



Analysts: New White House plan to boost defense with domestic cuts 'won't happen'

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Plans for the Trump administration to increase defense spending by \$54 billion, at the cost of \$54 billion in domestic spending and foreign aid, will likely meet stiff resistance on the Hill, analysts predict.

An administration official, who would speak only on background, told reporters in a brief conference call Monday that Trump's fiscal year 2018 budget request will focus on increasing overall defense spending, something Trump promised on the campaign trail and since taking office.

However, there are big questions about the plan, including whether that defense money would be just for the Pentagon or for broader defense programs such as the Department of Energy's National Nuclear Security Administration; whether foreign aid and security assistance programs from the Department of State could be shifted over to DoD; whether the money will flow into the Pentagon's base budget or the Overseas Contingency Operations fund.

The biggest question of all — how a proposal that guts the non-defense budget would survive on Capitol Hill — suggests the White House has offered an opening negotiation position rather than a viable number. It's a proposal sure to net a violent reaction from the Senate Democrats, who have in recent years asked that defense increases be matched dollar-for-dollar on the non-defense side.

Democrats quickly signaled Monday they would oppose the plan. Senate Minority Leader Chuck Schumer, D-N.Y., said in a statement, "This budget proposal is a reflection of exactly who this president is and what today's Republican Party believes in: helping the wealthy and special interests while putting further burdens on the middle class and those struggling to get there."

Katherine Blakeley, a defense budget expert with the Center for Strategic and Budgetary Assessments, says a number of questions need to be addressed before the real details of the budget plan can be assessed. But one thing is clear, she said – that this plan is designed to be “politically untenable for the Democrats while trying to be as favorable as possible for the Republicans.”

Or as Benjamin Friedman of the CATO Institute put it, “This plan won’t happen because Democrats will block it.”

Since the imposition of the budget caps, Democrats have fought to maintain a one-for-one trade between defense spending and domestic spending. That was easier when they had top cover from President Barack Obama, but could prove more challenging with the Trump White House hammering Democrats for holding down on defense levels.

Congress would not only need to pass a 2018 budget resolution, which could pass with Republican support alone, but a new law to raise the caps to allow the White House’s proposal. To do that would require Democratic votes.

“Republicans need 60 Senate votes to overturn the BCA cap for next year,” Friedman added. “I believe Schumer can keep enough of Democrats in line around the idea that an increase in defense must be matched by an increase in non-defense discretionary to stop this.”

Instead, he predicts the two parties will settle on a raising of the budget caps for both defense and non-defense spending, with an influx of cash into OCO.

Blakeley also notes that by putting its marker for fiscal 2018 down now the administration is setting up the still-unsettled fiscal 2017 appropriations discussion as a proxy-war. The government is currently operating under a Continuing Resolution, which expires at the end of April.

On Capitol Hill Monday the proposal sowed confusion, as multiple top aides said they were unaware even what the baseline is for the increase.

If the plan is to increase defense by \$54 billion and cut \$54 billion from the non-defense side, it will rile Democrats who have previously fought for parity between defense and non-defense increases. Monday’s numbers may, in essence, leave Democrats and the White House \$108 billion apart on a budget deal.

“This will really irk them and there's no reason for them not to go all in on this political battle,” said Mackenzie Eaglen, of the conservative American Enterprise Institute. “Cutting programs like Head Start and National Endowment for the Arts are not even popular among many Republicans.”

According to Congressional Quarterly, the proposal takes defense up to \$603 billion in fiscal 2018. If true, it would fall short of the \$640 billion base budget top-line championed by House Armed Services Committee Chairman Mac Thornberry, R-Texas, and Senate Armed Services Committee Chairman John McCain, R-Ariz.

Because it pays for defense increases through the non-defense side, the proposal is a nod at fiscal conservatives in Congress. Trump's new budget director, Mick Mulvaney, was one of them before he left Congress to join the White House.

"Nobody wants to increase overall spending, and the only way you can do that without huge earth-shaking debates is by reducing other discretionary spending," said James Jay Carafano, a national security expert at the conservative Heritage Foundation. "There is a rational limit to how much you can do that."

It is also a nod toward defense hawks. Carafano described the White House's number Monday as a "down payment" on the defense buildup Trump has repeatedly promised.

"The important thing to me is this is a clear statement of recognition that we are heading towards a hollow force," Carafano said. "There's not just a readiness crisis, there's enormous modernization challenges, and you have trouble maintaining [operational] tempo. That's the textbook definition of a force that's heading to hollow."