

## Commander-in-Chief Hopefuls Conveniently Ignore Debt Elephant in the Room

by Sandra Erwin 11/13/2011

Near the end of last night's <u>Republican presidential debate</u>, Sen. Jim DeMint, R-S.C., member of the Committee on Foreign Relations, asked the candidates the question that gets at the crux of the dilemma over spending and national security.

The federal government's soaring debt has been called a threat to U.S. security, DeMint posited, so what programs would the candidates eliminate if they were elected president?

As expected, the contenders for the 2012 GOP nomination went after their favorite targets: President Obama's health care plan, retirement benefits, social and education programs. Only Rep. Michelle Bachmann made a passing reference to overpriced weapon systems and military health care as areas that should be "reformed."

Front-runner Mitt Romney said the remedy to the nation's ailing finances is to "eliminate programs we like but we simply can't afford." Repealing Obama's health plan, he said, would save \$95 billion a year. He also would get rid of the National Endowment for the Arts, the National Endowment for Humanities, and subsidies for public broadcasting. Romney would cut the federal work force by 10 percent, and cap its compensation so that it does not exceed what workers make in the private sector. "We simply can't keep borrowing from China" to pay for these programs, said Romney.

These bumper-sticker crowd-pleasing sound bites may score debating points but are astonishingly divorced from the realities of the federal budget, particularly the "discretionary" portion, of which the Defense Department consumes 59 percent.

For fiscal year 2012, from a total U.S. federal budget of \$3.68 trillion, \$2.44 trillion goes to mandatory entitlement spending and the discretionary share is \$1.24 trillion. The remaining \$242 billion pays for interest on the nation's nearly \$15 trillion debt.

"None of the candidates talks about this," said Laura Peterson, of the Taxpayers for Common Sense, a watchdog group in Washington, D.C. "A lot of them talk about the need to shrink government ... but there is a blind spot when it comes to the Pentagon," Peterson said.

Only one candidate, Rep. Ron Paul, R-Texas, has <u>called for deep cuts to military spending and a sweeping reduction of U.S. deployments overseas</u>.

"Candidates are divided over national security and the defense budget," said Gordon Adams, a distinguished fellow at the Stimson Center and a former Office of Management and Budget official.

Nowhere is the gap between rhetoric and reality more glaring than in Romney's defense platform. In an October speech, he called for a massive buildup, including an increase of the Navy's shipbuilding rate from 9 per year to 15. He also backed extending U.S. military presence in Afghanistan, stepped up deployments of naval and ground forces in the Middle East, and more widespread engagement of the U.S. military around the world.

Romney's plan would require spending 4 percent of the nation's gross domestic product on the defense "base" budget, plus additional funds for contingencies. One look at current budget projections makes it clear that this vision "cannot be funded," Adams said.

Presidential debates are staged for drama, Adams said, rather than to deal with much of that reality.

To fund his plan, Romney would need to make big cuts to Social Security and Medicare, analysts have estimated. Christopher A. Preble, director of foreign policy studies at the Cato Institute, estimated that the military buildup proposed by Romney would require, at a minimum, \$2 trillion in additional funding over the next 10 years. "Will he raise taxes? I don't think he can add to the deficit. He'd have to cut elsewhere," said Preble. Slashing \$2 trillion from non-defense discretionary would amount to a 40 percent cut to every agency other than the Defense Department.

The Pentagon already is projected to spend \$5.8 trillion over the next decade. Even conservatives question the notion of running up \$2 trillion of additional spending, considering that 40 percent of every dollar spent has to be borrowed. "What's all this money for?" Preble asked. "Many conservatives are skeptical of the idea that more government spending leads to better results," he said. "They argue that giving more money to the Department of Education doesn't mean our kids are learning. The same principle should apply to military spending: Are we getting more security for more money?"

Supporters of higher military spending, including Defense Secretary Leon Panetta, insist that the Pentagon's budget is not the problem, but it's the runaway entitlement programs that put the United States in financial peril. That may be true, but it does not mean that defense should not be on the table, said retired Army Col. Andrew Bacevich, professor of international relations and history at Boston University. "You could zero out the Defense Department and still have a trillion-dollar deficit. But you are not going to reduce the deficit unless you cut defense," he told reporters last month. "This country is going to have to learn to live within its means," he said.

The battle over defense spending, while absent from the campaign trail and an issue to which most Americans pay little attention, is going to be fought in the coming weeks and months on Capitol Hill, where a 12-member debt-reduction "supercommittee" faces a Nov. 23 deadline to comes up with \$1.2 trillion in savings.

So far the political cards appear to be stacked in favor of the Pentagon. Panetta, top military leaders and defense industry have put forth a <a href="strong case">strong case</a> that any further cuts beyond the \$400 billion to \$450 billion over the next decade already agreed upon would be detrimental to national security and would add to the already high unemployment rate.

It is a fact that any reduction in federal spending has an employment consequence, Adams said. But the impact of defense cuts on employment has to be considered in the context of wider consequences of all federal spending cuts. A study sponsored by the Aerospace Industries Association concludes that trillion-dollar cuts to defense spending would add a million workers to the unemployment rolls. Panetta has stood by that estimate, and has stated that the consequence would be a 1 percent growth in the nation's unemployment rate.

Cuts to military weapon programs, industry contends, would jeopardize high-skilled jobs in the aerospace industry that, once lost, cannot easily be regained. Adams pointed out that the defense industry over the past decades has had no qualms about laying off employees for reasons of corporate self interest. "The work force has declined systematically as the industry has become more productive," he said. "It is hypocritical to argue in Congress that these jobs are important jobs to be protected."

Republicans who are against deficits but also want to protect military spending "need to stand up to the credibility of their theory" that government spending and taxes have to be lowered in order for the U.S. economy to recover and create jobs.

The impact that Pentagon cutbacks would have on defense industry jobs is a valid concern, said Rep. Adam Smith, D-Wash., ranking minority member on the House Armed Services Committee. "The manufacturing technology and work force are incredibly important." But he warned that without viable solutions to the debt problem, the Pentagon's budget along with all other government discretionary funding will erode as mandatory spending grows and tax revenues fall.