

# President Trump's Defense Budget: Just a Down Payment

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President Donald Trump has once again confounded his critics. His proposed Defense increase of \$54 billion fulfills another of his campaign pledges. He promised to restore America's military forces to higher levels of readiness and to begin a sizable buildup of the U.S. military's capacity. The president's announcement is a down payment on that promise.

Judging from the public reaction from his political opponents, Mr. Trump's initial steps into Pentagon budget politics struck a sweet spot. Critics from the left quickly denounced the proposals, describing them as a [splurge](#) and calling for more efficiencies at the Defense Department. Defense hawks find his proposal completely inadequate to the security threats they foresee and called for far more resources. One pair of conservative defense analysts described it as a "[fake buildup](#)."

Five years of capped defense spending has wreaked havoc to business as usual at the Pentagon. Readiness reports from the field and [Service Chiefs' testimony](#) to Congress are outright scary with ships and planes awaiting repair and spare parts. Lost flying hours and shortfalls in training and exercises are not easily regained. Numerous ongoing operations (Iraq, Yemen, Syria, and Afghanistan) will result in a lot of tired equipment and deferred

modernization. The first \$20B added to the Pentagon is going to be immediately consumed by the dried-out readiness accounts. The new budget will not fund a larger force or substantially invest in the development of new technologies that leading analysts believe are necessary in this century (directed energy, electro-magnetic rail guns, cyber defenses, autonomous systems or unmanned platforms).

Defense hawks seek these critical technologies. Senator John McCain, the Chairman of the Senate Armed Services Committee, is a leading proponent of that group. He recently published a formal proposal titled "[Restoring American Power](#)," which defined specific investments to increase our security. McCain would scrap the *Budget Control Act*, increase defense spending to \$640 billion in fiscal year 2018, enlarge most of the Services, and make specific proposals for investment and innovation. He does not shy away from being honest about the costs involved. "Rebuilding our military [will not be cheap](#) — \$430 billion above current defense plans over the next five years. But the cost of inaction is worse: we will irreparably damage our military's ability to deter aggression and conflict."

The "Budget Hawks," including Trump administration officials like Mick Mulvaney, Director of the Office of Management and Budget, have some facts on their side, too. The United States has put 15 years of war on the national credit card, along with a host of tax cuts and drug prescription benefits, and extended health care benefits to 20 million people. Our debt level has passed tipping points that some economists think we may never recover from.

Recent [Congressional Budget Office](#) projections are not heartening:

- Outlays for mandatory programs increase as a share of GDP by 2.4 percentage points from 2017 to 2027—mainly because of our aging population and rising health care costs. Social Security and Medicare account for nearly all of that increase.
- Discretionary spending (government services and defense) drops from 6.3 percent of GDP in 2017 to 5.3 percent in 2027—a smaller percentage relative to the size of the economy than in any year since 1962.
- Due to rising interest rates and growing federal debt, the government's interest payments rises sharply over the next 10 years—nearly tripling in nominal terms and almost doubling relative to GDP.
- As deficits accumulate, debt held by the public rises from 77 percent of GDP (\$15 trillion) at the end of 2017 to 89 percent of GDP (\$25 trillion) by 2027. This level of publically held debt would be the largest since 1947 and twice the average experienced over the past five decades.

Budget hawks are wary of undoing the sequestration that is strangling defense spending. They need to get serious about tax reform and delve into the unsustainable increases in federal medical disbursements. So called "entitlements" represent a growing portion of the federal budget and threaten to undermine our financial solvency, strap potential investment resources for critical infrastructure, and impinge on the nation's security. These programs are too often described as "mandatory" or non-discretionary by our elected officials, but they are choices we have made, and laws we have enacted to implement those choices. They are not irreversible acts of insolvency, nor are we shielded from the consequences of these choices because they are mislabeled as non-discretionary.

Neither set of "hawks" gave credit to the president for his efforts to identify offsets from lower priority government agencies so that the Pentagon's increases were not an additional budgetary burden. Yet, the source of his budget offsets is problematic as they heavily targeted the State Department and U.S. Agency for International Development. Cuts in those areas, especially at the scope called for in the White House's proposal, would devastate U.S. leadership in numerous forums and undercut efforts to reduce the threat of violence. A letter from over 100 retired senior military officers [criticized](#) the president for his priorities, but offered no better solution.

It is hard to remain convinced that a budget level capped in 2012 remains in any way a logical foundation for 2018. The notion that we outspend all our adversaries and have a preponderance of power is one of the [deadly myths](#) of defense. Back in 2012, we did not envision a world in which China was building aircraft carriers and incrementally seizing and arming atolls and islands in the Pacific. Five years ago, ISIS was not seizing heavily populated cities,

and there were no autocratic states annexing portions of European states. If \$500B+ was supposed to be the acceptable baseline with a modicum of risk in 2012, it is utterly untenable now.

Senator McCain, when advocating for a budget increase about twice as high as Mr. Trump, explained the accumulating risk in stark terms:

The budget increase advocated for in this paper is a lot of money, but we must be clear about the cost of doing nothing: Our military's ability to deter conflict will continue to weaken. And should we find ourselves in conflict, our nation will be forced to send young Americans into battle without sufficient training or equipment to fight a war that will take longer, be larger, cost more, and ultimately claim more American lives than it otherwise would have.

Critics, like the highly respected Tony Cordesman, have rightfully noted that responsible strategic planning requires far more than simply announcing a one-year hike or [calling for more spending](#). There is much in the Defense budget (schools, stores, and non-military social research) that can be excluded in order to focus on the Department's [core warfighting](#) missions. Certainly, some efficiencies and reforms can be applied. Mr. Trump is asking for a Cold War-sized military without explanation or justification. Moreover, he wants to reset relations with Russia and wants to destroy ISIS. He surely doesn't need 350 ships, 12 aircraft carriers, and B-21 bombers to do that. What is the basis for the buildup? What is the underlying strategy?

Strategy remains in the realm of decision-making under conditions of uncertainty and requires the ability to make tradeoffs among competing priorities. Even for a country as powerful as the United States, we will not be able to do everything. We cannot afford to simultaneously fight and win today's irregular wars, build a larger military to increase our [front lines in Asia](#), reassure partners, and invest in the [disruptive technologies](#) that will dominate 21<sup>st</sup> century battlespaces. We must stop the current bleeding, carefully triage our strategic challenges, and begin to repair our defenses. That journey began with Mr. Trump's announcement.

President Trump took the right approach: an incremental first step that demonstrates his commitment. Before he lays out the required [long-range strategy](#) to correct the shortcomings in our armed forces, he will need to explain his vision for America's leadership role in the world. His forthcoming National Security Strategy will lay out that vision, and the National Security Council must assist him in laying out the underpinning role of defense within that overarching strategy. It must also define parameters for a subordinate National Defense Strategy that Secretary of Defense James Mattis and his still understaffed team at the Pentagon are responsible for. These more detailed plans will lay out the larger architectural design that the American people and our allies so clearly need to see. But in the absence of the entire design, we should cash the down payment immediately and begin to sharpen the tired instruments we have to work with now.