

The Note

« Previous | Main | Next »

Military Industrial: Should Pentagon Budget Be Cut?

May 27, 2011 7:00 AM

ABC News' Huma Khan reports: Defense accounts for the largest chunk of U.S. federal spending. Of all the money that Congress controls each year, nearly a quarter goes towards the Pentagon and defense spending.

As Congress mulls budget cuts, defense spending is coming increasingly under scrutiny and threatens to become another explosive topic that could divide Republicans as the 2012 race heats up.

Members of Congress on both sides of the political aisle have ramped up pressure on the Pentagon to find ways to trim its budget amid growing concern about the rising deficit. House Speaker John Boehner has repeatedly said that "there is no part of this government that should be sacred" and that there's room in the Defense Department's budget to "find savings."

President Obama has proposed cutting \$400 billion through the 2023 fiscal year in security spending, more than double what his Defense Secretary Robert Gates proposed.

Gates ordered a budget review last week but offered few specifics on what would be cut. Rather, the outgoing secretary has talked more about what should be off the chopping block, such as expensive fighter jets and aircraft for the Air Force, new ships for the Navy and ground forces in various parts of the world.

The cost of owning and operating the F-35 Joint Strike Fighter fleet would top \$1 trillion over more than 50 years, including an additional \$385 billion to purchase 2,500 of the stealthy planes through 2035, according to a report published in the Wall Street Journal.

Proponents of keeping the defense budget steady say neither Gates' amount nor Obama's figure of \$400 billion will have any real impact on the deficit, and that it's "penny-wise and pound foolish."

"Compared to the government's fiscal problems, it's a drop in the bucket. ... It won't affect the fiscal health of the government one way or another," said Tom Donnelly, defense and security policy analyst at the conservative American Enterprise Institute. "The appetite for American military power has not decreased over the course of the last 15 years [while] the size of the force [and] the modernization of the force has all been cut pretty substantially.

"You are not going to recognize any noticeable savings and [will] run a great strategic risk," he added.

Despite all the rhetoric about finding savings in the defense budget, it's a politically sensitive

1 of 2 5/27/2011 9:54 AM

issue that few want to touch.

Even Obama has done little on this front except to lay a rough and mostly vague outline for future cuts. In fact, his budget for 2012 proposed \$553 billion for the Defense Department's base budget, an increase of \$22 billion over the 2010 budget. Even though the White House budget proposed a freeze in federal workers' pay, it made an exception for defense workers and proposed few changes in the way contracts are handled. DOD contracts account for approximately 70 percent of all federal procurement spending.

The Republican plan, despite its boldness in other sectors like entitlement programs, offers few proposals for trimming the defense spending. House Budget Committee Chairman Paul Ryan's plan also appropriates \$553.1 billion for the DOD, including \$117.8 billion for the wars in Afghanistan and Iraq.

On Thursday, the House, on a bipartisan basis, passed the fiscal year 2012 DOD Authorization Act that would provide nearly \$700 billion for the DOD and national security activities within the Department of Energy.

Obama's bi-partisan fiscal commission late last year issued a report identifying several areas in which cuts could be made -- including a three-year pay freeze on civilian defense employees, cutting the civilian defense workforce and appointing a "BRAC commission" that could identify which major weapons programs could be terminated. But those proposals have yet to garner popular support.

Critics of high defense spending say the Department of Defense over-estimates its inflation, thereby misleading Congress into appropriate extra funding.

"The Pentagon's self-serving inflation index does not just distort budget history, it induces Congress to appropriate money to the Pentagon for inflation that will not occur, according to the widely accepted GDP index," Winslow Wheeler, director at the Center for Defense Information, wrote in a report released this week. "In the years 2013 to 2016, DOD seeks a minimum of \$23 billion more than the GDP measure can justify."

The debate is likely to accelerate as the White House and Congressional leaders resume their budget meetings. It's also expected to be a hot topic for 2012, and one that threatens to divide the GOP.

Some Republicans, such as Govs. Mitch Daniels and Haley Barbour, and members of Congress that are backed by the Tea Party say defense cuts are an absolute must to restoring the economic health of the country. But more mainstream conservatives argue against that case.

GOP contender and former Minnesota Gov. Tim Pawlenty said this week he wouldn't cut defense spending even though he's calling for a freeze on federal workers' pay and an end to "sacred cows."

"I'm not one who is going to stand before you and tell you that we should cut the defense budget," Pawlenty said in a speech Wednesday at the Cato Institute.

Pawlenty's sentiments were similar to those of former Massachusetts Gov. Mitt Romney, another strong GOP presidential contender, who said earlier this month he wouldn't cut the defense budget despite admitting that it contains "a lot of waste."

5/27/2011 9:54 AM