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## What If We Really Cut the Pentagon Budget?

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The good news is that the Pentagon budget is finally on the table in deficit reduction talks. But it will take a lot more hard work to ensure that it is truly reduced as part of ongoing negotiations over the size and shape of the federal budget.

A casual look at the budget deal struck by President Obama and the congressional leadership suggests that the Pentagon is up for "hundreds of billions of dollars" in cuts over the next decade. But depending upon how it plays out politically, the current plan may or may not result in real cuts in Pentagon spending.

First off, some perspective is in order. In recent years, military spending has been at its highest levels since World War II. The Pentagon budget has been steadily rising since 1998, an unprecedented string of increases that far outstrips anything that happened in the periods surrounding World War II, Korea or Vietnam. Left to its own devices, the Pentagon would have continued to seek annual increases for at least the next decade. The reductions being proposed now are being measured against the Pentagon's hoped-for rate of growth, not against current spending levels. So numbers that may sound like big cuts may not actually be cuts at all -- they could just be reductions in the rate of growth of the Pentagon's massive budget.

That brings us to the deficit reduction package . In the first round, it calls for \$350 billion in reductions in "defense spending" over the next decade as part of a package of cuts that will exceed \$900 billion (the rest coming from civilian discretionary spending). Reductions at that level would still allow the Pentagon budget to grow with inflation, and then some. In fact, if this proposal is carried out -- which is by no means guaranteed -- the Pentagon is likely to see reductions that are considerably less than the \$350 billion figure. That's because for at least part, if not all, of the ten-year period the reductions are to be made in "security spending," which includes not just the Pentagon but also the Department of Homeland Security, veteran's affairs, international affairs, and the nuclear weapons portion of the Department of Energy. So the Pentagon doesn't have to bear the

full burden of the \$350 billion in reductions, a figure which is not particularly onerous in the first place.

But there is another round of spending cuts in the offing, to be determined by the recommendations of a congressional commission that is being established as part of the deficit deal. Not much is known yet about how precisely the commission will operate, except that its membership will include six Republican and six Democratic members of congress, with three each chosen by the Democratic and Republican leaders of the House and Senate (Harry Reid, Mitch McConnell, John Boehner and Nancy Pelosi). The commission will be charged with coming up with an additional \$1.5 trillion in deficit reduction over the next decade, drawn in theory not only from cuts in the discretionary budget but also from revenue increases and reductions in spending on entitlements like Medicare. If the commission can't come up with a plan, an automatic cutting mechanism would come into play that would impose across-the-board cuts of up to \$1.2 trillion. Cuts would be assessed 50/50 between military spending (the Pentagon plus the nuclear weapons work at the Department of Energy) and civilian programs. Under the worst case scenario for the Pentagon, this could mean up to an additional \$600 billion in reductions against its spending plans for the next decade.

But military spending reductions in that range are unlikely to occur under the current proposal, for several reasons. First, the congressional commission has strong incentives to come up with a deal rather than letting the automatic cuts provision take effect. Absent significant public pressure, the commission's deal is unlikely to impose 50/50 cuts on defense versus civilian programs, and as a result the Pentagon will be spared its fair share of spending reductions. Second, depending on what "baseline" level of spending the reductions are measured against, any reductions in Pentagon spending may be less than meet the eye.

All that being said, at least the Pentagon is on the table for reductions in its planned expenditures. That has not been the case for over a decade. So this period represents an historic opportunity to bring runaway Pentagon spending into line with economic and strategic realities. The challenge will be to transform that impulse into real cuts along the lines suggested by the Sustainable Defense Task Force, the Domenici-Rivlin task force, the report of the president's deficit commission, the Cato Institute, the Stimson Center, the Center for American Progress and other independent analysts. These proposals call for reductions in Pentagon spending ranging from \$400 billion over five years to \$1.4 trillion over ten years. Making real cuts at these levels will mean not just eliminating or significantly reducing spending on unnecessary weapons systems like the V-22 Osprey, the Virginia class attack submarine, the F-35 Joint Strike Fighter, and a new generation of bombers and ballistic missile submarines. It will also involve cutting troop levels in line with a new strategy that sheds missions like the wars of occupation and large-scale counterinsurgency that have been carried out in Iraq and Afghanistan. These changes can be made while strengthening U.S. security by both restraining spending and setting more realistic goals.

Cutting the Pentagon budget is an idea whose time is long overdue. But doing so will mean going beyond the vague promises contained in the current deficit reduction deal. In particular, it will call for sustained pressure on the president and the congress to start making real cuts in military spending now, not making pledges to do so at some later date.

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