



Restrained Strategy, Lower Military Budgets

Benjamin H. Friedman

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Despite five years of official complaints about “sequestration” budgets, U.S. military spending remains historically high. In 2016, U.S. military spending will be \$607 billion, including \$59 billion for Overseas Contingency Operations, the fund that ostensibly finances wars but also funds non-war (or base) accounts. Barring a new budget deal, the fiscal year 2017 budget, now stuck in Congress, will be virtually the same size.

In real (inflation-adjusted) dollars, Americans spend more on the military today than at any point in the Cold War, except the brief peaks during the Korean War and the 1980s. Current military spending is 36 percent higher in real terms than in 2000, with two-thirds of the growth in base spending. The United States spends more than double what Russia, China, Iran, and North Korea collectively spend on their militaries.

U.S. military spending is so high because U.S. security ambitions remain too broad. The strategy of primacy fails to guide choices among military responses to danger. It requires a large U.S. military, with units permanently deployed in Europe, East Asia, and the Middle East, and with the capability to quickly strike anywhere with air, naval, and ground forces. It sees threats everywhere and prescribes U.S. forces everywhere to meet them. As such, primacy is less a strategy, which prioritizes resources to achieve specific goals, than a vague invocation to try to use U.S. military forces to manage the world. A strategy of restraint, by contrast, would make more choices, involve the United States in far fewer potential fights, and lead to vast savings.

A strategy of restraint would serve the United States better. By narrowing the scope of what U.S. security requires, restraint would establish a true “defense” budget. Though cost savings are secondary to strategic benefits, a military budget premised on restraint would save substantially more than hunting “waste, fraud, and abuse,” a common method of finding military savings. Waste hunters implicitly endorse primacy by objecting only to what offends their sense of sound management: overruns in acquisition programs, failed projects in war zones, or research projects with foolish titles. The Pentagon’s efficient pursuit of unwise goals is a far richer target for cuts.

The 2011 Budget Control Act theoretically imposed austerity on the Pentagon through caps enforced by across-the-board sequestration. Compliance with those caps would have cut base spending 14 percent by 2021 — hardly draconian after a decade where it grew 40 percent. However, three subsequent budget deals raised the caps and reduced cuts to 10 percent. War funds further reduced austerity’s bite. Because the Overseas Contingency Operations fund is exempt from caps, Congress allowed the Pentagon to inflate war costs and shift the excess to the base.

Even those attenuated cuts forced some adjustments. Active-duty Army end strength dropped from 570,000 to 475,000 troops over the past five years and is due to hit 450,000 in 2018 (but a total of 980,000 when the National Guard and Army reserves are included). The Navy and Air Force saw delays in the procurement of new aircraft and ships and some orders trimmed. Military construction slowed and some administrative units shrunk. After years of requests from Pentagon leaders concerned by increases in personnel costs, Congress recently agreed to modest efforts to curtail pay raises and benefits for health care and housing.

Still, the Pentagon dodged the hard choices that a real drawdown would have required. No cancellation of a major procurement program has occurred since 2011. More importantly, the Pentagon essentially avoided strategic adjustment. The much-ballyhooed rebalancing (or pivot) to Asia produced no rebalancing of funds to the Navy and Air Force, which would be most relevant in a war with China. The fight against the Islamic State kept U.S. forces in the Middle East. In the name of countering Russia, the Pentagon's recent budget proposal for 2017 has thousands more of U.S. troops rotating through Europe. The only big change that has a strategic rationale is the Army's shrinkage.

The Pentagon will need to find additional savings in the next several years. The military's latest five-year spending plan would exceed the caps by \$107 billion between 2017 and 2020. Moreover, as the Congressional Budget Office (CBO) notes, the department's plans could cost an additional \$57 billion by 2020, with less rosy assumptions about cost control and acquiescence to measures Congress heartily opposes, like another Base Realignment and Closure (BRAC) round. Congress is likely to raise budget caps but not enough to cover the gap.

Pressure to find military spending cuts will remain after caps expire. The CBO now expects the deficit to grow from 2.9 percent to 4.9 percent of gross domestic product (GDP) over 10 years while adding nearly \$10 trillion in debt. Even though defense spending should drop to around 2.5 percent of GDP by 2020, it will remain a prime target. Recent experience suggests that Republicans will block tax increases, Democrats will protect entitlements, and deficit-reduction efforts will focus on discretionary spending, more than half of which belongs to the Pentagon.

Restraint-oriented reforms can help, cutting at least 25 percent from the current \$600 billion plus. Savings would arrive gradually, as the United States exited alliances, ended wars, closed facilities, and retired forces. Those cuts would be achieved by reducing commitments and military units. Divesting force structure would allow substantial savings in personnel, operations and maintenance, intelligence, and real estate costs.

A strategy of restraint would take advantage of America's geographic advantages and give the Navy a larger share of the Pentagon's budget. Ships and submarines have access to most of the earth's surface without needing basing rights. With gains in range and massive increases in missile and bomb accuracy, aircraft can deliver firepower to most targets, even against states with considerable ability to defend their coastlines. The Navy would operate as a surge force that deploys to attack shorelines or open sea lanes, rather than constantly patrolling peaceful areas in the name of presence. Divested of presence-driven requirements, the navy could reduce the number of carriers and associated air groups it operates to eight or nine, retire several amphibious assault ships, cancel the littoral combat ship while developing a cheaper frigate

alternative, replace the floundering F-35 with F-18s, and accelerate the shrinkage of the attack submarine force.

Restraint recommends cuts to ground forces for two reasons. First, the dearth of conventional wars where the United States might play a leading role. In the event of a conventional war on the Korean Peninsula, in the Persian Gulf region, or even in Eastern Europe, wealthy U.S. allies should man their frontlines. No modern Wehrmacht is poised to overcome them, and there is time to adjust if circumstances change. Second, counterterrorism is not best served by manpower-intensive occupational wars, which struggle to produce stability, let alone democracy. Air forces and raids cannot reorder fractious states, but they can deny haven to terrorists and aid local allies, as we see today in the war against the Islamic State.

U.S. policymakers should cut the end strength of the active-duty Army and Marine Corps. Because restraint requires less frequent deployments and reduces the emphasis on deployment speed, it would cut a smaller portion of reserve and National Guard forces. Reduced demand for military-to-military training and fewer U.S. wars would allow substantial cuts to the size and budget of Special Operations Command.

Restraint also implies cutting the Air Force's air wings across active and reserve forces. Few enemies today challenge U.S. air superiority. This is why so many missions fall to drones and non-stealth aircraft with limited ability to fend off rival aircraft or surface-to-air missiles. Recent advances in aircraft's ability to communicate, surveil targets, and strike them precisely with laser guidance and GPS have made each aircraft and sortie vastly more capable of destroying targets. Naval aviation, which also benefits from these gains, can bear most of the remaining airpower load.

Precision also allows massive savings in the nuclear weapons budget. A credible nuclear deterrent does not require nearly 1,538 deployed nuclear weapons nor a triad of redundant delivery vehicles — bombers, land-based intercontinental ballistic missiles (ICBMs), and submarine-launched ballistic missiles (SLBMs). No enemy can reliably track U.S. ballistic missile submarines, let alone do so with the sort of reliability required to attempt a preemptive strike against all of them. Even if extended deterrence requires the ability to preempt enemy nuclear forces, which is doubtful, a monad-only nuclear force can achieve it. They would have the help of conventional missiles, which are now accurate enough to destroy hardened silos.

Doing without the ICBM and bomber legs would save much of the \$18 billion that the Pentagon plans to spend annually starting in 2021 on improving nuclear delivery systems, including a new bomber-launched cruise missile or upgrading B-2 bombers, Minuteman ICBMs, and their warheads.

Three other areas for savings are sensible though not intrinsic to restraint's logic. First, the Pentagon's administrative costs remain excessive despite repeated pushes to trim them. Greater results will come from consolidating combatant commands, reducing three- and four-star commands, and reducing associated contract and civilian personnel.

Second, compensation costs — including basic pay, medical costs, housing allowances, and other benefits — should be controlled. Manpower costs have jumped since 2000, with

compensation far exceeding comparable private-sector earnings. Service leaders and a bipartisan coterie of defense experts annually beg Congress to adopt cost-controlling reforms. Congress has agreed to slow pay increases and to allow modest hikes in contributions to Tricare fees and housing, but it should accept the Department of Defense's more aggressive cost-saving proposals in those areas. Also, Congress should consider reforms to future service members' retirement benefits, such as those recommended by the 2015 Military Compensation and Retirement Modernization Commission.

Third, Congress should authorize another BRAC round. The Pentagon estimates that base capacity exceeds needs by 20 percent. It estimates that the five rounds between 1988 and 2005 produced \$12 billion in recurring annual savings. BRAC is designed to overcome the congressional parochialism that imposes such inefficiency.

Proponents of a strategy of primacy often argue that a restrained military budget will expose us to danger. But the real danger is the idea that our security requires constant global patrolling, alliances, interventions, and annual costs of nearly \$600 billion. A strategy of restraint would reduce our profligate military budget, save us a fortune, and keep us out of needless conflicts.

Benjamin H. Friedman is a research fellow in defense and homeland security studies at the Cato Institute.