The Future of Pentagon Spending in the New Political Climate

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Introduction

The results of the presidential election have troubling implications for the future of Pentagon spending, and for how the U.S. military is likely to be used in the years to come. We need the wisdom of everyone who cares about peace to figure out the best way to move forward in what could be a very difficult period for the issues and values we care about most. There is no more important time than right now to be doing this work.

Where We Are Now

The United States is already spending enormous amounts on the Pentagon and related agencies. At roughly $600 billion per year, our spending in this area is higher than the peak year of the Reagan administration. We have spent more on the Pentagon during the Obama years than we did during the two terms of the Bush administration. And the United States spends more than four times what China spends on defense and more than ten times what Russia spends, according to the International Institute for Strategic Studies.

The most important thing to remember is that spending these vast sums has not made us safer. Much of it has been wasted, or spent on dangerous, unworkable and unnecessary weapons systems that do more to pad the bottom lines of weapons contractors than they do to defend the United States or its allies. And in the most prominent cases where our military has been used, in Iraq and Afghanistan, it has done more harm than good.

Overspending on the Pentagon has been accompanied by underspending on diplomacy. The Pentagon budget is more than twelve times as large as the budget of the State Department. And as former
Secretary of Defense Robert Gates has pointed out, there are more personnel in one of the Navy’s aircraft carrier strike forces than there are trained diplomats in the U.S. Foreign Service. We even have more musicians in military bands than we do diplomats. This imbalance will have to change if the United States is going to be a force for peace in the world, as it should be.

**How We Got Here**

It’s important to remind ourselves that without our efforts the Pentagon budget would be even higher than it is now, and spending on domestic needs would be even lower. So we have made a difference, even if we have a long way to go.

After Republican deficit hawks threatened to shut down the government in the summer of 2011, a law was passed that put caps on Pentagon and domestic spending for a ten-year period. And the law had an enforcement mechanism. If the budget caps were exceeded, there would be automatic across-the-board cuts to bring spending down to the level of the caps. This mechanism for across-the-board cuts was known as sequestration. But sequestration is just a technique, albeit a terrible way to make a budget. The important issue is that there are caps on Pentagon as well as domestic spending.

It didn’t have to be this way. If the Pentagon and its allies had gotten their way, the caps would have only applied to domestic spending, and the cuts to domestic programs would have been even deeper. But a coalition of groups spearheaded by former Rep. Barney Frank put forward a plan, released by a network known as the Sustainable Defense Task Force, that showed how we could cut a trillion dollars from the Pentagon’s 10-year defense plan without undermining our security. This plan was widely promoted, and it was presented in multiple forums to members of the Simpson-Bowles deficit reduction commission, which set the template for the budget cap plan that we are living under now. So our advocacy made a difference, rescuing hundreds of billions of dollars in domestic spending that might otherwise have gone away, and slowing the Pentagon’s record buildup.
It probably won’t surprise you to know that the Pentagon has been chomping at the bit to get out from under the budget caps. It has gone to extraordinary measures to evade the caps. I’ll discuss those in a moment. But let’s not forget that even with all of these evasive maneuvers, the Pentagon has spent several hundred billion dollars less over the past five years than it would have if its original plans had been carried out. They wanted endless growth, but instead the Pentagon budget leveled off, and even came down a bit. And again, if we hadn’t pushed back, the Pentagon would have received that money at the expense of other things we need as a society.

So what have the Pentagon’s evasive maneuvers been? First off, there have been a couple of special deals done that put the caps at higher levels in exchange for some relief on the domestic side and some funny money revenue adjustments. That bought the Pentagon tens of billions of dollars more than it would have received under the original caps.

But the most important way the Pentagon has gotten around the budget caps has been by pouring tens of billions of dollars into the war budget that have nothing to do with fighting wars. The war budget, which in Pentagon-ese is known as the Overseas Contingency Operations (OCO) account, was allegedly meant to pay to the costs of fighting the wars in Iraq and Afghanistan. But instead it has been used as a slush fund to pay for pet projects that the Pentagon wants but can’t fit under the budget caps. They can do this because the war budget is exempt from the caps. The president and the Congress can put as much money in there as they want; it’s a gold mine for the Pentagon and the contractors. One of the agenda items of the groups working to rein in Pentagon spending is to stop the use of the war budget to pay for non-war items, and ultimately to eliminate it altogether. The Pentagon needs to be put on a real, binding budget. The Pentagon doesn’t need a higher budget, it needs more budget discipline.

**What Now?**

Because of the election results, we face a whole new political climate in Washington when it comes to Pentagon spending. If people like Donald Trump and House Armed Services Committee chair Mac
Thornberry (R-TX) have their way, the caps on Pentagon spending will be eliminated. That could result in hundreds of billions, or even as much as $1 trillion, in additional Pentagon spending over the next decade. We have to do everything we can to stop that from happening.

Why have the budget caps held so far? As I said, part of it has had to do with our advocacy. But there’s a bigger picture. There has been a left-right convergence on keeping the caps. Budget hawks have the novel – but accurate – notion that the Pentagon is part of the government, and that therefore if you’re going to limit government spending you have to limit Pentagon spending. And progressives think the Pentagon already has more than enough money, so they too have supported to caps.

The caps have also held because of the shape of the larger budget debate. Republicans won’t raise taxes. Democrats and a significant number of Republicans don’t want to make any major changes in Medicare or Social Security, which make up a huge proportion of the total federal budget. So there’s a standoff regarding any changes in revenues, or any changes to the largest spending programs.

That means any cuts in spending, or in the rate of growth of spending, have to come from what’s known as the discretionary budget. Seen in simple terms, the discretionary budget represents everything Congress can easily change from one year to the next without making a major change in the law. So it doesn’t include things like Medicare and Social Security that have their own revenue streams and have the level of benefits set by law. But it still includes a lot – almost everything you think of government as doing, from education to infrastructure spending to housing to environmental protection to the administration of justice. The Pentagon accounts for more than 50 cents on the dollar of discretionary spending, so it made sense that if the discretionary budget was all that was going to be capped that the Pentagon would be part of that. But as I said, that may be about to change.

The caps held under President Obama in part because of the left-right network in Congress that I have already mentioned. But they also held because the President and the Democratic leadership in Congress wouldn’t lift the caps on Pentagon spending unless the caps on domestic
spending were lifted as well. And the Republican leadership and rank and file have by and large refused to do that. So there’s been gridlock over larger spending priorities that has helped keep the caps on Pentagon spending in place.

With a Republican president and a Republican Congress, that gridlock may end. And with no caps, there’s no telling how high the Pentagon budget may go. In a speech on Pentagon spending that Donald Trump gave near the end of the campaign, he talked about major increases in the size of the Army, Navy and Marines; a move towards a 350 ship Navy from the Navy’s current goal of 308 ships; and a bigger Air Force. He would also double down on the plan to build a new generation of nuclear-armed missiles, submarines, and bombers that the Pentagon is already undertaking. His plan closely follows a plan put forward by the Heritage Foundation that would essentially put Pentagon spending back on the trajectory it was on before the budget caps were set five years ago. According to Todd Harrison of the Center for Strategic and International Studies, one of the most respected budget experts in Washington, carrying out the Heritage plan would cost almost $1 trillion more over the next decade than what the Pentagon would get under their current projections, which would include observing the caps for some number of years.

The defense industry is already cheering the Trump victory. Unlike the rest of the stock market, defense stocks are going up. And Wall Street specialists on defense have said they see the rate of growth of Pentagon spending at least doubling as the spending caps go away. One analyst suggested that this might mean an extra $18 billion in next year’s budget beyond what the Obama administration and the Pentagon even asked for.

Trump appointees to key national security positions will reinforce his positions on raising Pentagon spending. Sen. Jeff Sessions (R-AL), an unreconstructed hawk, has been mentioned as a possible Secretary of Defense; and Randy Forbes, who ran the shipbuilding subcommittee representing the state of Virginia, a big shipbuilding state, could be the next Secretary of the Navy. And old school neocons like Frank Gaffney and James Woolsey, who were fierce advocates of the Iraq war, and the nuclear weapons buildup, and an expansive Star Wars system, might
also get key posts. And they and their think tanks have benefited from millions in weapons contractor money over the years, which has further consolidated their positions in favor of throwing more of our tax money at the Pentagon.

**What Can We Do, and What Is the Pentagon For?**

In the short run we are clearly going to be playing defense in Washington, trying to curb the worst excesses of the new president and the new Congress. One line of defense could be the Senate, where a strong bloc of 40 or more Senators could prevent some bad ideas from coming to a vote. And the budget hawks might still have some sway in the House. If they join with Democrats who continue to oppose Pentagon increases unless they also include increases in domestic spending, there might be at least some capacity to put a brake on runaway Pentagon spending.

We also need a longer-term plan. And that will require widespread public education on what the Pentagon and our armed forces are for. If we set aside the longstanding belief that the United States should have a global military force that should be able to go anywhere and fight any battle, we can start to undercut one of the most powerful rationales for overspending on the Pentagon. If we can persuade people that diplomacy accomplishes more than force in terms of making the world a safer place, another pillar of the argument for high Pentagon spending will be removed. And if we can promote the idea of cooperating to solve all the security problems we face, from climate change to epidemics of disease to global poverty, the Pentagon becomes less relevant, we may be able to shift the discussion on what will really make us safe as a nation and a world.

Those are big challenges, but we need to put forward our vision of a safer world now, even as we fight short-term battles to stop the worst initiatives coming out of Washington.
1 Adapted from a talk given at the annual meeting of the Friends Committee on National Legislation, November 12, 2016.