The GOP's Military Spending "Cuts" That Aren't

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On Thursday, House Budget Committee Chairman Rep. Paul Ryan (R-Wis.) <u>announced</u>spending levels for the remainder of the 2011 Fiscal Year. Under <u>the plan</u>, discretionary spending would be cut by \$74 billion, and security spending—defense, homeland security, and other related agencies—would be cut by \$16 billion.

At first glance, this seems like a minor victory for deficit hawks. While the amount of security spending cut is still not close to the reductions <u>Christopher Preble</u>, <u>Benjamin Friedman</u>, and<u>others</u> propose, or anywhere near the \$100 billion in discretionary spending cuts the GOP proposed in its <u>"Pledge to</u> <u>America,"</u> it is a start. But let's be clear: the Federal deficit is projected to be \$1.5 trillion this year. In no way does \$74 billion dollars in cuts address this problem. And in fact, it's not even \$74 billion.

As <u>multiple outlets have</u> correctly reported—reports Ryan's office <u>continue</u> to <u>deny</u>—the amount of discretionary spending cuts, based on current spending levels, is only \$32 billion and security spending will receive an \$8 billion *increase*, not including funding for operations in Iraq and Afghanistan. This discrepancy is due to the GOP proposal counting savings against Obama's FY 2011 budget, which was never enacted, and thus is not the current spending level. The current spending levels are in place via a continuing resolution that sustains the FY2010 budget, plus inflation, until March 4. And so, the GOP's numbers are based on a bit of trickery. Although Republicans promised to bring spending back to FY2008 levels, they miss the mark by \$123 billion in discretionary spending, while their plan for funding security-related functions is \$81 billion higher than FY 2008.

As Benjamin Friedman <u>explained</u> a few weeks ago, Rep. Ryan, as Budget Committee Chairman, has the power to <u>single-handedly set the top-line mark for the federal budget</u>. But the levels he proposes for departments and agencies are little more than recommendations; they are not binding. The appropriations committees actually distribute the money. Because of this, it is difficult to say where actual cuts may come from and who the winners and losers will be. And the \$8 billion increase for security is not yet set in stone. Fiscal conservatives will likely have the chance to offer amendments to Ryan's proposal when the next continuing resolution comes to the House floor—necessary before March 4 to avoid a government shutdown. The amendments could have a substantial impact on the top-line, possibly aiming for the promised amount of \$100 billion, if members of the Republican Study Committee, which includes about two-thirds of the house, <u>get their way</u>.

So, there is still hope that the GOP will realize that it can't keep military spending off the table when searching for budget cuts. They should take heed from

the <u>many conservativeheavyweights</u> that have come out in favor of cutting military spending, <u>including</u> President of Americans for Tax Reform, Grover Norquist. In a Cato Hill Briefing on January 19, Grover, along with Christopher Preble and Benjamin Friedman of the Cato Institute discussed the need for the 112th Congress to get serious about reigning in the deficit and stop providing a free pass to the Pentagon. The remarks have just been posted online and you can find them <u>here</u>.