

The American Conservative

The Debt Deal and Military Spending (II)

Posted By [Daniel Larison](#) On August 2, 2011 @ 2:30 pm In

Benjamin Friedman explains why the possible reductions in military spending are unlikely to materialize:

The deal's legislation offers two kinds of potential defense cuts. First, it caps "security" spending at \$684 billion for this fiscal year and \$686 for the next. After that, there is no security cap; all discretionary spending is under one cap.

This process will barely cut anything. 2011 spending on the categories that the bill counts as security—the Pentagon, State, foreign aid, the Department of Homeland Security, and the discretionary spending for Veterans—is only \$4.5 billion above the 2012 cap and \$2.5 billion above the 2013 cap. So this method of cuts guarantees less than \$10 billion in security savings. And none of these cuts need be from the Pentagon; the other security agencies could absorb them. You get a slightly higher saving estimate using the bill's accounting method, which compares its future spending to the Congressional Budget Office's latest projections.

The White House claims that the security caps will generate \$350 billion in savings from base (non-war) defense spending over ten years. That number, contained in a White House press release and repeated in countless media reports, is a PR invention. It replaces the also phony \$400 billion in defense cuts that the President recently proposed over twelve years. The administration produced the \$350 billion figure, I'm told, by projecting security spending at the capped level across the decade, even after the caps expire, and counting as savings the difference between that spending trajectory and CBO projections, which assume growth above inflation. Then they assigned most of the savings to defense. The total is nonsense because the bill neither holds down security spending after two years nor offers any basis to assign the Pentagon a portion of those imaginary savings.

The second set of potential defense cuts occur automatically if Congress fails to enact an additional \$1.2 trillion in savings recommended by the Joint Congressional Committee that the bill establishes. This sequestration process could cut actual defense spending (budget function 050) by up to \$534 billion over nine years—half of the \$1.2 billion that the bill automatically cuts minus lowered debt-servicing costs. The sequestration amount drops by whatever savings Congress generates from the Joint Committee's recommendations. Because none of those cuts must come from defense, this process also guarantees no defense cuts.

Just as the maximum \$850 billion in reductions [would not represent the "gutting" of the military](#) ^[1], the deal that created this process is hardly proof of a "return of isolationism" as one Democracy in America blogger has [put it](#) ^[2] in one of the laziest posts of the year. Perhaps the reason why there aren't that many Republican complaints about military spending cuts is that these cuts will probably never happen.

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[1] would not represent the “gutting” of the military: <http://www.amconmag.com/larison/2011/08/02/the-debt-deal-and-military-spending/>

[2] put it: <http://www.economist.com/blogs/democracyinamerica/2011/08/defence-cuts>

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