

Defense cuts: three things Americans should know

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(AXcess News) - 1. America today spends more on defense (even adjusting for inflation) than it did during the Reagan buildup. Supporters of robust defense spending tend to justify these expenditures by claiming that the world is much more dangerous today. That's what former Vice President Dick Cheney argued in a closed-door session with Republicans on Capitol Hill this week.

"No disrespect, but the evidence for that is pretty thin," Christopher Preble, vice president for defense and policy studies at the libertarian Cato Institute, points out. "The Soviet Union on its worst day was capable of ending life on this planet in a few minutes. It could do more damage in a few minutes than Al Qaeda has managed to inflict in over a decade."

Still, the United States continues to spend some \$520 billion every year - plus the costs of the Afghanistan and Iraq wars - for US military operations. In an acknowledgement of this, Reps. Mick Mulvaney (R) of South Carolina and Barney Frank (D) of Massachusetts proposed an amendment to freeze Pentagon spending at current levels.

"When we are discussing cutting even the most basic social safety net programs, we think increasing the defense base budget makes all our exhortations about the deficit ring hollow," they wrote in a letter to their fellow lawmakers prior to the vote this week. "You may want to keep this letter," they added. "The chances of receiving one from a more unlikely pair of your colleagues in your time in Congress are probably pretty low."

The amendment passed with support from 158 Democrats and 89 Republicans, and the House on Thursday voted to give the Pentagon \$607 billion in total this year. This is more than the Senate - which has yet to propose its own version of the defense bill - or the White House says it wants.

2. Most Americans, regardless of political party, support more defense cuts

A new study finds that Americans want more defense cuts than do the politicians who represent them. They are also willing to accept on the order of one-quarter more cuts in military spending than the Obama administration is proposing. The White House has been anxious to seem hawkish on defense, particularly in an election year.

Americans surveyed by the Stimson Center proposed the highest cuts for the Afghan war, where they would like spending to be \$53 billion. Annual spending in Afghanistan currently totals \$115 billion.

The administration has proposed dropping that figure to \$89 billion.

Most interesting to Matthew Leatherman, a research analyst at Stimson, was that support for defense cuts was equally strong in congressional districts that would stand to lose the most from them - in other words, areas where big defense corporations and jobs are based.

These voters were no less willing to cut defense spending than others. Indeed, 75 percent of voters in the top 10 percent of districts that benefit the most from defense spending actually want more cuts than the average of voters in the survey.

There was a slight partisan divide, Mr. Leatherman says. Voters in Democratic districts would cut defense spending by 22 percent, while voters in Republican areas would cut defense spending by 18 percent.

Still, the change is statistically insignificant, Leatherman says. "We're hearing a lot of rhetoric right now on the Hill and on the campaign trail about this being a wedge issue. But in our survey, the wedge just wasn't there."

3. Automatic defense cuts won't devastate the US economy - and may even help it

The companies that make America's fighter jets, drones, and big-ticket weapons items warned in a press conference this week that a series of forced budget cuts known as sequestration would cost America more than 2 million jobs if it goes into effect.

Among other things, "sequestration" involves some \$55 billion worth of automatic cuts in the defense budget. It's set to go into place in January unless Congress and the Obama administration can agree on a plan to curb the nation's debt.

Defense Secretary Leon Panetta has warned that such cuts would have dire effects on US national security.

Moreover, the cuts would reduce America's GDP by \$215 billion, says Stephen Fuller, an economist at George Mason University who works with the Aerospace Industries Association. "The results are bleak but clear-cut," he said. "The unemployment rate will climb above 9 percent, pushing the economy toward recession and reducing projected growth in 2013 by two-thirds."

It's not an uncommon view. Travis Sharp, a fellow at the Center for a New American Security, which has close ties to the Obama administration, warns that sequestration will most definitely have negative impacts on employment and on workers in the defense industrial base.

He worries, too, about the impact on defense research-and-development dollars, something he fears will be disproportionately affected by sequestration cuts. "A lot of the things that people use every day started out as research projects at the DOD," he says, citing, for example, the Internet.

Others, however, say it's a good idea to keep the budget cuts in perspective. The DOD base budget under sequestration would be \$469 billion - about what the Pentagon spent in 2006, when it was in the middle of fighting wars in both Iraq and Afghanistan. It was "not exactly a lean year for the Pentagon," Dr. Preble notes.

Indeed, many of the predictions are overly dire, says Preble, who has studied regions that have experienced reductions in military spending in the past. Cuts initiated after the fall of the Berlin Wall in 1989 "were far deeper and faster than what we're contemplating under sequestration," he says.

Still, after an initial economic impact, those communities closely tied to the defense sector nonetheless recovered quite quickly and prospered with a more diversified economy, Preble says. So the question really comes down to, How long is that economic adjustment process? Research indicates that the effects are most dramatic the year they happen, then decline dramatically over time.

As for claims that defense cuts would mean millions of lost jobs, That seems implausible considering that the cuts would amount to less than three-tenths of 1 percent of GDP, Preble says. More to the point, the defense budget should never be seen as a jobs program.