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## Cuts, Draconian Cuts, and Indiscriminate Slashing

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| [Christopher A. Preble](#) <sup>[2]</sup>

Although the President's deficit reduction commission failed to assemble the 14 votes necessary to compel a vote by Congress, the debate over spending, and especially over military spending, will surely continue. "One of the few areas of agreement between deficit hawks and progressives," crowed *The Huffington Post* <sup>[3]</sup>, "is that the once inviolable defense budget must take a massive hit."

The Heritage Foundation's Kim Holmes <sup>[4]</sup> is gloomier. He asserts that the commissioners plan to cut military spending by \$100 billion by 2015. "That represents over one-seventh of the defense budget." These are cuts, Holmes claims, that our security can't afford.

Curiously, Holmes argues that "The force structure outlined by the Pentagon in its recent Quadrennial Defense Review as the minimum capabilities necessary could not be sustained this these (sic) cuts." But he does not link to the QDR; instead, he directs readers to a critique of various deficit reduction plans compiled by Defending Defense <sup>[5]</sup>, a coalition of Washington insiders who are desperate to shield defense contractors from budget scrutiny. That technique is akin to the Progressive Policy Institute claiming that the Social Security Administration's actuaries have declared ever-rising benefits to retirees paid for by a shrinking pool of workers to be sustainable indefinitely, and then linking to a report by PPI and the AFL/CIO.

Assuming that Holmes is right, and that the commission's cuts total \$100 billion in 2015 (and it is not clear that they do), is it even accurate to claim that military spending will be cut? When the deficit reduction commission report calls for cuts in security spending over the next 10 years, will the Pentagon's budget in real, inflation-adjusted terms, actually *fall*? Will we spend less on all of the things that qualify as "security" in 2020 than we did/do in 2010?

No. Even if the commissioners had their way, their cuts/savings are projected against planned spending, as stipulated by the Obama administration and adapted by the Congressional Budget Office. This is Washington's classic formulation of savings, or cuts, or draconian cuts, depending upon your point of view. Whenever anyone proposes to tame the deficit by freezing

budgets at current levels the media, trade associations, lobbyists, and other interest groups decry “cuts” to their pet programs. (See my Cato colleague Dan Mitchell for [much more on this](#) [6].) Slowing the rate of growth is tantamount to a cut only if one assumes that government is entitled to an ever-rising share of the economic pie.

But it is no longer tenable for the Defending Defense crowd to declare 23 percent of federal spending -- the portion that goes to the Pentagon -- exempt from scrutiny. Indeed, Defending Defense appears to represent a small and shrinking constituency on the Right. Last week, a number of prominent conservatives including Grover Norquist, Richard Viguerie, and David Keene sent [a letter to incoming House Speaker John Boehner and Senate Minority Leader Mitch McConnell](#) [7] advising both men that the Department of Defense should not get a pass in the search for savings. Eric Cantor, slated to be House Majority Leader come January, [is apparently already on board](#) [8].

If fiscal conservatives prevail, and military spending actually declines, we shouldn't be surprised. Unlike domestic spending, it does not exhibit an inexorable upward trajectory. In inflation-adjusted dollars, the United States spent \$478 billion in 1946, but only \$82 billion in 1948. After the Korean War ended, real spending came down again (from \$432 billion in 1953 to \$368 billion in 1959), though not to the pre-war levels, and remained very high in historical terms through the Cold War. When the Cold War ended, spending declined again, from \$535 billion in 1989 to \$359 billion in 1998 (all figures are from the FY 2011 Budget, Historical Tables, and adjusted to 2010 dollars).

In each case, the reason for the decline was obvious: threats diminished. Policymakers realized that resources devoted to warfare could be better employed elsewhere, especially the private sector.

I predict a similar scenario playing out in the next decade. As the wars in Iraq and Afghanistan draw to a close (and that should move more swiftly than currently planned), recent increases in the ground forces could be rolled back to pre-9/11 levels. Additional savings can be realized if the United States were to terminate its outdated deployments in Europe. We could also revisit the role played by U.S. troops in South Korea and Japan. The Pentagon's civilian workforce could be cut, chiefly through attrition, and save tens of billions of dollars. Finally, tighter scrutiny over the Pentagon's spending, beginning with an audit, would allow taxpayers to realize additional savings, while ensuring that our men and women in uniform are provided with the highest quality equipment at the lowest possible price.

Americans today spend more on national defense than at any time since World War II. The budget has grown, in real terms, by 94 percent since 1998. Cutting the DoD budget back to levels from three or four years ago can hardly be called draconian, and is justifiable if policymakers take account of the proper lessons from Iraq and Afghanistan, and avoid open-ended nation-building missions in distant lands.

More by

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[3] [http://www.huffingtonpost.com/2010/12/01/deficit-commission-tax-cuts-for-rich-higher-retirement-age-\\_n\\_790308.html](http://www.huffingtonpost.com/2010/12/01/deficit-commission-tax-cuts-for-rich-higher-retirement-age-_n_790308.html)

[4] <http://blog.heritage.org/2010/12/02/our-security-cant-afford-these-defense-cuts/>

[5] <http://www.heritage.org/Research/Reports/2010/10/Defending-Defense-Setting-the-Record-Straight-on-US-Military-Spending-Requirements>

[6] <http://www.cato-at-liberty.org/washingtons-dishonest-budget-math-2/>

[7] [http://www.atr.org/files/files/11302010It\\_Defense%20Spending%20wSigns%284%29.pdf](http://www.atr.org/files/files/11302010It_Defense%20Spending%20wSigns%284%29.pdf)

[8] <http://www.rawstory.com/rs/2010/11/house-majority-leaderelect-defense-spending-cuts-on-table/>