



Debts, Deficits, and Defense

IHRFG-PSFG Federal Policy Briefing, Washington DC Wednesday, March 30, 2011, 1:30 – 2:45pm

Speakers: Gordon Adams, Professor, American University; Ryan Alexander, Executive Director, Taxpayers for Common Sense; Susan Shaer, Executive Director, Women's Action for New Directions

Moderator: Nandini Merz, Program Director, Colombe Foundation

Gordon Adams opened the session by introducing the framework of how budgets work. He noted that budgets come and go but are never continually on the table. They fund or de-fund policy and he explained how the current budget battle is that there isn't one for the current fiscal year although we are already halfway through it. The next budget is waiting to be unveiled and will be submitted next week. There is an inflection point for whether to continue funding defense. Tea Party elections put defense on the table for 2011. Mr Adams explained why we cannot solve the deficit without looking at defense because there is no political deal available either for these votes to pass hence why we have to bring discipline to the defense budget.

He posed a rhetorical question that asked: Is defense out of control? Mr. Adams continued by explaining why it was out of control. At \$700B, more than all other spending combined, the defense budget has doubled in the last ten years. No other category, not even entitlements, have doubled. Foreign policy spending has also increased significantly and as a result the country has lost ability to prioritize and be tough to do analysis. He then commented how this had led to a structural decline of spending habits. We are down 25% on defense spending during Bush I Admin.

Mr. Adams then posed a couple of questions providing short answers as follows:

How do we bring it down sustainably? Bill Gates' strategy is not to cut but to slow the rate of growth by spending down every year. Simpson-Bowles and others suggesting options as well.

What's on the table? What the mission is, where the military engages, lack of troops and pay, cost of hardware and equipment, constraints and/vs. meeting goals, managing via infrastructure (troops).

What's left? Implement Simpson-Bowles and have 15% cut over ten years while maintaining military might.

What to support? As defense goes down, so does AID, etc. 50% assistance and post-conflict stabilization comes from Defense. Shift this balance.

Mr. Jaffer continued by offering suggestions for reforms to curtail surveillance injustices. He suggested that the U.S. government change its perspective and strategy for handling this issue, by building coalitions that focus on surveillance issues from the criminal side of the equation, not the national security side.

Ryan Alexander then provided an example of a current coalition, Taxpayers for Common Sense, and how it is as a non-profit/non-partisan organization supporting federal budget reform.

Mr. Alexander provided the hard figures for the budget as a way of explaining the scenario. The 2012 budget estimates \$ 3.8 trillion in expense vs. \$2.6 trillion revenue. Mandatory spending represents \$2 trillion and discretionary spending \$1.3 trillion. Less than \$500 billion is allocated for non-defense; Security = \$884 billion. Of security spending: overseas \$126.5 billion (not well-defined); On defense \$553 billion (\$11.7B spending on energy includes nuclear weapons); Homeland Security = \$43.2 billion.

Not sure about spending in Libya. Hard to demystify spending but Mr. Alexander noted that there has been a 57% increase in discretionary spending from 2001-2010.

He then provided possible solutions which could be implemented to resolve the problem because otherwise there would be a possibility that congress would shut down over budget negotiations: 2012 budget resolution coming from the house, so lots of discord could mean inaction. Department of Defense and National Nuclear Security Administration budgets are projected to increase. (more efficiency AND more money?). Suggested cuts include: nuclear defense, TRICARE (military healthcare) reforms, V-22 Osprey.

Mr. Alexander then explained how his organization is pushing to talk to people on the ground in order to conquer new territory. On the surface everyone agrees that we must cut the deficit, but on deeper levels conflict abounds about how. He shared how they want to conduct an aggressive media campaign to compliment their policy analysis, for example, Congress must pass appropriations bills, otherwise the entitlement conversation gets bogged down and must also look at tax bills. What's different this year is that people should vigorously defend budget modifications. It will also be hard to argue shifting/saving dollars as a platform for being heard.

Susan Shaer shared with participants about Win Without War and how it's budget research centers are funded by Ford. She explained how it was important to keep the federal budget interesting and in front of people (unlike the media's approach and shifting interests). The 2012 political agenda seems to be about getting rid of Obama and changing the Senate.

Ms. Shaer explained how activists understand how budget issues affect their cause(s), but are confused by military spending. She highlighted how the way Americans feel about the military is changing. For example, during WWI, there was a sacred vow to keep the military funded but since Iraq, this has changed because more communication between troops and families has increased the availability of equipment, supplies, and general quality of life for soldiers (and no longer a government function).

However, Ms. Shaer noted how more information about war has not become accessible to the larger public, e.g. public not aware the number of nuclear warheads owned by US. Strategic

Arms Reduction Strategy (START) campaign a model for working together and there is potential for collaboration among religious groups, long-standing advocates, media groups. As such, she highlighted the need for there to be a coalition of basic human needs, regarding budget reform. We also need help analyzing the budget on a daily basis.

Ms Shaer suggested some relevant books to read on the topic: The Pentagon Labyrinth (10 short essays); Prophets of War (Lockheed Martin).

Question & Answer:

Q: On mandatory spending...how do we change the decision-making process?

A: Look at tangentially related issues/consequences of spending. The security budget started by Bush has been continued by Obama as a way to include these issues as important for receiving funding. The Office of Management and Budget can submit this change in the budget function, i.e. as a companion piece. Assess results via audits and waste via contractor spending.

Q: Eliminating nuclear spending and creating a reliable deterrent? Peril of Prague agenda.

A: Look at upcoming presidential debates.

Q: Libya threw military spending cuts off the table; of 13 budget-cutting amendments, only one has passed; and STARC has become sacrosanct. How will we achieve victory? Especially when there is no block voting, and Peace and Human Rights communities don't have many political resources.

A: People are talking about the expense of being in Libya so likely not off the table (different than Afghanistan) but people don't want to get in too deeply. The Pentagon is not considering a supplemental budget for Libya...they are paying primarily for fuel and missiles. There are votes against spending in the speaker's district, so nothing is sacrosanct. This is a rich moment for change: e.g., redistricting and retail politics are cheaper than ever because of technology.

Q: What is the mission of military spending? How do we raise awareness that we're spending more than all other countries combined, and talk about the privatization of the military? What is the way to open this up to the American public?

A: Use strategy and tactics used by START (e.g. involving faith based community, military admirals and generals) and coordinate. How does the U.S. engage the world if emphasis on defense is on the decline? If the goal is to have national defense, why are we doing it for so many other people?

Q: Is it too early to talk about revenue? How about unusual partnerships?

A: Revenue is on the table but not from the fairness angle, more from a balanced spending perspective.

Q: How do we address the Military Industrial Complex?

A: Look at the Center for Responsive Politics to see how much money is being spent on jobs. Look at the Iron Triangle. It is possible to build-down the complex, we've done it three times in last 60 years. The complex is smaller now than 60 years ago, but it's difficult to do more when the economy is down. There is the creeping extent to which missions are handled by the military, perhaps because they are seen as more efficient than other agencies, but we need to roll this practice back.