

Opinion: Defense Advice For President-elect Trump

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The U.S. presidential election just ended was driven by identity politics—affinity by race, class, gender, etc.—rather than ideological competition or policy differences. As a result, resolution of the political contest will not unto itself unlock the calcified debate over fiscal policy that has left the nation’s military posture in a state of unsettled suspense. Although President-elect Donald Trump has vowed to “repeal the defense sequester,” the torrent of identity politics on which he rides into office also will generate cross-currents affecting taxes and domestic spending priorities that are arguably more important to his constituency.

Reflecting the dynamic of identity politics, the presidential contest was notably bereft of pronounced policy prescriptions. In no realm was this more true than national security, which, thank goodness, confounds simplistic expressions of identity. There’s no particular Hispanic or female take on the threat from North Korea, for instance, any more than there is a distinctly working-class or immigrant stand on acquisition policy, ballistic missile defense or any of the other hard problems of securing the nation.

For the team taking office in January, the low salience of national security policy on the campaign trail will prove both a blessing and a curse. It will afford the new president wide latitude to advance policies less encumbered by campaign promises. However, the paucity of policy animating voters also weakens the mandate for decisive, new directions on national security. Plus, although Congress will be more accommodating to Trump than the obstructionists with whom President Obama has had to contend, it will be somewhat more narrowly divided and retains the bloc of fiscal conservatives who hold the balance of power over ways and means.



Consequently, it cannot be presumed that the election has settled the fiscal policy issue on which the Pentagon is stuck. Moreover, the president-elect's policy mandate on national security is too weak and, frankly, subordinate to his domestic priorities to expect he simply can overwhelm congressional resistance to deficit spending. Therefore, breaking the grip of deadlock over defense spending still will require a reframing of the issue that enables a political resolution. It's the most important thing the new president can do for national security in his first 100 days.

Recall that the Budget Control Act of 2011 is the current frame of the debate over fiscal policy. In that frame, the sole measure of fiscal merit concerns discretionary spending, which is capped at levels requiring \$1 trillion of deficit reduction allocated evenly between "defense" and "non-defense" programs through 2021. For the [Defense Department](#), adhering to the Budget Control Act caps would reduce its base budget from 2018 to 2021 by \$113 billion below its Future Years Defense Program (FYDP). Although Congress has enacted partial relief from the caps in every year since 2013, this continuing dispute over fiscal policy leaves the key features of our military posture—readiness, force structure, modernization—on tenterhooks.

More maddeningly still, this uncertainty persists despite a nearly bipartisan consensus that defense spending should track nearer the FYDP than the Budget Control Act caps. What is stalling resolution, ironically enough, is not competing ideas about defense but Republicans' resistance to raising non-defense spending in equal measure, as required by the Budget Control Act.

To unlock this debate over fiscal policy and defense spending, the new administration first should refocus the measure of fiscal responsibility back to the original impetus for the Budget Control Act, which concerned debt as a proportion of the economy. It should do this not because the outlook for the trend of debt-to-GDP is particularly salutary: It stands at about 75% today and is projected by the Congressional Budget Office to continue growing by about 1% a year into the future. However, what this frame of the debate *can* do is to redirect attention from discretionary spending, the very weakest lever on debt-to-GDP, and back onto factors of the equation that truly matter to fiscal solvency.

In particular, overwhelming all other factors affecting debt-to-GDP is the rate of productivity growth in the economy. The nonpartisan Center on Budget and Policy Priorities, for instance, estimates that sustaining a 0.5% higher rate of productivity growth over the next 30 years would reduce the debt-to-GDP ratio by 30%. By comparison, the \$113 billion at stake in the imposition of the Budget Control Act caps on defense spending would make a difference of only one half of 1% of the debt-to-GDP ratio in 2021.

The president-elect's campaign proposals that will enjoy an identity-politics tailwind—"transform crumbling infrastructure," "reduce taxes across-the-board," "invest \$20 billion in school choice" and the such—could be packaged into a productivity-growth initiative that gives supporters of the Budget Control Act an object of non-defense spending that substantively serves the cause of reducing the drag of debt on the economy. In turn, a way would be cleared within the frame of the Budget Control Act to add the roughly \$30 billion a year above its caps that are needed to support the existing military posture.

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