



# Paying for the Troop Escalation in Afghanistan

Ten Ways to Cut Baseline Defense Spending to Fight  
this War within Our Means

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# Introduction and summary

The 30,000 additional U.S. soldiers and Marines that President Barack Obama ordered to deploy to Afghanistan earlier this month are already beginning to depart for the region. We believe this troop escalation must be only one part of an overall strategy to reverse the deteriorating security situation in that country if the United States is to achieve its long-term objectives of preventing Afghanistan from once again becoming a launching pad for international terrorism and preventing a power vacuum in that country from destabilizing the region.

But any strategy must encompass more than a decision on how many troops or diplomats to deploy—it must also provide guidance for how those decisions will be supported at home. When our country goes to war, we must also have a plan for how to pay for it. From the War of 1812 to the Civil War, World Wars I and II, Korea, and Vietnam, the government has consistently increased taxes or reduced domestic spending in varying forms to pay for most of the cost of American military engagement.<sup>1</sup>

During its eight years in office, the George W. Bush administration refused to fund the wars in Iraq and Afghanistan through the regular defense appropriations process in Congress—or through domestic tax hikes—choosing instead to pay for both wars through opaque supplemental budget appropriations. Because these supplemental budgets were sent to Congress for review during the fiscal year, they were not subject to the same amount of congressional scrutiny as the regular defense budget. And these “supplementals” often included funding for pet weapons programs that had no practical use in either war, above and beyond the amount that was already allocated for them in the base budget.

Perhaps most significantly, however, these supplementals masked the baseline, or regular, defense budget’s true size. This kept the American people from becoming aware that this country has a defense budget that has eclipsed the amount spent on defense by all other countries in the world combined.

The Obama administration was right to put an end to this practice and submit funding for the wars in Iraq and Afghanistan at the same time as the fiscal year 2010 baseline defense budget. Yet this practice could quickly be reversed because President Obama has not explained how his administration will fund his troop increase in Afghanistan. During his speech announcing the new deployments, Obama made only vague reference to the financial burden of the 30,000 additional troops, stating that he will “work closely with Congress to address [the] costs.”

At the very least, the president and his administration must immediately begin the process of explaining to Congress and the American people how they intend to fund the most recent escalation. In the absence of such a plan, lawmakers have correctly begun to discuss how to pay for the troop escalation. Representative David Obey (D-WI), Chairman of the House Appropriations Committee, has called on the administration to institute a 1 percent “war surtax” to pay for the increased number of troops being deployed to Afghanistan.

Rep. Obey’s “war surtax” underscores the fact that for too long in the 21st century, the United States has gone to war without considering how to pay for it. The United States has spent more than \$1 trillion to fund the direct cost of operations in Iraq and Afghanistan over the last eight years—the majority of which had to be borrowed from overseas. The Obama administration has already budgeted approximately \$65 billion for operations in Afghanistan for FY 2010. And while estimates for the cost of increasing troops in Afghanistan vary, the Office of Management and Budget has concluded that the cost of each additional 1,000 troops in Afghanistan will be \$1 billion per year<sup>2</sup>—or approximately \$30 billion per year for Obama’s projected troop increase.

In this time of economic stagnation, increasing taxes to pay for higher defense spending would not be helpful in facilitating an economic turnaround. Moreover, given the fact that Congress has approved the FY2010 Defense Appropriations Act, it will be impossible to include funding for the Afghan troop escalation in the regular appropriations budget this fiscal year. At least the first nine months of this escalation (through the end of the fiscal year on September 30th, 2010) will therefore have to be funded through a one-time defense supplemental budget in FY2010.

Rather than allow the supplemental and additional costs of the escalation for FY2011 to add to the large and growing national deficit, the Obama administration should look to the base defense budget for programs and weapons platforms that can be eliminated or scaled back without jeopardizing our national defense strategy or capabilities. Our allies in Great Britain have adopted such a policy. In order to pay for the cost of sending an additional 500 troops and supporting equipment to the front lines in Afghanistan, the British government is currently “reprioritizing” existing Ministry of Defense spending, including domestic cuts in civilian staff, and a commitment to improve procurement.<sup>3</sup>

We recommend a similar approach for the United States. Given that defense investment funds—including procurement, research, and development—have grown by approximately 75 percent in inflation-adjusted dollars over the past decade, and that the Obama administration’s FY 2010 defense budget represented an approximately \$4 billion increase over even the outgoing Bush administration’s projected funding for this fiscal year, and that the total increase for the regular defense budget for FY2011 is now projected to be another \$14 billion above the administration’s earlier projections for that year, Obama should certainly be able to find the funding for his troop increase within the baseline budget in FY2011.<sup>4</sup>

Adjustments to nine costly and outmoded weapons platforms and programs and an across-the-board reduction in research, development, test and evaluation funding could more than pay for the additional 30,000 troops for Afghanistan for one year. These ten budget cuts would include:

- Ballistic Missile Defense
- The Virginia-Class Submarine
- The DDG-1000 Destroyer
- The V-22 Osprey
- The Expeditionary Fighting Vehicle
- The F-35 Joint Strike Fighter
- Offensive Space-based Weapons
- Future Combat Systems
- Scaling back the number of our nation’s nuclear forces
- Scaling back Research, Development, Test and Evaluation funding

Together these changes could save some \$40 billion in the next fiscal year, from which Obama can select the more than \$30 billion required to fund 30,000 troops for their first year in Afghanistan (see Table 1).

### Paying for the troop escalation in Afghanistan

Ten ways to cut current defense spending to fight this war within our means

Program	FY2010 Defense Appropriations Act <sup>5</sup>	CAP's 2011 Recommendations (in billions)
Ballistic Missile Defense	9.3	-6.0
Virginia-Class Submarine	3.9	-1.95
DDG-1000	1.4	-1.4
V-22 Osprey	2.7	-2.1
Expeditionary Fighting Vehicle	0.29	-0.29
F-35 Joint Strike Fighter	10.8	-3.6
Offensive Space Weapons	1.6	-0.053
Future Combat Systems	2.3	-0.76
Nuclear Forces	46.7 <sup>6</sup>	-13.1
RDT&E	80.5	-10.0
<b>Total savings</b>		<b>39.3</b>

Source: Center for American Progress.

None of these Cold War-era weapons platforms really provide the urgent capabilities needed for the wars in Iraq and Afghanistan nor likely future threats. By cutting or scaling back these programs, the Obama administration can both pay for the escalation of the war in Afghanistan and continue its pledge to create a more realistic defense budget in line with both our needs and our means.

Ensuring that the \$30 billion per year price tag for the escalation in Afghanistan will not add to the federal deficit will not make up for the hundreds of billions of dollars already spent on this war by the Bush administration, but it will be a step in the right direction. In righting the ship, President Obama can learn from President Lyndon B. Johnson's successful effort to balance the federal budget in 1969 at the height of the war in Vietnam. Through a combination of tax increases, reductions in the regular defense budget, and domestic spending cuts, the Johnson administration was able to produce a budget surplus in its last year in office and keep regular defense spending under control.

We do not believe tax increases or domestic spending cuts are necessary at this time to offset the increased cost of operations in Afghanistan for FY 2010. Nor do the American people. In a recent survey conducted by the *New York Times*, the majority of Americans (53 percent) stated that they would prefer that the government fund the most recent escalation in Afghanistan by implementing spending cuts as compared to adding to the budget deficit (19 percent) or increasing taxes (10 percent).<sup>7</sup>

As will be outlined below, adequate funds can be found by cutting or eliminating unnecessary programs in the Defense Department's base budget. Moreover, the United States already spends more money on research, development, test and evaluation—as measured in constant dollars of total obligational authority, or TOA—of weapons systems than the United States did at the height of the defense spending buildup under President Ronald Reagan in FY 1987. Obama should be able to trim these costs by at least \$10 billion, to help cover new operations in Afghanistan.<sup>8</sup> Finally, as tens of thousands of service members begin to redeploy from Iraq next year, funds can be reprogrammed from Iraq to fund continued operations in Afghanistan.

In the pages that follow, we'll detail precisely how these ten defense spending programs can be cut or reined in significantly to pay for the increase in troop strength in Afghanistan. The United States can pay for the wars we fight, just as we have done in the past. We need only the political will to do so.

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