

# Defending Defense

Setting the Record Straight on  
U.S. Military Spending Requirements



*a joint project of*



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# DEFENDING DEFENSE

## *“TO SECURE THE BLESSINGS OF LIBERTY”*

Since the end of the Cold War, administrations of both political parties have underfunded the military, first harvesting a “peace dividend” by reducing the size of the force and then repeatedly postponing investments needed to replace worn out equipment and preserve the technological advantages that have been a traditional source of American strength. Now, just as this strain on the military – engaged in today’s persistent irregular wars, yet unable to prepare fully for the wars of the future – reaches a point of crisis, come new calls to cut the Defense Department’s budget, amplified by the fears of a faltering economy, the federal government’s desire to boost spending elsewhere, and its inability to rein in other spending. Yet the arguments frequently made for Pentagon spending cuts are concocted from a mix of faulty analysis and out-of-context “facts.”

## MYTH

Additional defense spending is unnecessary as the United States already spends more on defense than half the world combined.

## FACT

No other country in the world has the enduring vital national interests of the United States, and therefore the U.S. military has global reach and responsibilities. Comparing the unique needs of U.S. security and the resources required against those of other countries is misleading. Further, it is not surprising that the richest nation on earth and history's "sole superpower" should have a first-rate military; the overall dollar cost is mostly a measure of the size of our economy. What is surprising is that we get so much from such a small proportion of our wealth. As Mackenzie Eaglen of the Heritage Foundation writes,

*Defense spending is near historic lows... Between 2010 and 2015, total defense spending is set to fall from 4.9 percent to 3.6 percent of gross domestic product (GDP), even though the nation has assigned more missions to the military over the past two decades.<sup>1</sup>*

A narrow focus on strictly dollar figures is also misleading. Consider China's military budget, which Beijing claims is \$78 billion for this year. The Pentagon estimates that the relative "purchasing power" of the Chinese military is actually closer to \$150 billion, in good part because China does not have to pay their soldiers, sailors, and airmen anything comparable to what the United States pays its servicemen and women.<sup>2</sup> By this yardstick, China moves from fifth place in overall military spending among the nations of the world to second.<sup>3</sup> And more to the point, China's defense expenditures are focused primarily on gaining military leverage in a distinct region of the world—Asia—while the U.S. military has responsibilities everywhere. The resources the U.S. military can actually deploy "in theater" are not vastly superior to those of the Chinese. Simple comparisons of defense expenditures are deceptive measures of the unique needs of America's armed forces.



## MYTH

Pentagon budgets were a “gusher” of new money in the Bush Administration.

## FACT

In his recent drive to cut overhead, Defense Secretary Robert Gates indeed described the emergency supplemental appropriations for the costs of Iraq and Afghanistan as a “gusher.”<sup>4</sup> But as AEI’s Gary Schmitt and Tom Donnelly have written,

*The budget increases that have occurred...are largely tied to fighting the wars. When Bill Clinton left the White House and Dick Cheney told the military that “help [was] on the way,” the defense burden stood at 3 percent of GDP – a post-World War II low. When George W. Bush headed out the door, the figure for the core defense budget was about 3.5 percent. This is an increase, to be sure, but not one to make the military flush after a decade of declining budgets and deferred procurement.<sup>5</sup>*

One of the consistent and correct purposes of the wartime supplementals was to “reset” the force – to return the military to at least pre-war readiness levels. This goal is still a long way off. The backlogs at service repair depots will take years to work through.

More profoundly, very little wartime funding went to increase the number of U.S. ground forces. The strains on soldiers and Marines – reflected in rising suicide rates, for example – have yet to be fully calculated. And despite the withdrawal of combat forces from Iraq and President Obama’s deadline for drawdown in Afghanistan, the Army and Marine Corps will continue to deploy overseas for years, an effort that can only be sustained by a reduced pace of operations, sharing the constant burden across a larger force.

There is a moral obligation not only to bind the wounds and tend to the families of those who have fought so well and so long, but also to give them what they need to continue to answer the call to service. Further, the government’s Constitutional obligation is to “provide for the common defense,” and to “secure the blessings of liberty” now and for future generations. This is the government’s fundamental obligation to its citizens and its cardinal contribution to our liberties.



## MYTH

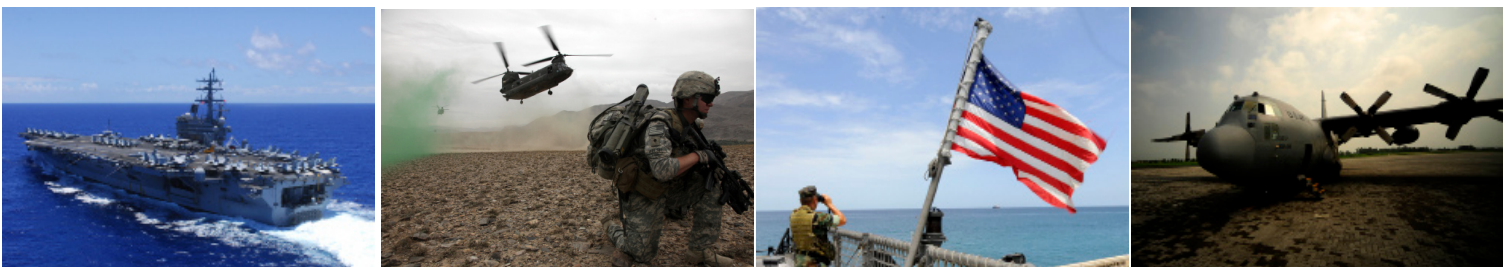
Cutting waste and excess from the Pentagon budget will provide sufficient funds to make up for shortfalls.

## FACT

Defense Secretary Gates' recent initiatives to reform defense acquisition and reduce overhead costs are laudable and necessary. However, even if such efficiencies can be realized, they won't cover the gap between requirements and resources. As the report of the bipartisan Quadrennial Defense Review Independent Panel concluded,

*[T]hose savings will be insufficient for comprehensive [military] modernization. We cannot reverse the decline of shipbuilding, buy enough naval aircraft, recapitalize Army equipment, modernize tactical aircraft, purchase a new aerial tanker, increase our deep-strike capability and recapitalize the bomber fleet just by saving the \$10 billion-\$15 billion the Department hopes to achieve through acquisition reform....Meeting the crucial requirements of modernization will require a substantial additional investment that is sustained through the long term.... Although there is a cost to recapitalizing the military, there is also a potential price associated with not recapitalizing – and in the long run, that cost is much greater.<sup>6</sup>*

In other words, while eliminating “waste” in defense spending and perfecting the Pentagon's weapons-buying practices are estimable goals, they will not solve the problems created by almost two decades of underfunding the military. The United States has postponed critical investments necessary to prepare for the future; projected defense budgets cannot close the gap.



## MYTH

Current levels of defense spending are unaffordable.

## FACT

The defense budget is a relatively small slice of the \$14-plus-trillion American pie. And it's a shrinking slice: as a percentage of our economy and as a percentage of the federal budget, the burden of defense is declining. President Obama's long-term budget projections also reduce Pentagon spending in real dollars.

Moreover, the idea that defense cuts will restore fiscal health simply does not add up: suppose Pentagon spending for 2011 — \$720 billion — were eliminated entirely.<sup>7</sup> This would only halve this year's federal deficit of \$1.5 trillion. And defense spending is a drop in the ocean of today's \$13.3 trillion of government debt. From the Korean War to the collapse of the Soviet Union, total U.S. defense spending was about \$4.7 trillion.<sup>8</sup> So had there been no military spending at all during the Cold War, the savings would not equal even half our current national debt.

Talking about defense spending in isolation while discussing the overall federal budget is also misleading. Defense is not the source of the federal government's fiscal woes. As Mackenzie Eaglen notes,

*The substantial decline in the defense share of the budget largely reflects the dramatic growth of entitlement spending. Entitlements now account for around 65 percent of all federal spending and a record 18 percent of GDP. The three largest entitlements — Social Security, Medicare, and Medicaid — eclipsed defense spending in 1976 and have been growing ever since. If future taxes are held at the historical average, these three entitlements will consume all tax revenues by 2052, leaving no money for the government's primary constitutional obligation: providing for the common defense.<sup>9</sup>*

Over the past decade, necessary defense spending increases are responsible for less than 20 percent of all new spending from 2001 to 2009. This does not even include 2009 stimulus spending totaling \$787 billion, with almost no money for defense.



## MYTH

The United States should not be “the world’s policeman.”

## FACT

At a cost of less than one nickel of the American taxpayers’ dollar—and only 4.9 percent of U.S. GDP—the United States has fought two wars and provided the essential backbone for a system of global security; by any measurement, it’s an amazing bargain.<sup>10</sup>

The investments made during the Cold War—including the Reagan build-up—continue to pay global dividends. Europe, for the first time in centuries, enjoys a durable peace. East Asia, for millennia a theater of violent competition, is emerging as an economic dynamo, lifting hundreds of millions out of poverty.

Yet this peace and the prosperity it helps to create are not self-generating or self-sustaining. No other nation, or group of nations, is ready, willing or able to take on America’s role. As the Quadrennial Defense Review Independent Panel observed, the future is

*...likely to place an increased demand on American “hard power” to preserve regional balances. While diplomacy and development have important roles to play, the world’s first-order problems will continue to be our security concerns....As the last 20 years have shown, America does not have the option of abandoning a leadership role in support of its national interests....Failure to anticipate and manage the conflicts that threaten those interests...will not make those conflicts go away....It will simply lead to an increasingly unstable and unfriendly global climate and, eventually, to conflicts America cannot ignore.<sup>11</sup>*

In short, the cost of preserving America’s role in the world is far less than would be the cost of having to fight to recover it or, still greater, the cost of losing it altogether. While many Americans would prefer to see our allies and partners play a larger part in securing the blessings of our common liberty, no president of either political party has backed away from America’s global leadership role — a bipartisan consensus that remains strong evidence that American leadership is still necessary to protect the nation’s vital interests.



## MYTH

Defense spending should focus primarily on “winning the wars we’re in.”

## FACT

America’s military must be able to fulfill a wide range of disparate missions: defending the homeland; assuring access to the seas, in the air, in space and now in “cyberspace;” preserving the peace in Europe, working to build a peace across the greater Middle East and preparing for the rise of new great powers in the Asia-Pacific. The United States has always seen an interest in advancing a global “common good” through disaster relief and other forms of humanitarian assistance. In a dynamic but dangerous globalized world, the presence of U.S. military forces provides an essential stability. No one has been more insistent about winning today’s wars than Defense Secretary Robert Gates. Yet he also says,

*As I look around the world and see a more unstable world, more failed and failing states, countries that are investing heavily in their militaries – as I look at places like Iran and North Korea and elsewhere around the world – as I look at the new kinds of threats emerging from cyber to precision ballistic and cruise missiles and so on – my greatest worry is that we will do to the defense budget what we have done four times before. And that is, slash it in an effort to find some kind of a dividend to put the money someplace else. I think that would be disastrous in the world environment we see today and what we’re likely to see in the years to come.<sup>12</sup>*

The primary purpose of the U.S. military is to defend the homeland and, when required, fight and win wars to protect our security interests. American military strength also deters enemies, shapes and influences would-be aggressors, and serves as a comforting signal of security and support to friends and allies around the world. The benefits America enjoys as the world’s sole superpower flow from preserving that strength.





## NOTES

<sup>1</sup> Mackenzie Eaglen, "U.S. Defense Spending: The Mismatch Between Plans and Resources." *Heritage Foundation Background Paper* No. 2418, June 7, 2010.

<sup>2</sup> U.S. Department of Defense, Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2010, p. 41, 43.

<sup>3</sup> Stockholm International Peace Research Institute Yearbook 2010, Appendix 5A: Military expenditure data, 2000–2009, "The 15 countries with the highest military expenditure in 2009." Available at: [http://www.sipri.org/research/armaments/milex/resultoutput/milex\\_15](http://www.sipri.org/research/armaments/milex/resultoutput/milex_15) (accessed September 30, 2010).

<sup>4</sup> Secretary of Defense Robert M. Gates, Remarks at the Eisenhower Library, Abilene, KS, May 8, 2010.

<sup>5</sup> Gary Schmitt and Thomas Donnelly, "The Big Squeeze," *The Weekly Standard*, June 7, 2010.

<sup>6</sup> The QDR in Perspective: Meeting America's National Security Needs in the 21<sup>st</sup> Century.

<sup>7</sup> The 2010 baseline defense budget (budget account 050) is \$553 billion. War costs were appropriated in two separate supplemental bills, one for \$130 billion and the other for about \$34 billion (See FY2010 Supplemental Appropriations Bill, available here: [http://appropriations.house.gov/index.php?option=com\\_content&task=view&id=623&Itemid=28](http://appropriations.house.gov/index.php?option=com_content&task=view&id=623&Itemid=28)). Thus total 2010 defense spending is about \$717 billion.

<sup>8</sup> Calculations based on figures in Office of Management and Budget Historical Tables, Table 3.1—Outlays by Superfunction and Function: 1940–2015, available at: <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2011/assets/hist03z1.xls> (accessed September 27, 2010).

<sup>9</sup> Eaglen, "U.S. Defense Spending: The Mismatch Between Plans and Resources."

<sup>10</sup> Office of Management and Budget Historical Tables, Table 3.1—Outlays by Superfunction and Function: 1940–2015, available at: <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2011/assets/hist03z1.xls> (accessed September 27, 2010).

<sup>11</sup> The QDR in Perspective: Meeting America's National Security Needs in the 21<sup>st</sup> Century, the final report of the Quadrennial Defense Review Independent Panel, chaired by Stephen J. Hadley and William J. Perry (Washington, DC: United States Institute of Peace, 2010), available at: <http://www.usip.org/files/qdr/qdrreport.pdf> (accessed September 27, 2010).

<sup>12</sup> DOD News Briefing with Secretary Gates from the Pentagon, August 9, 2010. Available at: <http://www.defense.gov/news/newsarticle.aspx?id=60359> (accessed September 27, 2010).

## IMAGES

### Cover Page

Top: 22nd MEU Lima Company Dismounts in Desert During Sustainment Training, August 10, 2009. (Cpl. Justin Martinez, 22nd Marine Expeditionary Unit Public Affairs, U.S. Marine Corps). Bottom, left to right: U.S. Marine Corps F/A-18 Hornet aircraft from Marine Fighter Attack Squadron (VMFA) 224 fly over Joint Base Pearl Harbor-Hickam, Hawaii, July 9, 2010. (Master Sgt. Jeremy Lock, U.S. Air Force); An MQ-1B Predator from the 46th Expeditionary Reconnaissance Squadron takes off from Balad Air Base, Iraq, Thursday, June 12, 2008. (Senior Airman Julianne Showalter, U.S. Air Force); Soldiers from the 25th Infantry Division patrol near Mosul, Iraq, in their Stryker Armored Vehicles, April 12, 2005. (Mike Buytas, U.S. Army); The aircraft carrier USS Harry S. Truman (CVN 75) transits the Arabian Sea September 19, 2010. (Mass Communication Specialist 2nd Class Kilho Park, U.S. Navy).

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Bottom, left to right: A U.S. Air Force C-17 Globemaster aircraft drops cargo over Forward Operating Base Baylough, Afghanistan, June 10, 2010. (Staff Sgt. William Tremblay, U.S. Army); The littoral combat ship USS Freedom (LCS 1) transits the Pacific Ocean June 17, 2010, while enroute to participate in Rim of the Pacific. (Senior Chief Mass Communication Specialist Dave Nagle, U.S. Navy); U.S. Soldiers navigate a stream during a security patrol in Chabar, Afghanistan, Dec. 3, 2009. The Soldiers are from Charlie Company, 1st Battalion, 17th Infantry Regiment, 5th Brigade Combat Team, 2nd Infantry Division. (Tech. Sgt. Francisco V. Govea II, U.S. Air Force); Flight deck personnel aboard the guided-missile destroyer USS Laboon (DDG 58) rig a fuel line for an SH-60B Seahawk helicopter assigned to Helicopter Anti-Submarine Squadron 46 during a helicopter in-flight refueling exercise while under way in the Atlantic Ocean April 25, 2010. (Mass Communication Specialist 1st Class Darius Jackson, U.S. Navy).

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Bottom, left to right: The Seawolf-class attack submarine USS Connecticut (SSN 22) transits the Pacific Ocean Nov. 17, 2009, as an HH-60H Seahawk helicopter from Helicopter Anti-Submarine Squadron 14 flies alongside and the aircraft carrier USS

George Washington (CVN 73), right, and the Japanese Maritime Self-Defense Force helicopter destroyer JS Hyuga (DDH 181) follow. (Mass Communication Specialist 1st Class John M. Hageman, U.S. Navy); U.S. Army Pfc. Robert Parker, foreground, provides fire support for his squad members during a live-fire exercise at the Kirkush Military Training Base in the Diyala province of Iraq June 27, 2010. (Mass Communication Specialist 2nd Class Ted Green, U.S. Navy); A 2-ship of F-18 Hornets assigned to the Marine Attack Squadron 225, Marine Corps Air Station Miramar, Calif., fly over the Nevada Test and Training Range, Nev., July 29, 2010. (Airman 1st Class Brett Clashman, U.S. Air Force); A U.S. Army Black Hawk helicopter lands in Baghdad, Iraq, Feb. 13, 2008. (Sgt. Jerry Saslav, U.S. Army).

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Bottom, left to right: The aircraft carrier USS Ronald Reagan (CVN 76) transits the Pacific Ocean July 24, 2010. (Mass Communication Specialist 3rd Class Dylan McCord, U.S. Navy); U.S. Army Spc. Kevin Welsh provides security before boarding a CH-47 Chinook helicopter after completing a mission in Chak valley in the Wardak province of Afghanistan Aug. 3, 2010. (Sgt. Russell Gilchrest, U.S. Army); U.S. Navy Master-at-Arms Seaman Shane Miles stands watch on the helicopter deck aboard high-speed vessel Swift (HSV-2) in Bridgetown, Barbados, Aug. 4, 2010. (Mass Communication Specialist 1st Class Kim Williams, U.S. Navy); A U.S. Air Force C-130H Hercules aircraft from the 746th Expeditionary Airlift Squadron sits on the flight line before cargo is unloaded at PAF Base Chaklala, Pakistan, Aug. 22, 2010. (Staff Sgt. Andy M. Kin, U.S. Air Force).

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Bottom, left to right: U.S. Army Soldiers from 1st Battalion, 8th Cavalry Regiment, attached to 2nd Infantry Brigade Combat Team, 2nd Infantry Division drive a Bradley Fighting Vehicle to an assembly area at Camp Rustamiyah in East Baghdad, Iraq, prior to a patrol, Feb. 15, 2007. (Staff Sgt. Bronco Suzuki, U.S. Army); U.S. Sailors prepare to man the rails as the aircraft carrier USS George Washington (CVN 73) departs Busan, South Korea, July 25, 2010. (Mass Communication Specialist 3rd Class Rachel N. Hatch, U.S. Navy); A U.S. Marine prepares to perform a fire team rush during a mechanized raid while training in the Middle East June 27, 2010. (Gunnery Sgt. Chad R. Kiehl, U.S. Marine Corps); An F/A-18F Super Hornet aircraft assigned to Strike Fighter Squadron 103 flies by the aircraft carrier USS Dwight D. Eisenhower (CVN 69) July 24, 2010. (Mass Communication Specialist 3rd Class Chad R. Erdmann, U.S. Navy).

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Bottom, left to right: MV-22 Osprey aircraft from Marine Medium Tilt-Rotor Squadron 266 (Reinforced) arrives at Naval Air Station Sigonella, Italy, Sept. 10, 2010. (Lt. Cmdr. Dean Sears, U.S. Navy); U.S. Army 1st Lt. Andrew Dacey, attached to the 2nd Brigade, 1st Infantry Division, stands in front of an ambush-protected vehicle in Abu Ghraib, Iraq, March 31. (U.S. Army); U.S. Marines assigned to the 15th Marine Expeditionary Unit's Maritime Raid Force approach the motor vessel Magellan Star in the Gulf of Aden Sept. 9, 2010, to recover the vessel from suspected pirates who took control of the ship Sept. 8, 2010. (Mass Communication Specialist 1st Class David McKee, U.S. Navy); A U.S. Soldier assigned to 3rd Platoon, Fox Company, 2nd Squadron, 2nd Stryker Cavalry Regiment, walks up a hill during a dismounted patrol near Combat Outpost Mizan, Mizan District, Zabul Province, Aug. 19, 2010. (Senior Airman Nathanael Callon, U.S. Air Force).

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Bottom, left to right: U.S. Soldiers conduct a patrol with Afghan National Army soldiers to check on conditions in a village in the Wardak province of Afghanistan Feb. 17, 2010. (Sgt. Russell Gilchrest, U.S. Army); A NATO Seasparrow surface missile is launched from the aircraft carrier USS George H.W. Bush (CVN 77), June 24, 2010, while underway in the Pacific Ocean. (Mass Communication Specialist 3rd Class Nicholas Hall, U.S. Navy); U.S. Soldiers assigned to the 18th Combat Sustainment Support Brigade perform a platoon mounted and dismounted live-fire exercise. (Gertrud Zach, U.S. Army); A U.S. Air Force E-3 Sentry aircraft conducts a flight off the coast of South Korea June 25, 2009. (Airman 1st Class Chad Warren, U.S. Air Force).

*The Defending Defense project is an effort of the American Enterprise Institute, The Heritage Foundation, and the Foreign Policy Initiative to promote a sound understanding of the U.S. defense budget and the resource requirements necessary to sustain America's preeminent military position in a dangerous world.*

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