



The Right's Econ Guru: 'We Need To Combat The Idea That The Defense Dept Is A Jobs Program'

By **Ben Armbruster** on Aug 22, 2012 at 3:20 pm

Conservative tax and spend guru Grover Norquist threw cold water on the popular claim made by those trying to preserve the Pentagon's bloated budget that cutting military spending is a big job killer. In advancing apocalyptic warnings about the looming military spending sequestration, Republicans — led by House Armed Services Committee chairman and leading recipient of defense industry contributions Rep. Buck McKeon (R-CA) — have abandoned their "government spending doesn't create jobs" mantra, saying that the Pentagon cuts will ruin the economy.

But in an interview the libertarian CATO Institute released yesterday, Norquist, to his credit, stood by the popular conservative dogma, across the board:

NORQUIST: We also need to combat the idea that the Defense Department is a jobs program. Some people who call themselves conservatives who are actually Keynesian, make work, FDR guys. They laugh at that when we see an \$800 billion stimulus package. We know that's garbage. We know that money is wasted. We know those aren't real jobs. You haven't created jobs. It's just government spending that makes this country weaker. The same is true for any dollar wasted in the name of national defense. **It doesn't create jobs.** It takes money out of the real economy and puts it into the government sector

Watch the interview (the highlighted portion begins at 11:00):

http://www.youtube.com/watch?feature=player_embedded&v=C7AWXLDPmE0

To be fair to the truth, Norquist is wrong that the stimulus money was “wasted.” The non-partisan Congressional Budget Office said it created or saved upwards of 1.6 million jobs. And yes, Defense spending has created a job or two but the Pentagon budget is a security program not, as Norquist noted, “a jobs program,” a claim that many Republicans are now arguing.

Many experts doubt that the military spending sequester will mean massive defense industry lay-offs and have noted that, in fact, government spending in non-defense sectors of the economy creates more jobs. And CAP’s Lawrence Korb, Alex Rothman and Robert Ward pointed out that “after ten years of exponential growth in profits,” the defense industry will easily weather military budget cuts. And while the automatic \$500 billion in cuts over the next 10 years is probably not the best way to reduce military spending, it’s clear that these hyperbolic warnings that they will “devastate” the military or the economy are wildly exaggerated.

But if the GOP’s go-to guy on economic issues says the right-wing argument that military spending cuts as job killer is bunk, it’s probably going to be a tough sell. (HT: AOL Defense)