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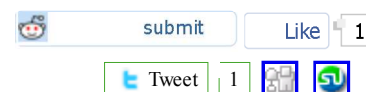
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[Panetta the “Budget Cutter” Comes to the Pentagon](#)

By: [David Dayen](#) Thursday April 28, 2011 1:44 pm



Today, President Obama officially made his national security changes. Leon Panetta moved to the Pentagon to run the Department of Defense, and David Petraeus was nominated to head the CIA. Ryan Crocker will become the new US Ambassador in Afghanistan, and Lt. Gen. John Allen will be the new commander there.

There’s a theory out there that the choice of Panetta, a former White House budget director, to run the Pentagon signals [budget cuts ahead](#).

Obama’s plan to cut hundreds of billions of dollars worth of defense and security spending has exposed a growing chasm in the Republican Party — a split between security hawks who want to protect the Pentagon budget and deficit hawks who say that everyone has to share the pain.

Panetta is expected to apply his experience as Office of Management and Budget director and White House chief of staff to the process, finding savings where Defense Secretary Robert Gates might have been reluctant to go.

“Considerable cuts, beyond even the \$400 billion-over-12-year target that President Obama announced earlier this month, will require a fundamental rethinking of the military’s role, something that Gates was unwilling to do,” said Christopher Preble, director of foreign policy studies for the libertarian Cato

Institute. "It remains to be seen whether Panetta will tackle this challenge, or whether he will defer to others within the administration."

If Panetta cuts one dime over the President's request of \$400 billion over ten years, I'll eat my hat. And remember that those are "cuts" from a baseline that keeps expanding. Panetta is not the type to rock the boat. He may better target the cuts, but he's unlikely to color outside the lines.

In a [background briefing yesterday](#), senior Administration officials praised Panetta's ability in running large agencies and managing large budgets, but there wasn't any hint that he would somehow become this obsessive budget-cutter at Defense. I would ask the question: just how much did the CIA budget decrease over the past couple years?

Which brings us to the CIA and Petraeus, and I think [Michael Cohen](#) captures this well:

[Eric Schmitt and Mark Mazzetti](#) have a smart article on how these moves continue the process of basically turning the agency into a militarized, operational arm of the Pentagon. So not only do you have someone at Langley who seems to be a big advocate of special operations; but you put someone at DoD (Leon Panetta) who built up the covert action capability at the CIA. Hard to imagine that either will suddenly slow down the cooperation between the two agencies on this front. And if one of the goals of the Obama Administration was to shift attention away from terrorism as the focus of US foreign policy I'm not sure how giving top national security jobs to the guy who built up the CIA's clandestine service over the past two years and the guy who managed the last two American wars achieves that goal. If anything it ensures that two of the Administration's top strategic thinkers (and I use those words guardedly) will have an intimate and perhaps overweening focus on terrorism as the focal point point of US national security policy.

Cohen also points out that Petraeus had a public strategy for more troops in Afghanistan (and earlier, Iraq) that included selective media leaks bolstering his case. What a great choice to be the head spook!

Petraeus' appointment seems like as much a political strategy as anything else. But the merger of CIA and DoD into a covert/overt super-agency is troubling indeed.

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23 Responses to "Panetta the "Budget Cutter" Comes to the Pentagon"

[bmull](#) April 28th, 2011 at 1:51 pm

[1](#)

The bright side of retiring Petraeus is it increases the chances of a meaningful drawdown in July.

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[David Dayen](#) April 28th, 2011 at 2:11 pm

[2](#)

In response to [bmull @ 1](#)

I'm actually not certain of that. Anyway, Petraeus will still be there come July, in all likelihood; I don't think Allen rotates in until September.

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[bmull](#) April 28th, 2011 at 2:32 pm

[3](#)

In response to [David Dayen @ 2](#)

Well so much for the bright side.

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[Kassandra](#) April 28th, 2011 at 2:35 pm

[4](#)

Greenwald has a few things to say about this:

[A more militarized CIA for a more militarized America](#)

Nice for bringing the drones to America.

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[mzchief](#) April 28th, 2011 at 2:39 pm

[5](#)

Besides leaving no defense contractor behind, are the folks that live in the womb of the DoD (e.g., health care, affordable health insurance, commissary access) going through this?

Wal-Mart (WMT, Fortune 500), which averages 140 million shoppers weekly to its stores in the United States, is considered a barometer of the health of the consumer and the economy.

Read the rest of "[Wal-Mart: Our shoppers are 'running out of money'](#)" (Apr. 28, 2011).

As I see jobs for prison guards on TV, I can tell that the job market are coming back. /s

"[McDonalds Hires 62,000, Turns Away Over 938,000 Applicants For Minimum Wage, Part-Time Jobs](#)" (Apr. 28, 2011).

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[lsls](#) April 28th, 2011 at 2:42 pm

[6](#)

The walls are getting closer.

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[Margaret](#) April 28th, 2011 at 2:46 pm

[7](#)

If Panetta cuts one dime over the President's request of \$400 billion over ten years, I'll eat my hat.

Spot on. This isn't about the budget, it's about consolidating intelligence and the Pentagon.

Change we can believe in...

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[bmull](#) April 28th, 2011 at 2:48 pm

[8](#)In response to [mzchief @ 5](#)

McDonald's is the Ivy League of fast food chains, and it's got the rejection rate to show it.

[Login to Reply](#)[hijean831](#) April 28th, 2011 at 2:53 pm[9](#)

If Panetta cuts one dime over the President's request of \$400 billion over ten years, I'll eat my hat.

Any chance he'd redirect what's left to something helpful, like body armor or improved VA care?

[Login to Reply](#)[eCAHNomics](#) April 28th, 2011 at 2:53 pm[10](#)

Panetta will cut the Pentagon budget just like he cut the CIA budget, from \$40 billion to \$80 billion, iirc.

[Login to Reply](#)[bigbrother](#) April 28th, 2011 at 2:54 pm[11](#)In response to [Margaret @ 7](#)

Now that is a scary thought Margaret, having my boot camp drill instructor, homeland security and military police usurping police powers.

I went into a court building here today and was given a hard time as usual by the private contractors. Pretty rude dudes.

[Login to Reply](#)[mzchief](#) April 28th, 2011 at 2:54 pm[12](#)In response to [lsis @ 6](#)

As Professor Scott notes in his book, "A Senate staff report has estimated 'that \$500 billion to \$1 trillion in criminal proceeds are laundered through banks worldwide each year, with about half of that amount moved through United States banks.' The London Independent reported in 2004 that drug trafficking constitutes 'the third biggest global commodity in cash terms after oil and the arms trade.'"

(excerpt from "[The Afghan Drug Trade and the Elephant in the Room](#)," April 17, 2011)

I posit that nothing changes without shutting down the banksters.

[Login to Reply](#)[ThingsComeUndone](#) April 28th, 2011 at 2:59 pm[13](#)

Petraeus was pushed to run for President against Obama Obama may think he is buying him off but he will leave the job in a second to be GOP VP.

Also a war criminal who likes to torture, who thinks he can still win if only, if only Bush/Obama gave him more troops, time etc if only Petraeus had the guts to risk his job and leave rather than run a mission doomed to failure hoping things turn out better next year. Anyway promoting a frustrated war criminal who blames politicians for his failure's as head of the CIA is asking for a coup.

Better to have him run in the GOP Primary if you want to sideline him. Promoting Petraeus as head of the CIA is sidelining him its certainly not a promotion based on merit or ability.

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[ThingsComeUndone](#) April 28th, 2011 at 3:01 pm

[14](#)

In response to [mzchief @ 5](#)

Walmart shoppers running out of money Damm the Parasite Rich are close to eating us to death.

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[ThingsComeUndone](#) April 28th, 2011 at 3:04 pm

[15](#)

In response to [bmull @ 8](#)

No thats people who leave to find a better job wait are you saying there are people McDonalds rejected before the economy went bad?

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[mzchief](#) April 28th, 2011 at 3:05 pm

[16](#)

In response to [bmull @ 8](#)

What I learned from folks on the inside is that McDonalds corporate rules the franchises with a iron fist. I'd rather give my nickels and dimes to an independent, locally-owned business.

["Post Consumer Waste Recycling Program \(WTO\)"](#) (video, July 27, 2010)

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[eCAHNomics](#) April 28th, 2011 at 3:08 pm

[17](#)

In response to [mzchief @ 16](#)

My one-liner on Wall Mart is the people who work there can't afford to shop there.

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[ThingsComeUndone](#) April 28th, 2011 at 3:08 pm

[18](#)

I think Obama's picks are meant to say don't worry nothing is going to change. The myth of the CEO who can change a company around with leadership and management skill is over its not been revealed to be accounting tricks, cutting labor costs, cutting product quality and charging the same price.

Of course Obama the politicians and media seem to think that the myth is real.

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[Ironcomments](#) April 28th, 2011 at 3:14 pm

[19](#)

Harry S. Truman in 1963 and his concerns about the role of CIA, and the agency he created: "... For some time I have been disturbed by the way CIA has been diverted from its original assignment. It has become an operational and at times a policy-making arm of the Government. This has led to trouble and may have compounded our difficulties in several explosive areas.

I never had any thought that when I set up the CIA that it would be injected into peacetime cloak and dagger operations. Some of the complications and embarrassment I think we have experienced are in part attributable to the fact that this quiet intelligence arm of the President has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue—and a subject for cold war enemy propaganda. With all the nonsense put out by Communist propaganda about "Yankee imperialism," "exploitive capitalism," "war-mongering," "monopolists," in their name-calling assault on the West, the last thing we needed was for the CIA to be seized upon as something akin to a subverting influence in the affairs of other people... There is something about

the way the CIA has been functioning that is casting a shadow over our historic position and I feel that we need to correct it.”

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[mzchief](#) April 28th, 2011 at 3:15 pm

[20](#)

In response to [ThingsComeUndone @ 14](#)

I know what this means to all those rural towns that lost their local, independent businesses when Walmart came in with those low, low prices, captured the markets with their Supercenters, then jacked the prices. This statistic is alarming in its implications— the parasite is running out of food, the host is dying.

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[clemenza](#) April 28th, 2011 at 3:40 pm

[21](#)

In response to [Ironcomments @ 19](#)

BTW, he wrote that letter in December, 1963.

Just a few weeks after JFK was assassinated.

Just sayin’

Too little, too late, Harry.
Thanks a lot for planting
the seedlings of a power mad,
murderous, hateful, fascist,
shadow government.

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[maa8722](#) April 28th, 2011 at 3:45 pm

[22](#)

“ . . . If Panetta cuts one dime over the President’s request of \$400 billion over ten years, I’ll eat my hat. And remember that those are “cuts” from a baseline that keeps expanding. Panetta is not the type to rock the boat. He may better target the cuts, but he’s unlikely to color outside the lines. . . ”

They should get away from the concept of baseline budgeting.

Regarding Panetta’s many dimes, I’d be looking for another round of the Base Realignment and Closure Commission (BRAC), which hasn’t done anything since 2005. It’s time to gin them up again.

Also redeploy a large majority of US troops in Europe and East Asia back to the US. Reduce their total numbers considerably.

A caution in these reductions would be that a lot of these expenditures have been “stimulus in drag,” AKA pork. Consider the battles over closing or drawing down military bases in the past — how much of the rationale in those decisions had to do with military strength rather than local jobs? Reductions inevitably cost jobs however inefficient some of them may have been for the US economy. The net amount saved will be somewhat less than it seems it should be.

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[Adam503](#) April 28th, 2011 at 4:35 pm

[23](#)

Panetta at least respects the value of money. The Pentagon works to keep all funding and get more funding as it’s primary mission in life. Soldiers lives and civilian lives will be sacrificed by Pentagon brass to preserve that primary

mission.

A program might wind up truly nothing but a battalion of soldiers literally shoveling US currency into the street, he'll try to stop it. Nobody in the Pentagon would lift a finger to stop it otherwise for years. Cash flowing to the Pentagon above all. Question the Pentagon's primary mission, and your career is ended.

I trust Panetta is going to try to stop the "soldiers shoveling currency into the street" stuff like the no-bid contract nonsense that Cheney and Rumsfeld caused.

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@JonWalkerDC Cal Labor Fed came out against this b/c of all the union jobs in Vernon, BTW, but that didn't matter in the Assembly

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