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Fiscal Hawks vs. Defense Hawks

The potential defense cuts in the debt deal spell the beginning of the end of the neoconservative military agenda

[Shikha Dalmia](#) | August 9, 2011

Post 9-11, the neocon wing of the Republican Party had made it seem positively gauche to think about money when it came to financing wars. But even though the debt-ceiling deal hammered out this week won't do nothin' to cure Washington's fiscal incontinence, it might just do something for the GOP's foreign policy incontinence by putting the question of defense spending center stage.

The deal is the equivalent of administering a vitamin pill to a patient who is in need of radical surgery. Republicans claim that they wangled \$2.4 trillion in spending cuts for a \$2.4 trillion increase in the debt ceiling. But this is a total lie. That's because the debt ceiling applies over two years and the spending cuts over 10. This means that by 2013, Washington's spendocrats will have reached the new limit and will be back for more.

But that's not even the worst of it. The cuts will be made in two tranches, one tranche of \$900 billion now and then another one of \$1.5 trillion in December. According to the CBO, only about 8 percent of the first tranche of cuts will be for 2012 and 2013 with about 36.3 percent, the major portion, slated between 2018-2021. The second tranche is likely to be similarly backloaded. This means that the vast bulk of the cuts won't even happen till the politicians mandating them are comfortably ensconced in their retirement homes. If past is prelude, which it most assuredly will be without a balanced budget amendment, the debt limit by then would have been raised another 10 times before the cuts from this one have even been fully implemented. Talk about kicking the can!

The only silver lining in this sham deal is that it stops treating defense spending like a sacred cow. To be sure, the defense cuts in the first tranche are underwhelming. They cut security spending—of which defense is only one part—over 10 years by \$350 billion.

The real action on defense will happen in the second round of cuts. Defense spending constitutes 64 percent of the discretionary budget—and about 20 percent of the overall budget. There is no way that the debt commission, that will handle the second round, can deliver \$1.5 trillion in deficit reductions while holding defense harmless and avoiding tax increases. And if its efforts stall, that will trigger automatic cuts of \$500 billion from the

defense—not security—budget over 10 years (along with an equal amount from Medicare providers).

By any reasonable standard, notes Chris Preble of the Cato Institute, this is meaningful but not draconian. Defense spending has doubled over the last decade, thanks to 13 straight years of increases, a historically unprecedented streak. Even if the maximum cuts possible are made, the Pentagon budget will only return to 2007 levels. That'll mean that America's share of the world's total defense spending would still be 40 percent, down from about 50 percent right now.

But that's enough to make defense hawks go ballistic. *The Weekly Standard* counseled the GOP leadership to walk away from the deal because of the cuts. John Bolton, whose mustache alone could scare away terrorists, warned that slashing defense spending will “potentially point a dagger at the heart of our national security.”

What's really bothering neocons is that for the first time since 9-11, increased defense spending is no longer an article of faith. They had managed the remarkable political feat of reversing America's post-Vietnam antipathy towards war, creating a presumption in favor of military engagement, despite the country's strong non-interventionist intellectual tradition that harkens back to the founding. (Remember George Washington's warning against foreign entanglements?) They made the idea of America playing global cop intellectually respectable again.

But their open-ended defense agenda is no longer fiscally sustainable. Indeed, fiscal hawks who want to keep a lid on taxes have every reason to question the neocon threat assessment that has wildly exaggerated the danger posed by al Qaeda and Islamist radicalism. With the end of the Cold War, America should have reaped a peace dividend by shuttering its bases in Europe and Asia and allowing allies to foot more of their own defense bill. Instead, defense spending rose from the Reagan-era peak of \$574 billion (in 2000 dollars) to \$644 billion in order to finance a never-ending war on terror and the invasion of Afghanistan, Iraq and now Libya.

The debt deal will force Democrats to confront the fact that the country doesn't have limitless funds to throw at all their cherished programs. Having to choose between funding prescription drugs for the elderly or vaccinations for children might be wrenching, but it won't pose a fundamental dilemma for them. Republicans, on the other hand, are heading for a major existential realignment. They will have to pick between the fiscal hawks and defense hawks, two legs of Reagan's famous three-legged stool that putatively prop up conservatism.

There is a good chance that defense hawks might be the leg that gets kicked out. This prospect alone is worth one cheer for the debt deal.

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