Even CATO's own website points out that the percentage of GDP spent on defense is still lower than in the 1980s', even with the wars in Iraq and Afghanistan:

Federal Spending as a Share of Gross Domestic Product



Balancing the budget on the backs of our troops and at the expense of our military readiness is just as foolish now as it was in the 1990s'. Continually downsizing and then expanding the military when a new threat emerges inevitably leads to more spending in the long-run than maintaining a well-equipped and balanced force that can respond to a variety of threats around the world.



Posted by Operator Dan in Politics

9 Responses to "A Response To CATO's Plan to Cut Defense Spending"

1. 1
 OldSoldier54 Says:
 November 16th, 2010 at 3:04 am

I hold to the "walk softly and carry a big freakin' stick" school.

That being said, I know of at least one area that could use some fixin'. Procurement. It needs to be illegal for any officer, after retiring from a career, in any branch, to work for any aerospace/defense sector company or any subsidiary or affiliate, that sells, or would like to sell, any product or service to any part of DOD, for a period of twenty years after retirement.

Too many bloated programs with officers retiring afterward to a fat cat job in some Defense Corporation because he/she "smoothed the way" for whatever over-priced piece of crap they were peddling. Like the M-16.

2. 2
Sporkmaster Says:
November 16th, 2010 at 3:25 am

I wonder if it would be a bad time to bring this <u>up</u>.

3. 3 2549 Says: November 16th, 2010 at 4:10 am

They'd consolidate Strat Weps R&D into a department whose sole purpose 3 decades ago was to solve our dependency on foreign oil. That sounds like a model for efficiency.