

# BOSTON REVIEW

## The Pentagon's Blank Check

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March 28, 2017

The \$54 billion defense spending boost that the Trump administration wants for next year is strategically misguided and legislatively doomed, though not for the same reason.

It is misguided because none of the standard rationales for increasing the Pentagon's budget—the grind of ongoing wars, the threats from rival states and terrorists, a “crisis” in military readiness—can justify the more than \$600 billion that Americans already spend on defense, let alone a 10 percent increase.

Sadly, however, the budget proposal is not doomed because either party's leadership rejects the arguments for an increase in military spending. They just disagree about how to enact it. Congress will probably muddle its way to a deal that provides a portion of the Pentagon request and pays for it through the war account and phony future savings, adding to the national debt.

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But there is simply no good reason to spend a dollar more on defense, let alone grant Trump's request. The administration still has not articulated a strategic rationale for its proposed buildup. The budget plan settles for platitudes about defeating terrorism and rebuilding the military, but its details do not privilege either goal. Efforts against the Islamic State, for example, are funded through the Overseas Contingency Operations budget, which Trump does not propose to increase. Trump's requested new money would also go largely to conventional forces, not towards counterterrorism measures in Special Operations Command or the intelligence community.

President Trump claims the new budget will rebuild the “depleted” military. Testifying before the Senate this week, Secretary of Defense James Mattis argued that a crisis in military readiness demands a spending hike. But while readiness problems do exist, the “crisis” is a myth made for fundraising. A budget that reallocates funds to operational accounts could fix readiness problems without an increase in military spending. So would a defense strategy that asked less of the military. Trump's buildup is actually likely to exacerbate readiness problems because it adds forces without providing sufficient funds to support them.

The other standard argument for increased military spending is that “the world is on fire,” as Senator John McCain puts it. Headlines about North Korean missiles, Chinese islands in the South China Sea, Russian aggression and Middle Eastern chaos are scary enough, people like

McCain say, to justify more military buildup. But U.S. military spending does not necessarily cure these ills; in fact, it may end up aggravating them. Increased U.S. military power, for example, could encourage North Koreans to want more nuclear missiles rather than pacifying them.

A larger flaw in McCain's argument, however, is that, by historical standards, not much is actually burning. And, more importantly, the United States does not need to go looking for fires to extinguish. The world remains far more peaceful by various measures than at almost any other point, and the United States still enjoys a privileged position: militarily powerful and distant from trouble. U.S. enemies are historically few and weak; U.S. defense spending is more than double what Russia, China, Iran, and North Korea collectively spend on their militaries; and U.S. forces remain vastly superior. North Korea and Iran are troublesome, but incapable of posing much direct threat to their neighbors, let alone the United States, especially considering nuclear deterrence. Russia threatens its neighbors, but with an oil-dependent economy now about the size of Italy's, it poses little danger to more economically stable nations further west.

China is more capable, but if its leaders abandoned pragmatism and became territorially aggressive, its local rivals, like Japan, would have tremendous defensive advantages even before the United States became involved. China's growing missile capability gets a lot of attention but does not seem likely to unsettle the region, given other states' ability to deploy similar technologies, possible U.S. countermeasures, and the robustness of U.S. deterrents to threats. Moreover, if the challenge became pressing, U.S. military spending could be redirected, rather than increased, to address it.

The strategically misguided increase would not go towards counterterrorism measures.

In spite of these observations, leaders in both parties support higher military spending. The 2011 Budget Control Act (BCA), as its names implies, is meant to control spending and places caps on "defense" spending. If a defense appropriation exceeds its cap, the law forces the Treasury to "sequester" excess, pulling proportionally from all accounts in that category.

Yet the Obama administration's defense plan called for busting the BCA caps in all its remaining years and for exceeding the 2018 cap by \$35 billion— only \$19 billion less than Trump's proposed defense budget. Mac Thornberry and John McCain, the chairmen of the House and Senate Armed Services Committees, want to exceed the BCA cap by \$90 billion. Republicans consistently vote in favor of military spending hikes, but Congressional Democrats are also guilty. Their leadership supported Obama's plans and their recent complaints about Trump's budget focus on the harm of its cuts, not the buildup it funds.

This bipartisan support for excessive military spending results from the growth of U.S. wealth and power. As national wealth and safety grew, the burden of defense spending has decreased. For example, in real terms, defense spending remains nearly as high as 1952 during the Cold War. But due to wealth creation, the portion of GDP devoted to defense has plunged from 15 percent of GDP then to 3.5 percent today. American wars now cost negligible portions of GDP and risk the lives of only a tiny group of Americans.

These shifts mean that few Americans worry about Pentagon spending; they can remain justifiably ignorant. It also means that tradeoffs become less dramatic, so groups favoring low taxes or other domestic spending programs have less reason to oppose defense

spending. What sustains exorbitant military spending is not the failure of arguments against it but the absence of interests in making those arguments.

To make matters worse, as the general public has become increasingly apathetic about military spending, the few with special interests have grown increasingly powerful. Over the past half century, as the costs of the U.S. military were distributed, the benefits were concentrated in the military-industrial complex. The Cold War distributed military production facilities and bases across the nation. Regions developed economic interests in military spending and elected Congressmen who joined defense committees. These interests do not dissipate just because threats do. As in other policy areas, a minority with strong and generally mutual interests rules over the less involved majority.

Still, resource competition does manage to contain military spending. Otherwise it would take a lot more than 4 percent of GDP.

Three factors now interact to restrain military spending. The first is debt. Publicly-held debt now exceeds \$14 trillion or 77 percent of GDP. The Congressional Budget Office (CBO) estimates that under current law, those totals will grow to \$23 trillion and 89 percent in the next decade. Second, Republicans broadly refuse to raise taxes. Almost all Congressional Republicans have signed the Americans for Tax Reform's pledge—a commitment to oppose all tax increases. Third, Democrats, and now perhaps a Republican president, protect entitlement spending from cuts.

Trump's budget tries to avoid adding to the debt by cutting domestic spending. The State Department and the Environmental Protection Agency, for instance, would see the heaviest cuts by percentage. But the breadth of cuts to domestic programs makes it easy for Democrats to vote against it, dooming the budget in the Senate, where it needs 60 votes and thus Democratic support. Many Republicans are similarly inclined though, if only because they want entitlements to share the pain. All presidential budgets are just initial offers to Congress, of course, but this one is so superficial and impolitic that it is unlikely to serve even as a starting point.

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These factors suggest that later this year, perhaps after considerable drama, Congress will strike a budget deal like recent ones. That means providing ten or twenty billion dollars of cap relief for defense matched by an increase to non-defense discretionary spending—all of which will be funded, of course, by dubious future savings. Separately, Congress will probably provide the Pentagon with the \$65 billion Trump is requesting for wars, which does not count against the spending cap. Most of that actually goes to non-war Pentagon uses. That would leave the Pentagon well short of Trump's request of \$668 billion for defense, including the war funds.

But Trump would still likely sign that sort of deal. Vetoing it would be politically dicey while signing it allows him to brag about his deal-making. Plus, his concern with deficits is so shallow—his budget plan, for instance, calls the debt a “crisis,” but aims only to hold it steady—that it is no obstacle.

Indeed, it is hard to identify the tipping point when politicians, even those more economically responsible than Trump, start sacrificing programs they favor to cut debt. A common problem fuels deficits, after all: They may trouble politicians' consciences, but in the short term, they

serve constituents. Elected leaders, in that sense, recite a fiscal version of the prayer Augustine ascribes to his younger self: “Lord make me chaste, but not yet.”

And so military spending will probably grow again this year, hobbled by deficits, sustained by special interests and justified by shoddy arguments. The obvious costs are lost opportunities to spend more fruitfully and the economic consequences of debt. But a less obvious problem with excessive military spending is that it underwrites aggressive ambitions, such as wars in seven countries and commitments around the world that carry needless risk.

For decades we have enhanced presidential powers to make war quickly, or even whimsically. The culprit is not just Congress’ abdication of its powers but military largesse. The Pentagon budget, especially the portion that funds endless wars, is like a gift card for military adventures that presidents get annually. Those traditionally unbothered by that might reconsider given who the president is.

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