



Written by [Michael Tennant](#) on September 12, 2011

The Military-industrial Complexs War on Defense Cuts

The deal calls for \$350 billion in defense cuts over 10 years — an average of \$35 billion per year. In addition, it tasks the newly created congressional super-committee with finding an additional \$1.2 trillion in savings over that same time period. Should the committee fail to come to an agreement on those savings, automatic cuts totaling the same amount, split evenly between defense and domestic spending, are slated to occur. If that took place, defense spending would then be reduced by \$600 billion, an average of \$60 billion per year.



That may sound like a huge dent in the Pentagon's budget, but there are two things to keep in mind. First, those cuts are almost certainly reductions in the projected rate of budgetary growth, not actual reductions in spending. Second, total defense spending is around \$1 trillion, according to economist [Robert Higgs](#), of which \$676 billion was budgeted to the Defense Department — up from \$432 billion in 2001. Moreover, according to the [Center for Strategic and Budgetary Assessments](#):

Overall, nearly half of the growth in defense spending over the past decade is unrelated to the wars in Afghanistan and Iraq — personnel costs grew while end strength remained relatively flat, the cost of peacetime operations grew while the pace of peacetime operations declined, and acquisition costs increased while the inventory of equipment grew smaller and older. The base budget now supports a force with essentially the same size, force structure, and capabilities as in FY 2001 but at a 35 percent higher cost. The Department is spending more but not getting more.

Surely there is plenty of room for slowing the defense budget's growth, it not slashing it outright — but not according to the defense industry and its pals in Washington.

Just days after the debt deal was struck, Defense Secretary Leon Panetta [declared](#) that the potential for increased defense cuts under the deal was a "doomsday mechanism" that "could [trigger](#) a round of dangerous across-the-board defense cuts that would do real damage to our security, our troops and their families, and our ability to protect the nation." Such a scenario, he said, would be "completely unacceptable."

Adm. Mike Mullen, Chairman of the Joint Chiefs of Staff, agreed with Panetta, saying: "To loosen the pin unnecessarily through debilitating and capricious cuts ... puts at grave risk not only our ability to accomplish the missions we have assigned, but those we have yet to be assigned as well."

Not to be outdone by Panetta in the doomsday department, former Defense Secretary Donald Rumsfeld, in a recent interview with [Human Events](#), flatly stated that if Congress cuts the defense budget in the slightest, "we're doomed to suffer another [terrorist] attack of some kind."

"Rumsfeld," the magazine adds, "stressed that the military cuts looming today may be similarly disastrous to those that occurred at the end of the Cold War — a precursor, he claims, to creating the vulnerable environment that bred 9/11." Of course, as noted above, the United States was spending



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\$432 billion on defense in 2001 — still far more than any other country — and subsequent spending increases have not significantly improved its defense capabilities. In addition, a much more plausible explanation for the “vulnerable environment that bred 9/11” would be misuse of those dollars to bomb foreign countries such as Iraq and Yugoslavia, to inflict cruel sanctions and a no-fly zone on Iraq, and otherwise to meddle in other nations’ affairs, thereby making numerous enemies for the United States. If the Defense Department couldn’t protect its own headquarters on a \$432 billion budget, it hardly seems probable that giving it more money in perpetuity is going to improve its capabilities much.

Defense contractors are getting into the act, too. [Reuters](#) reports that “top U.S. arms makers are set to meet with” Panetta on Tuesday “to discuss their concerns about possible deep cuts to the Defense Department budget, the head of the industry’s chief trade and lobbying group said.” Panetta is scheduled to meet members of the Aerospace Industries Association’s 18-member executive committee, according to the group’s president, Marion Blakey. “The committee,” says Reuters, “is currently chaired by James Albaugh, chief executive of Boeing Co’s commercial airplanes unit. Boeing is the Pentagon’s No. 2 supplier by sales, behind Lockheed Martin Corp.” Other members of the committee: the CEOs of Lockheed, Northrop Grumman, BAE Inc., and General Dynamics Corp.

It would be nice to think that these individuals are concerned about defense cuts because they believe they would be detrimental to national security, but the reality is that their companies stand to lose hundreds of billions of dollars in government contracts if the Pentagon’s budget is cut or its growth rate is slowed. That they are more concerned with their own bottom lines than with the defense of the country should be obvious from the fact that, according to Reuters, those meeting with Panetta “will also seek to discuss strategy to preserve the U.S. industrial base,” which is to say their taxpayer-dependent businesses.

Leaving nothing to chance, defense contractors have a firm hold on the super-committee as well. According to the [Associated Press](#), all 12 members of the committee “represent states where the biggest military contractors ... build missiles, aircraft, jet fighters and tanks while employing tens of thousands of workers.” For committee members, writes the AP, “the threat of Pentagon cuts is an incentive to come up with \$1.5 trillion in savings over a decade. Failure would have brutal implications for hundreds of thousands workers back home and raise the potential of political peril for the committee’s 12.”

Sen. Pat Toomey (R-Pa.), a committee member, said, “I think we all have very good reasons to try to prevent” the automatic cuts that would result from the committee’s failure to reach an agreement, adding, “That is not the optimal outcome here.”

Another member of the panel, Sen. Jon Kyl (R-Ariz.), [threatened](#) to resign from the committee if the subject of trimming defense spending is even raised. “I’m off of the committee if we’re going to talk about further defense spending,” he told conservative think tanks immediately following the committee’s initial meeting. Kyl’s adamant refusal to consider any reductions in Pentagon outlays is hardly surprising in light of the fact that Raytheon Corp., a major defense contractor, has operations in Arizona, and the company’s political action committee and employees are among the Senator’s [top contributors](#).

There is no getting around the fact that both domestic and defense spending need to be cut significantly. At the same time, those on the receiving end of such transactions can be expected to use every means at their disposal to prevent the cuts; and their enablers in Washington will be only too happy to assist them. Those who expected the debt deal and the super-committee to rein in spending



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are sure to be sorely disappointed.

A General Dynamics-built warship: AP Images



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