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## Defense in an Age of Austerity: 2022

## **Neoptolemus**

This fictionalized speech is delivered by a future Secretary of Defense in 2022.

My fellow Americans, it is with a grave heart and serious reservations that I come to you today to announce the implementation of the results of the Preserving America's Economic Security Commission. This congressionally-authorized panel was established to provide our nation's elected leaders with recommendations to better balance the abyss between our national treasury and our collective ability to pay for our own government and security. Decades of delay and delusion have brought us well past the crisis point. We have preserved global stability for others for many decades, but at great expense. The long war against extremism has cost us well over \$2T in direct costs alone and the interest compounds daily. Meanwhile the country's demographic aging, rising health care costs, and insatiable appetite for entitlements has placed our great Nation's balance sheet deep in the red. A culture of entitlement over sacrifice and shared obligation has eroded our stature as a great power and our moral standing. A decade of continued economic pressure, unemployment above 12%, coupled with a determined resistance on the part of the nation's elected officials to come to any serious resolution of the country's fiscal crisis has brought us to the point of peril.

The international bond market has spoken. We presently owe \$23T in publicly held debt and at least another \$10T in unfunded social security liabilities. Just the interest on that debt alone costs us more than \$1T a year, double our annual defense expenditures. We continue to run trillion dollar deficits as we have for the entire last decade. Our debt to revenue ratio is now well over 120%. People are beginning to avoid U.S. backed bonds and dollar based investments. Now interest rates are climbing several points from 3 to 5 to 7% on our bonds, as global markets have found better places and safer currencies in which to invest. The dollar is no longer the world's reserve currency or first choice. We once criticized small countries like Greece or Ireland for failing to meet their debts, and now we are in far worse shape.

I don't find the Panel's recommendations, which have to be accepted as a whole or rejected, to be founded on a sound strategic rationale, but they do meet the necessary fiscal targets of cutting back defense to our FY 2001 level of expenditures. This will effectively reduce our defense topline from \$600B to \$400B a year (measured in constant dollars that account for inflation). We will still outspend any single potential rival but only barely and we will lose the preponderance we have traditionally enjoyed. I have to be honest that we will not be able to outspend combinations of potential rival coalitions, and with defense spending at just under 2.0

percent of GDP, we are ironically failing to meet the expectations of our NATO allies who outspend us on a relative basis.

That is the bottom line, something we have avoided for far too long. I cannot concur with the Panel's recommendations but am bound by law to implement them. I would never have brought most of these proposals to you. They fail most of the tests I would have applied to ensure our security needs were met. But we have no choice, as the Commission's recommendations must be accepted in their entirety or rejected. I know this is a poor way of conducting the nation's affairs, as it masks all blame and accountability. There is some truth to one retired Marine General's quip that Congress has proven once again to be "refugees from both reality and responsibility."

That said, per the Commission's recommendations and in order to continue to preserve a foundation for our future security needs, I have issued instructions to begin implementing the following reductions, terminations and eliminations in our Defense establishment:

- ➤ Redeployed all American military forces from Korea except for staff and intelligence liaison. Have removed all ground forces from Europe since NATO and the EU are perfectly capable of defending themselves if they were so inclined. We will retain access to some airbases but will no longer underwrite low defense spending or short work weeks for our friends in Europe.
- While we no longer need to base ground forces in Cold War locations, we do need to enhance our posture in the Indian and Pacific Oceans, so we will only close one air base and one port in Japan. The Japanese are now rearming to respond to China's continued assertiveness towards Tokyo and will increasingly be able to partner with us in patrolling the vast Pacific ocean basin.
- ➤ We are reducing the Air Force buy of 1,700 Joint Strike Fighters to 700 airframes. Coupled with the 700 fighter and unmanned strike systems in the Navy, that appears to be a safe recommendation. I can't imagine a scenario where more than 500 fighters would be needed.
- ➤ We plan to consolidate all space and missile defense efforts in the Air Force except for those aboard US Navy vessels. The Air Force will absorb all roles and functions related to the missile defense agency.
- ➤ We will return our country to its founding roots and further connect our Army with the citizenry and the National Guard. The active Army will preserve a cadre of leadership and installations for the training and mobilization of a highly trained Guard that can be called up. This will reduce the Army's active strength to something between 100,000 and 120,000. A Ranger Regiment will be retained on active duty to support our Special Operations Command.
- ➤ Eliminated the Marine Corps' tanks and fixed wing fighters. This will focus the Marines on their sea based presence and crisis response tasks. The need for armor and \$100M

fighters for small wars is a luxury we can no longer afford. The Navy and Air Force can provide the close air support the Marines have traditionally gotten from their fellow pilots. Without these assets, and with the stand down of the Marine Division in Japan, the Marine Corps' end strength would be limited to 129,000 Marines—more than enough to preserve their role.

- All institutionalized Irregular Warfare, counterinsurgency and Stability Operations activities, including human terrain teams, centers of excellence, etc are to be immediately shuttered. As the Anglo-American strategist Colin Gray has observed, we are not very good at this form of conflict and we have bigger problems to address.
- Eliminated one leg of our expensive nuclear triad by terminating the Ohio-class ballistic missile defense program which was to replace the aged 14 missile boats with a dozen stealthy replacements at \$8B a piece. We tried to keep the costs down but these sophisticated systems required more and more funding, rising by 35% over our cost estimates. We will try to negotiate a treaty with China to agree to not deploy nuclear missile subs in the global commons. Hopefully, we can establish a verifiable strategic weapons inspection regime with the PLA to make this reduction more acceptable.
- Our Navy, which has declined from nearly 600 ships in the 1980s to under 285 ships by 2010, will be reduced further to 175 ships. By curtailing maritime prepositioning, joint high speed vessels and the limited Littoral Combat Ships, we can focus our scarce resources on real warfighting capabilities and husband our few maintenance and operating dollars.
- To pare down the irrepressible growth of staff headquarters, we will completely eliminate US European Command, Africa Command and Southern Command, while also passing over the work of the Defense Commissary Agency to the private sector. An entire level of staff bureaucracy at the three military departments will also be eliminated, leaving just a small personal staff for each civilian service secretary. The Joint and civilian cuts will save us more than 12,000 senior officers and bureaucrats that are overhead.
- > We will close the three Service academies. These prestigious institutions compete with one of this country's few educational jewels, our university system. Hopefully, we can still attract young men and women into ROTC programs and enhance the connection between our best and brightest officer candidates and their peers who will ultimately assume influential positions of responsibility in civic positions and industry.
- > We will also have to adjust our military retirement and health care system to align it with the changes made to the National Health Care System. We will offer very competitive retirement programs to future military retirees, starting at age 60. TRICARE premiums will be increased to reflect inflation since 1995, which will increase the cost to retired service members fivefold from \$500 per year to \$2,500. I hate to break faith with our veterans but this is beyond my control.

There is no easy way to do this, and I fully appreciate the fact that security and defense is this country's first order of business. But it must be done to pay our creditors, to whom we have surrendered our economic independence and freedom to chart our own course. We have been irresponsible for too long and can no longer punt this on to our children as our own parents did. These proposed reductions will trim over \$1.0T over the next decade, and pale with the \$12T being carved out of Medicare and Social Security over the same period. We must reestablish the fiscal health of our country and slowly dig our way out of a deep hole that will certainly increase the chances for instability in the world. I will not even pretend that these draconian measures can be taken without risk to our national security. Quite the contrary, we are taking enormous risks with both our near term security needs and our strategic interests. As one former Chairman of the JCS warned a decade ago, the greatest threat to our national security was our spiraling debt. That prescient warning has come to pass.

The great statesman Winston S. Churchill once remarked that the United States will always do the right thing, but only after it has exhausted all other options. Well, we have exhausted our options and our bankers are calling in our overdue notes, but we are certainly not doing the right thing. This is what many commissions and panels have warned us about, but no one took heed in a timely way. This is what our willful blindness and an Age of Austerity has brought us to. Thank you for your interest in national defense, and may God bless our Nation.

Neoptolemus, a retired infantry officer, is currently imprisoned as a senior defense official in the Pentagon. Neoptolemus was the son of the warrior Achilles and the princess Deidamia in Greek mythology.

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