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## How to Save a Trillion Dollars

By Mark Thompson

On a damp, gray morning in late February, Navy admirals, U.S. Congress members and top officials of the nation's biggest shipyard gathered in Norfolk, Va., to watch a computerized torch carve bevels into a slab of steel as thick as your fist.

The occasion: the ceremonial cutting of the first piece of a \$15 billion aircraft carrier slated to weigh anchor in 2020. That ship — still unnamed — will follow the just-as-costly *Gerald R. Ford*, now 20% built and due to set sail in 2015. ([See the hardware of Operation Odyssey Dawn.](#))

Meanwhile, on the other side of the world, China is putting the final touches on a new class of DF-21 missiles expressly designed to sink the *Ford* and its sister ship as well as their 5,000-person crews. China's missiles, which will likely cost about \$10 million each, could keep the Navy's carriers so far away from Taiwan that the short-range aircraft they bear would be useless in any conflict over the tiny island's fate.

Aircraft carriers, born in the years before World War II, are increasingly obsolete platforms of war. They feature expensive manned aircraft in an age when budgets are being squeezed and less expensive drones are taking over. While the U.S. and its allies flew hundreds of attack missions against targets in coastal Libya last month, cruise missiles delivered much of the punch, and U.S. carriers were notable only for their absence. Yet the Navy, backed by the Pentagon and Congress, continues to churn them out as if it were still 1942.

"It's just tradition, the industrial base and some other old and musty arguments" that keep the shipyards building them, says Thomas Barnett, a former Pentagon deep thinker and now chief strategist at Wikistrat, a geopolitical-analysis firm. "We should scale back our carrier design to something much cheaper and simpler. Think of mother ships launching waves of cheap drones — that would actually be more frightening and intimidating." Even Defense Secretary Robert Gates warned last year of "the growing antiship capabilities of adversaries" before asking what in Navy circles had long been the

unaskable question. "Do we really need 11 carrier strike groups for another 30 years when no other country has more than one?" ([See the top 10 union movies.](#))

Across Washington, all sorts of people are starting to ask the unthinkable questions about long-sacred military budgets. Can the U.S. really afford more than 500 bases at home and around the world? Do the Air Force, Navy and Marines really need \$400 billion in new jet fighters when their fleets of F-15s, F-16s and F-18s will give them vast air superiority for years to come? Does the Navy need 50 attack submarines when America's main enemy hides in caves? Does the Army still need 80,000 troops in Europe 66 years after the defeat of Adolf Hitler?

It may seem strange to talk about defense cuts while the U.S. is waging one war in Afghanistan, is mopping up a second in Iraq and has just launched a half war in Libya. But those conflicts have made it easy to forget the warning of Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff, that "the single biggest threat to our national security is our debt." Which points to an almost tragic irony of Washington's \$700 billion annual appetite for military stores: we are borrowing cash from China to pay for weapons that we would presumably use against it. If the Chinese want to slay us, they don't need to attack us with their missiles. They just have to call in their loans.

### **Diminishing Returns**

Numbers alone tell much of the story: we are now spending 50% more (even excluding the wars in Afghanistan and Iraq) than we did on 9/11. We are spending more on the military than we did during the Cold War, when U.S. and NATO troops stared across Germany's Fulda Gap at a real super-power foe with real tanks and thousands of nuclear weapons aimed at U.S. cities. In fact, the U.S. spends about as much on its military as the rest of the world combined.

And yet we feel less secure. We've waged war nonstop for nearly a decade in Afghanistan — at a cost of nearly a half-trillion dollars — against a foe with no army, no navy and no air force. Back home, we are more hunkered down and buttoned up than ever as political figures (and eager defense contractors) have sounded a theme of constant vigilance against terrorists who have successfully struck only once. Partly as a consequence, we are an increasingly muscle-bound nation: we send \$1 billion destroyers, with crews of 300 each, to handle five Somali pirates in a fiberglass skiff.

While the U.S.'s military spending has jumped from \$1,500 per capita in 1998 to \$2,700 in 2008, its NATO allies have been spending \$500 per person over the same span. As long as the U.S. is overspending on its defense, it lets its allies skimp on theirs and instead pour the savings into infrastructure, education and health care. So even as U.S. taxpayers fret about their health care costs, their tax dollars are paying for a military that is subsidizing the health care of their European allies. ([See TIME's Q&A with Paul Ryan.](#))

In January, Gates proposed cutting \$78 billion from Pentagon accounts over five years. President Obama trumped that April 13, calling for \$400 billion in cuts by 2023. He offered no specifics beyond saying he

and Gates would lead a "fundamental review of America's missions, capabilities and our role in a changing world." Even some Republicans have begun to acknowledge that the Pentagon needs to do its part in the war on debt. "I served in two administrations that practiced and validated the policy of peace through strength," said Indiana Governor Mitch Daniels in February. "But if our nation goes over a financial Niagara, we won't have much strength, and eventually, we won't have peace."

Congress can't make the numbers work by focusing on waste, fraud and abuse, though lawmakers rarely admit this. Both hawks and doves love declaring their determination to root out inefficiencies, but doing so won't solve the problem. Bigger changes are required, and they are long overdue. Among a half-dozen serious studies about how best to reduce defense spending by up to \$1 trillion over the next decade, an emerging consensus is easy to spot: Weapons purchases must be trimmed, and personnel costs must be reduced. And both of those require a new kind of political will to stop treating military spending as pork, a regional and local entitlement that can go on forever. Finally, revising America's defense budget will happen only if the U.S. takes a hard-eyed look at the dozens of military missions that are no longer vital or affordable.

[See the 2011 TIME 100 Poll.](#)

### **Damn the Torpedoes**

Gates, a Cold Warrior going back to the 1960s, recently pressed the military services to tighten their belts. The Air Force pledged to cut its fuel bill by \$500 million over the next five years, while the Army said better e-mail systems would save it the same amount. This gives you some idea about the limits of civilian control of the military. On March 14, Gates issued a memo detailing "efficiencies" he is ordering, including a paltry \$12,000 in savings by closing down an outreach program and \$5,000 in combat gabfests. "It's important not to repeat the mistakes of the past by making drastic and ill-conceived cuts to the overall defense budget," he says.

But \$1 trillion in cuts wouldn't really be as drastic as it sounds — or as the military's no-surrender defenders insist. Such a trim would still leave the Pentagon fatter than it was before 9/11. Besides, there are vast depots of weapons that are ready for the surplus pile. The number of aircraft carriers could be cut from 11 to eight, and perhaps all could be scuttled in favor of Barnett's drone carriers. The annual purchase of two \$3 billion attack submarines to maintain a 48-sub fleet as far as the periscope can see also could be scaled back. The \$383 billion F-35 program really isn't required when U.S. warplanes remain the world's best and can be retooled with new engines and electronics to keep them that way. Reagan-era missile defenses and the nuclear arsenal are largely Cold War relics with little relevance today. Altogether, Congress could save close to \$500 billion by smartly scaling back procurement over the next decade. ([See why the Ryan budget was a test for Obama's character.](#))

So much for hardware. On the software — or human — side of the ledger, Pentagon pay and benefits have long needed revamping. Here's a number that would make Wall Street weep: some 60 members of the crew of the carrier U.S.S. *Abraham Lincoln* recently pocketed \$3.4 million in bonuses — \$57,000

each, tax-free — simply to re-enlist. Military pay must be better aimed at troops the military wants to retain. The 20-years-and-out retirement system needs to be replaced with a model designed to keep hard-learned institutional knowledge around for twice as long. Health care premiums, frozen at \$460 a family since 1995, must be raised to keep pace with the rest of the nation's. (Pentagon medical costs have soared from \$19 billion in 2001 to more than \$50 billion today.) Gates recognizes just how top-heavy the Pentagon is. He has proposed cutting 102 of its 952 generals and admirals. Trimming the ranks and replacing archaic pay schemes with smarter personnel policies could save \$400 billion over the coming decade, says the bipartisan Sustainable Defense Task Force, a group created by Congress.

Better cloaked but just as ripe for reduction are dozens of specialized military agencies and outposts, most of which date from the Cold War and are no longer as key to our defense as they once were. The U.S. now has 17 intelligence agencies — from the well-known CIA to the well-hidden National Geospatial-Intelligence Agency — generating so much "intelligence" that much of it can't even be reviewed. Each service has its own intelligence shop, plus a Defense Intelligence Agency to handle anything that might fall through the cracks. Scaling back collection and analysis to what's vital — as opposed to what is possible — could cut military intelligence budgets by more than \$100 billion in the next 10 years, according to an estimate from the Cato Institute, a libertarian think tank. ([The Budget Ax: Why Homeless Veterans But Not NASCAR?](#))

Such cuts would still leave the U.S. military as the world's most potent. It would remain the lone force with global reach, given its logistical, communications and intelligence dominance. It would still be the only power able to send warships, warplanes and missiles virtually anywhere in the world at any time. A recent New York Times/CBS poll found that if they had to choose, citizens were far more willing to cut defense (55%) than Medicare (21%) or Social Security (13%). Yet Congress continues to resist even minor reductions. California Representative Howard McKeon, the Republican chairman of the Armed Services Committee, says, "A defense budget in decline portends an America in decline." Attitudes like that can bankrupt a nation, and the public senses it.

### **No Politics, Please. We're Broke**

Of course, the Pentagon by itself doesn't decide where to spend all the money. That's up to Congress — which is a big part of the problem. Nothing else seems to lead lawmakers to open the federal purse like the prospect of, for example, an aircraft carrier's steaming home to their district. Between the ship and the dozens of aircraft stored below decks, a Navy carrier is a \$15 billion purchase. And that's before adding the accompanying destroyers and submarines. With numbers like that, who needs pork? It's little surprise that the folks most involved in the purchase of these ships — the members of the sea-power subcommittees — hail from Navy-friendly coastal states with a strong interest in keeping as many of them sailing as possible.

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Except when states fight over the carriers' anchorage. Right now, for example, there's a nasty tug-of-war

under way between Virginia and Florida over the Navy's plan to shift one of Norfolk's five carriers to Mayport, Fla. The Pentagon says the move is vital so that a natural disaster or attack — of some unspecified kind — does not deliver a knockout blow to the Atlantic Fleet.

Florida lawmakers insist that putting all the East Coast carriers in one basket, Norfolk, is dumb. "The decision has been made," says Democratic Senator Bill Nelson. "And it's been made for the purposes of securing the national defense." ([See the top 10 forgettable presidents.](#))

Virginia's delegation contends that a tightening defense budget can't cover the \$500 million cost of building the new facilities needed to base a carrier in Florida. "Instead of spending more ... for new repair facilities in Mayport, we owe it to our shipyard workers, the fleet and the American taxpayer to maintain our existing shipyards properly," argues Democratic Senator Jim Webb, a former Navy secretary.

Neither side mentions the real prize: the 6,000 jobs and \$400 million in annual local spending a carrier generates. Nor does either state note that the U.S. Navy has not had a real shooting war with another ship since World War II. And what is missing from this entire pork-pulling contest is whether we need that 11th carrier at all. "I do believe that strategic dispersion is a good thing," Admiral Gary Roughead, chief of naval operations, tells TIME. "My job is not to play the politics."

Of course, by spreading its carriers around, the Navy makes them harder to kill — but not because it's reducing their exposure to hurricanes or terrorists. Dispersion makes carriers harder to kill because more states become invested in their future. "It's a disease that infects the entire defense budget," says Gordon Adams, who oversaw Pentagon spending during the Clinton Administration. "We spend about a third of the defense budget not for national-security reasons but because it's in someone's district or state."

### **What's the Mission?**

There was a bracing honesty in calling the nation's military the Department of War until 1947. War was what the military did, and when it was over, in theory, the U.S. military could shrink to a garrison force. But following World War II, the Department of War became the Department of Defense, with a never ending mission and an ever expanding portfolio. "The United States has been at war for a startling two out of every three years since 1989, and there is no end in sight," observed University of Chicago professor John Mearsheimer in the *National Interest* in January. "Countries that continuously fight wars invariably build powerful national-security bureaucracies that undermine civil liberties and make it difficult to hold leaders accountable for their behavior." Last year the Pentagon's assessment of its must-do list expanded its roles in homeland defense, defeating insurgencies and terrorists, building allies' security forces, defeating those who would deny the U.S. military access to wherever it wants to go, stopping the proliferation of nuclear weapons and waging cyberwar. Even Gates, the budget cutter, has said, "The United States needs a broad portfolio of military capabilities with maximum versatility across the widest possible spectrum of conflict." ([Will the budget cut deal hurt the economy?](#))

But the U.S. military is stretched too thinly around the globe to perform well in its many missions. In the past few years, a realist school of foreign policy thinkers has suggested it is time to rationalize our missions and curb our presence overseas. They call it offshore balancing. Instead of having the U.S. military provide the combat edge in places like Europe, Asia and the Persian Gulf, simply let its presence in those regions shrink and consign their fates to regional powers. This would mean a withdrawal of tens of thousands of U.S. troops in Europe and Asia and an end to the Marines' 66-year presence on Okinawa. South Korea can handle its northern neighbor absent U.S. troops, with offshore aid — intelligence and nuclear weapons among them — coming from its longtime ally. The U.S. will never invade Iran. The U.S. military role there, should it come to war, would consist of air strikes and special-operations missions, not an invasion of American troops.

The drain of waging war the old-fashioned way in Afghanistan and Iraq has forced the U.S. to swap boots on the ground for air and naval power in Libya, says Lawrence Korb, a Reagan-era Pentagon official. "We're doing the same thing in Pakistan and Yemen," he adds, "using special forces and drones." Such standoff methods could be applied to Afghanistan and Iraq once U.S. forces depart. But there are downsides to such a scheme. The Persian Gulf would fall more heavily under the sway of states like Iran and Russia, and Japan might feel the need to rearm if the U.S. folded its East Asian umbrella and went home. But leadership is all about making choices, and it's past time for Washington to recalibrate its rusty risk meter. Only by trimming missions can forces be cut, because that's where the real money is: payroll and procurement. Something will soon have to give. "The Pentagon budget reflects our commitments, but the problem is that a lot of our commitments are not essential to U.S. national security," says Christopher Preble, Cato's foreign policy chief. "We could reduce those commitments and leave the U.S. with a measure of safety and security that our ancestors would envy."

The size and shape of the U.S. military don't belong to the President, the Pentagon, contractors or Congress. Dwight Eisenhower, the last general to serve in the White House, knew something about balancing national security with prosperity. Most Americans recall Ike's warning "against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex." But few recall what the World War II hero — the only five-star general ever to sit in the Oval Office — said next: "Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals so that security and liberty may prosper together."

For too long, an uninterested and distracted citizenry has been content to leave the messy business of national defense to those with bottom-line reasons for force-feeding it like a foie gras goose. It's long past time, Ike might have added today, for U.S. taxpayers to demand that its government spend what is needed to defend the country — not a penny more.

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