Mr. Boot’s next book, due out next year will be entitled: *Invisible Army’s - History of Guerrilla Warfare*

Presentation:

- The danger we face is vast.
  - Defense cuts represent the greatest threat to our armed forces
  - They could result in the loss of lives in the future
  - The impact of budget cuts has the potential to devastate our armed forces more than any external threat

- The Super Committee which was charged with finding $1.5T in cuts over 10 years failed
  - Result may mean additional automatic cuts across the board to defense
  - Already $450B in cuts over 10 years to defense due to the Budget Control Act
  - Have also seen a loss of funding in Overseas Contingencies Operations due to reducing our participation in Iraq and Afghanistan

- Todd Harrison, Center for Strategic and Budgetary Assessments, estimates defense budget could decline by 31%.
  - Compares to: 53% following the Korean War; 26% following the Vietnam War; and 34% following the Cold War

- Gordon Adams points to these draw downs as “A Historical Norm”
  - I question whether we are coming out of a conflict
  - We are still risking life and limb in Afghanistan
  - There are still active threats from Al-Qaida (AQ), AQ affiliates, Somali Pirates, and a rising Chinese Power
  - It doesn’t feel like an Era of Peace

- Reviewing history, maybe we shouldn’t be cutting back:
  - Following the American Revolution we dropped from 35K troops in 1778 to 10K in 1800
    - Result was we were not prepared for the Whiskey Rebellion, our quasi-war with France, to repress the Barbary pirates, or to defend Washington in the War of 1812
  - During the Civil War we had the largest, most capable army in the world
    - Following the Civil War, we rapidly drew down from 1M troops in 1865 to 50k troops by 1870
    - After the civil war there were no foreign attacks on the US, but we faced the challenge of US reconstruction
    - We were unable to suppress the KKK and their successful terrorist campaign in part due to a lack of will in North, and a lack of available armed forces to be stationed in the South
    - The result was reconstruction took another century to be realized
After the Civil War we were not prepared for Spanish-American and Philippine Wars
- Our army of 25K troops was victorious only due to the poor quality of our enemies’ forces
- Our un-readiness for WWI was masked due to the strength of our allies
  - American Doughboys got on the job training that led to our ability to make a real contribution
  - At conclusion of the WWI, France and England were too drained to police and maintain the peace, which led to the emergence of dictatorial regimes
  - Following WWI, we downsized from 2.9M to 250k troops and the regimes coming into power knew there wasn’t anyone to stop them
  - A question to be asked is: would a substantial American force in the 1930s have deterred Japan and Germany from aggression?
- Following WWII, we learned that we could not pull out of Europe
  - But, following WWII we still made drastic reductions to our forces, from 12M in 1945 to 1.4M by 1950
  - In 1950 North Korea rolled over DMZ and we suffered tens of thousands of fatalities because we did not deter communist aggression
- Following the Korean War, we did not demobilize as quickly, but declined from 3.6M to 2.5M by 1959
  - President Eisenhower sought to minimize conventional forces while using nuclear weapons as a deterrent
  - This did not deter adversaries from proxy wars, particularly in Vietnam
    - The US was not well prepared and paid a heavy casualty price until the Tet Offensive
    - But by then, US public support for the Vietnam War had been lost
- In the 1970s, the US transitioned to an all-volunteer force
  - Force reduction dropped from 3.5M in 1969 down to 2M by 1979
  - The “hollow army” could not rescue hostages in Iran or deter USSR from invading Afghanistan
- The Reagan defense build up reversed trends
  - Desert Storm was won by strong force built under the Regan era
  - Regan era build up applied pressure to and caused the final collapse of the Soviet Union
- Following the end to the Cold War, we demobilized from 2.1M in the mid 1980s to 1.3M by 1999
  - We are still paying a price for not having an army to handle two countries the size of Afghanistan and Iraq
  - It led to miscalculations by the Bush admin and a late expansion of forces in the latest Iraq war
  - The economy of force model originally tried in Iraq was reversed by the 2007 force surge
  - Army and Marines force levels are still not the size of the force after the Cold War
Procurement Holiday of the 1990s resulted in:

- 546 ships in 1990, 284 today
- 82 Air Force fighter squadrons in 1990, 39 today
- Average age of:
  - Tanker aircraft - 47 years
  - Strategic bombers - 34 years

The Hadley-Perry Commission found a growing gap between military interests and capability, including:

- Increased operational tempo
- Age of military systems across services has increased and is magnified by wear and tear
- There is an urgent need to recapitalize
- Quality cannot substitute for quantity
- US needs to replace equipment on a 1:1 ratio to maintain size of ground forces

Above recommendations will be impossible if sequestration occurs with possible reductions of:

- Army could fall from 569K to 426K troops
- Navy from 284 to 238 ships
- Air Force from 1,990 to 1512 fighter aircraft and from 135 to 101 bombers

Even if the full impact of sequestration is not felt, the consequences may be dire:

- Much of the increase in defense spending has been used for healthcare, personnel costs, and other needs, and not to replace equipment or increase force structure
- Many future programs and weapons systems have been cut
- There are plans to cut force structure as well

US is eager to stimulate the economy but we are laying off soldiers

When it comes to predicting the next location and nature of our next military engagement, we never guess correctly:

- Examples are Grenada, Panama, Somalia, the Balkans, Haiti, Kuwait, Iraq etc.
- Need the flexibility that comes with a significant fleet of ships, and sizeable army and air force, to respond to an unpredictable future

If we draw down, it will be difficult to define or meet the requirements of a military strategy

The Hadley-Perry commission identified four enduring security interests for the US:

- Defense of the homeland
- Maintain balance of power in Eurasia
- Provide for the Global common good including humanitarian aid, development assistance, and disaster relief
  - American people do not want us to stop humanitarian missions
- Maintain assured access to sea, air, space, and cyberspace

Security missions continue to grow: Libya, tsunami relief, potential for engagement in Syria/Iran
• There is a suggestion to bring forces from Europe home to save resources, but one should consider:
  o Troops stationed overseas are closer to the potential area of likely deployment
  o Cost savings bring troops home are an illusion as typically the host nation picks up a portion or sometimes all of the basing costs

• Every penny in the defense budget is NOT sacrosanct
  o There is some wasteful spending, and there is some fraud, waste and abuse
  o Unfortunately, there is no line item for fraud, waste and abuse to cut
  o Most spending exists for a reason
  o There are also constituencies on Capital Hill making a case for various items
  o Given politics, it may be that unnecessary projects will be kept
  o We are not going to get more for less with budget cuts
  o Military capabilities cannot go up with decreased spending

• This is a real concern with current threats from Pakistan, China, Iran, and AQ affiliates
• China is also a long term threat
  o They are in the midst of rapid defense build-up and developing and procuring a stealth fighter, aircraft carrier, diesel submarines, cyber weapons, and numerous cruise and ballistic missiles
  o China will contest the U.S. Navy’s freedom of movement
  o The U.S. may not be able to defend Taiwan by 2020

• The US has canceled the F-22 fighter and we are cutting back on the procurement of the F-35
  o Will the F-35 also be canceled?
  o If we do not have a 5th generation fighter, what will happen as Russia and China build a 5th generation fighter capability?

• What happens if the US deterrent posture in the Pacific erodes, or the US is not seen as a credible ally due to a decline in US power?
  o May lead to allies in Asia and the Middle East developing nuclear weapons in turn spurring an arms race in their regions

• It might make sense to cut the defense budget if defense spending was affecting the economy
  o A strong economy is basis of US power, but defense spending is not affecting the economy
  o Less than 5% of GDP is spent on defense
  o Less than 20% of the US budget is spent on defense
  o Historically defense has been 50% of the budget
  o There are problems with the US annual deficit and long term debt build up that must be addressed, however, even the elimination of the entire defense budget would not solve the problem
  o The root problem is growing entitlement spending
  o Cutting the defense budget is a distraction from dealing with the true problem, entitlement spending
  o Cuts to defense now, may only lead to higher security costs in future
• There is nothing inevitable about the cuts
  o Congress has most of 2012 to find an alternative
  o “Defense in the Age of Austerity”
    ▪ Is mindless group think
    ▪ It doesn’t have to be an age of austerity because we can afford the budget
  o There is little to fear from major competitors economically
  o The US is at the leading edge of innovation and technology
  o In comparison to others, the US still has a robust economic sector, growing population, we assimilate immigrants, and we are not headed for a demographic implosion as are others
  o US fundamentals are strong but runaway entitlement spending is the problem

• We need to challenge assumptions that this is an age of austerity
• Current rhetoric is similar to the 1970s
  o But, Reagan showed the rhetoric to be incorrect and presided over the implosion of the USSR instead of the US
• Today economy is stronger
• We should be able to recover
• We have turned the defense budget into a scapegoat which may create worse problems
• Democrat and Republican political leadership need to step forward to protect the budget

Questions and Answer Session:

Q: What tradeoffs do you see with Defense cuts?
A: The Armed forces accepting tradeoffs means accepting greater risk
  - Drawing down army end strength in particular is a huge risk
  - Many, focusing on China in the future, believing a potential conflict to be an Air and Sea campaign, believe we can afford to reduce the army - but that is dangerous
  - Looking at an army reduced by 100K troops:
    o We assume we won’t need a large ground force in the future
    o There is a good chance we will need them
    o Our current ground force is extremely well trained and capable with extraordinary combat experience
    o We will likely offer buyouts resulting in the most capable leaving first to go to the private sector
    o A new crisis will then cause us to try to rapidly recruit which will lead to a less capable and trained force which will lead to unneeded casualties
  - We also need to build up the Navy
  - It becomes a question of weighing risks
Q: If the Army substitutes quality trained personal and technology for a large force (including forces trained in cyber and counter terrorism), couldn’t we rapidly expand around this core capability in the event of large engagement?
A: The issue is while you are expanding and sending in newly trained recruits, you are likely losing battles and incurring unneeded casualties
   - Also, not sure I accept idea that the future of warfare will be centered around cyber and discrete terrorist attacks
   - What happens if there is another 9/11 type of attack?
     o We may be leaving ourselves wide open and need a large force
     o The US Army is still 200K below its cold war size
     o Also, a smaller force would stress operational tempo in the event of a major dust up

Q: Why is Force Strength a requirement to prevent future failure and to achieve victory?
A: It matters what kind of force you have
   - Difficulties in conducting COIN operations have been in large part due to lack of preparation (Viet Nam and Iraq)
   - It is not just about troop numbers, but also about having the right doctrine and strategy
   - But a lack of available troops, exacerbates issues
   - In Iraq, we thought more troops in country would make the situation worse
   - Our enemies took advantage of our small force size
   - More soldiers equals more options
   - We should have sent in more troops into Iraq in 2003, occupied the country right away, and imposed law and order immediately
   - Had we had done so, we might have prevented the insurgency that we were so unprepared for.
   - The Force surge which we eventually did and a change in doctrine and strategy are what made recovery possible

Q: What about investments or cutbacks missile defense?
A: This area is ripe for cutbacks, but it is another example of a dangerous place to make cuts
   - Other countries are actively developing missiles
   - Rogue states could launch missiles against the US homeland
   - Missile defense may be on the chopping block
   - Not all missile defense programs are valuable, but overall I would be concerned about a decrease in spending in this area

   - Separate discussion on cancellation of the F-22 program and possibly the F-35 program
     o Cuts to these programs create a possible threat to the US to maintain air superiority when and where it wants
     o If others have air power and air supremacy, it might allow or lead to more ground wars
     o There is a substantial increase in risk across a multitude of theaters
     o Cuts to these programs means our deterrence posture is reduced
     o IRAN and China producing 5th gen fighters of their own
     o American credibility and capability prevents wars and keeps the peace
Q: From the standpoint of the broader American populace, they seem to be of the opinion that there are resource constraints and budgets need to be cut including defense
A: The Defense budget has already been cut
   - SECDEF Gates cut programs amounting to 100s of billion of dollars
   - There were no comparable cuts to the domestic budget and the growth of entitlement spending is threatening the US
   - Don’t see a ground swell for cuts in defense spending
   - Military has a higher public opinion rating than congress
   - Sending the military to the unemployment lines is not what people want
   - No promise that our allies will fill the gap created by spending cuts, but Iran, China, and others may and we will ultimately pay a huge price for dropping the burden of security

Q: There is waste in the budget, but is sounds like we should not go after it because we cannot agree what is waste. What mechanisms were used in the past and what have we learned?
A: I am not aware of examples of smart draw-downs
   - We tend to cut willy nilly across the board
   - What tends to get cut are things that are incredibly important but do not have a huge constituency

Q: Polls show 70% of the US populace want defense cuts, not entitlement cuts, and higher taxes on the rich. Do you support raising taxes to fund defense?
A: If there is such support we will see changes in Congress
   - Polls however may not be good reflection of what people really want
   - I’m in favor of tax hikes if they are our only choice, but I think that is dangerous with our economy on the edge and could lead to a double dip recession
   - The problem is not that taxes are too low, it is that spending (entitlement spending) is too high

Q: If cuts to military budgets are across all forces (services), this is will mean cutting capabilities. What capabilities should we be willing to get rid of?
A: If we cut, we will replicate the experience of 1970s
   - We will end up maintaining commitments without providing resources
   - We will create a hollow force
   - It will all look good on paper but we will not be able to conduct the missions that we need or may have to

Q: Would moving a good portion of our force structure into the reserve component, particularly with army, be a good choice?
A: That is a most likely outcome
   - Some forces will be deactivated and some will move to the reserves
   - This is however still worrisome
   - It is hard to maintain the same levels of combat readiness when you rely on reservists or the National Guard
   - The Air Force may be the exception as many Air Force reservists (Bomber Pilots) maintain their flight skills by flying as commercial pilots
   - The risk however is enemies seldom give us advanced warning prior to an attack
Q: The last Peace dividend (draw down after the cold war) was a salami slice of the budget and not indicative of a national strategy. What guidance would you provide to figure out what is important as we go forward with budget cuts in terms of strategy?

A: It is not obvious what parts of the current defense program can be jettisoned
   - What Trade-offs do we make?
   - Do we trade Europe for the Mid East or for Asia
   - In a perfect world we think strategically and then set the budget, but it won’t happen