



**THE CENTER FOR AMERICAN PROGRESS, THE
CENTER FOR DEFENSE INFORMATION AND FOREIGN
POLICY IN FOCUS PRESENT:**

“A UNIFIED SECURITY BUDGET.”

MODERATOR:

**JOSEPH CIRINCIONE, SENIOR VICE PRESIDENT FOR
NATIONAL SECURITY, CENTER FOR AMERICAN PROGRESS**

SPEAKERS:

**MIRIAM PEMBERTON, RESEARCH FELLOW,
FOREIGN POLICY IN FOCUS**

**LAWRENCE J. KORB,
SENIOR FELLOW, CENTER FOR AMERICAN PROGRESS;
SENIOR ADVISOR, CENTER FOR DEFENSE INFORMATION**

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MR. JOSEPH CIRINCIONE: Good morning. Thank you very much for coming this morning. My name is Joe Cirincione and it's my pleasure to say for the first time publicly I'm the senior vice president for national security and international policy here at the Center for American Progress. This is my second day on the job and my first public event for the Center, so thank you very much for coming to this important event.

Before we get started, a couple of procedures. Could you follow my example and turn your cell phones to stun. And we're going to briskly walk through this task force report. I was pleased to serve as a member of this task force and to host the release of a unified national security budget for 2007 on behalf of the Foreign Policy in Focus and the Center for Defense Information. We feel this is an important study that offers a number of compelling recommendations on how to transform the budgetary process so that our critical national security needs are met and wasteful spending is reduced.

Let me introduce our two panelists, Miriam Pemberton and Larry Korb, who are the lead authors of this task force report. Miriam Pemberton is a research fellow at Foreign Policy in Focus, a joint project of the Institute for Policy Studies and the International Relations Center. For the past three years she has co-chaired the task force that produces the unified security budget. Her writings recently have focused on federal budget priorities, military spending, and the economic costs of the war in Iraq. She holds a Ph.D. from the University of Michigan.

Larry Korb is a senior fellow at the Center for American Progress and senior advisor to the Center for Defense Information. He was assistant secretary of defense in the Reagan administration from 1981 to 1985. In that position he administered about 70 percent of the defense budget. He has also served in a variety of positions at the Council on Foreign Relations, including Council vice president, director of study, and holder of the Maurice Greenberg chair. Mr. Korb also held appointments at the Brookings Institution, the Graduate School of Public and International Affairs at the University of Pittsburgh, and the Raytheon Company. Mr. Korb served on active duty for four years as a naval flight officer and retired from the Naval Reserve with the rank of captain.

But before turning it over to Miriam and Larry, I want to give Emira Woods, the co-director of Foreign Policy in Focus, and Winslow Wheeler, director of the Straus Military Reform Project of the Center for Defense Information, a chance to introduce their organizations, which co-sponsored this report. I'd like to turn to Winslow first to introduce CDI and then have Emira introduce Foreign Policy in Focus.

MR. WINSLOW WHEELER: Good morning. Thanks for coming here. My name is –

MR. CIRINCIONE: Maybe a little closer, please.

MR. WHEELER: What? My name is Winslow Wheeler.

MR. CIRINCIONE: Just do what he tells you. (Laughter.)

MR. KORB: Don't tell him what to say though.

MR. WHEELER: I'm a slow learner. My name is Winslow Wheeler. I'm the director of the Straus Military Reform Project at the Center for Defense Information. I spent 30 years working on Capitol Hill. I'm please to see Chuck Bowsher here, one of my former bosses. I worked for GAO for nine years in the division that Mr. Bowsher had to invite up to his office several times to argue out reports with other divisions.

It's a pleasure to be here to endorse this study. I'm particularly interested in the defense parts of it. I say that – and I'll make the facetious statement that the \$60-billion reductions in the study for the defense budget are a good first step. I say that because the Bush administration inherited long-term problems from its predecessors, from President Clinton, from Bush I, from Reagan, and even from people before them – long-term fundamental problems that have been around for a long time. Nobody has addressed them. Clinton certainly didn't; he made them worse. And Bush certainly hasn't. He tried to address them by throwing money at these problems, and throwing money at these kinds of problems are exactly the worst kinds of things to do. And the programmatic reductions in this study I think are quite literally a good first step.

I was doing a little research last night and I went back to the 2000 presidential campaign. Some of us may recall that Candidate Bush's pledge on the defense budget was to increase it by \$48 billion over ten years. The spending for the wars in Iraq and Afghanistan aside, he's almost right with the number. It's more like a 41 percent increase of baseline defense spending, not counting the wars in Iraq and Afghanistan, since the 2000 budget. And we still have a defense inventory that is shrinking, aging, and becoming less ready at increasing cost.

MR. CIRINCIONE: Thank you, Winslow. Thank you very much. If you could just hand it to Myra. And Antoine, if you could – there you go. Thank you.

MS. EMIRA WOODS: So good morning. I'm Emirra Woods with Foreign Policy in Focus at the Institute for Policy Studies. First, a thank you to the Center for American Progress and to our colleagues at the Center for Defense Information for all the great work that went into the task force and the work of this report, but special thanks to Miriam Pemberton, our lead author.

Foreign Policy in Focus is a program ten years old now, jointly managed by the International Relations Center in New Mexico and the Institute for Policy Studies here in Washington. We are a network of about 600 writers, analysts, policy experts, that work to make the U.S. a more responsible global partner. Our work is tough, let me tell you, with this administration. But clearly we work on issues of security and defense. We also work on issues of the global economy. And we recognize that as increases in defense spending continue to spiral out of control, there are costs to the world.

The priorities being set by the Bush administration and the administrations like it around the world that are putting defense and militarism above people are having disastrous consequences throughout the world. It is not just the costs here to the U.S., but it's the costs to the global economy, our global family of nations. And we firmly believe that further emphasis in people, that is spending that will bring health, that will bring education, that will bring a variety of the core basic needs to communities around the world, not only create a stable global environment and global economy, but also create an atmosphere where all of us, whether we're talking about issues of migration and immigration here in the U.S. or we're talking about issues of concern to citizens voting here in the U.S., all of throughout the world can recognize those basic needs of improving the lives of our children and their children to come.

So we really recognize and applaud the work of the report and the authors of the report, and we look forward to an exchange, hopefully, to go into more of the issues of the impacts of defense spending, not only on security but on development and other areas as well. So with that, I thank you and I turn it back over to Joe before he says I should stop. (Laughter.)

MR. CIRINCIONE: Thank you very much. That was just perfect. You hit it just right. I'm going to turn it right over to Miriam to give us about a 15-minute introduction to this report. Why don't you pull the microphone a little close – right up to you, get comfortable with it –

MS. MIRIAM PEMBERTON: How am I doing?

MR. CIRINCIONE: – and take it away.

MS. PEMBERTON: Is that working?

MR. CIRINCIONE: That's great.

MS. PEMBERTON: Okay. First I want to underscore that this is really a team effort, that we put together a task force of experts, many of whom contributed sections to the report. Joe wrote the bulk of the section on nonproliferation. We also have experts on the task force contributing sections on foreign aid, peacekeeping expenditures, and so on. Some of those members are here, and I hope that we can involve them in the discussion later on.

So a week ago, the Senate voted to cut almost \$2 billion out of its war supplemental funding and put it into border security. The debate was drenched with political posturing on both sides of the aisle, in my view, but you could see it – I'm kind of leaning over backwards to see it as bearing some resemblance to what we're talking about here. It was an indication that Congress' debate over the budget could include an effort to sort of see the security problem whole, a debate that weighs the best way to spend our security dollars to make us safer, one that considers nonmilitary as well as military security tools.

MIT's Cindy Williams, who's a task force member, has sort of dubbed these different kinds of security tools offense, defense and prevention. Offense being mainly – referring to the military, defense referring mainly to homeland security, and prevention referring to the constellation of programs mostly in the international affairs budget, nonproliferation, diplomacy, foreign aid, and so on.

So today as it happens, both the House and the Senate Armed Services Committees are taking up the administration's budget request. Word is that some of the subcommittee work has involved making some modest adjustments to the administration's request, so we may be seeing the beginning of real departure from past years, but it's more likely I think that by the end of today the house Armed Services Committee at least will have largely rubber-stamped the administration's package virtually unchanged. That'll be \$440-odd billion, 53 percent of the entire discretionary budget sort of all in one day's work.

This will entail putting their stamp of approval on programs like the V-22 Osprey. Now, that program has been two decades in development. We've already spent \$18 billion on it, and it is still not operational. The Army no longer wants it. The House Armed Services Committee does not seem to care. Some members of the committee, mostly likely to be Democrats, are likely to raise a few objections during the course of the day, wondering, for example, why we need to be spending 20 percent more this year than last year on the missile defense program, which, as we know, is being deployed despite the fact that it hasn't been shown to work yet, and that according to our own CIA the method of delivery that it is designed to protect us from – from weapons of mass destruction – is the least likely method that anybody is going to be using. So we're adding 20 percent to the budget for this unproven program and meanwhile we're going to be cutting, if the administration has its way, 10 percent from the Defense Department's Cooperative Threat Reduction program, which has been used to secure and dismantle stockpiles of weapons of mass destruction in the former Soviet states and elsewhere. This is a proven program. It just needs more money and more will to get the job done.

So objections like these will be raised and they will be noted, and they will be set aside. What won't even come up in the discussion is the question of whether we ought to be spending more money on this missile defense program, for example, or on the entire Coast Guard, because that question just falls outside the jurisdiction of the committee. It's not something they're set up to even look at.

So these sorts of abortive ad-hoc efforts are what will pass for a debate over broad security priorities. And they make glaringly obvious, I think, that what we actually need is a system, comprehensive examination of security spending and a search for the right balance of security tools. This is hard for Congress to do because the spending is spread all over many departments and is considered and handled by many committees, so we think a constructive first step would be to have the budget agencies who draw up the budget documentation for Congress add to what they provide Congress a so-called unified security budget that would bring all of these categories of military and

nonmilitary spending together in one place. This would allow the members to weigh the relatively proportions of spending on, for example, securing our ports or building more Ospreys. Canceling the Osprey program would, by the way, allow us to double the amount that we spend on port security.

Since nothing like a unified security budget now exists to help these deliberations along, we have taken a crack at it. It's, as Joe mentioned, the third in an annual series. The head of the Congressional Budget Office's National Security Division said that they could do a version of this if the leadership of the budget committee gave them the appropriate request, and with a few more dedicated staff they could do the job quite well.

Now, what we've done in this document is a sketch, not a detailed blue print. It starts, as in past years, with a brief update on security development since last year. We can report that in the president's request all of the offense, defense and prevention tools that we're outlining here have had increases to their budgets. Each year we calculate the proportions of the budget devoted to military versus nonmilitary tools. This is roughly equivalent to the national defense account 050 versus homeland security account and the international affairs account put together, although we've done a bit of re-jiggering to more accurately distinguish between the nonmilitary and military functions within those budgets.

This year the relative balance of military versus nonmilitary tools has improved slightly, from 7 to 1 last year to 6 to 1 this year. Of course, we're only talking about the regular budgets. As we know, the administration has seen fit to fund the wars that we're actually fighting with so-called emergency supplemental appropriation, and we're in the throes of the debate over the latest and largest of these; in fact, the largest in history right now.

The cost of the war has escalated each year since it began. It's projected to rise 17 percent this year over last. So if you add in the costs of the war to the costs of the regular military budget, the real balance of military versus nonmilitary security spending widens to about 8 to 1.

So back to considering just the regular budget, which is mainly what we're dealing with in this report. Exclusive of war funding, we are spending 83 percent of our security resources on military tools, about 11 percent on homeland security and about 6 percent on prevention. And the administration is planning a trajectory for this budget that will widen the gap. So military spending is projected to rise through 2011 while international affairs kind of bumps a little bit and then stays basically constant. And numerous budget analysts have called attention to the wide gap between what the administration lays out in the Quadrennial Defense Review for its strategy and what its budget provides.

So while Congress is making only sporadic and piecemeal efforts to think about overall security priorities, this debate is emerging and progressing in other interesting ways. It's clear that something is happening with the post-9/11 debate when a leading

neoconservative theorist, Francis Fukuyama, decides that his movement's problem lies mainly with its over-militarized approach to foreign policy. He writes about the enormous structural imbalance in global power derived from U.S. defense spending nearly equal to that of the rest of the world combined, as he says. He says that we need to demilitarize what we've been calling the global war on terrorism and shift to other types of policy instruments.

This abstract question of military versus nonmilitary policy instruments is of course now concretely and urgently before us as the administration weighs dealing with Iran's nuclear problem with a bombing campaign, possibly including tactical nuclear weapons, versus such nonmilitary measures as diplomacy, sanctions, and a more long-term intrusive program of IAEA inspections. As the administration tries to deal with his problem, we need to make sure that all those hammers in its arsenal don't make the problem come into view only in the shape of a nail.

So this report sort of takes up Fukuyama's challenge and lays out a way to re-balance what he calls our over-militarized foreign policy. This year, we have identified nearly \$62 billion in cuts to the regular defense budget for programs that have scant relevance to the threats we face, and therefore can be eliminated or scaled back with no sacrifice to our security. Larry will talk about some of those. And we identify about \$52 billion to be added for the tools of defense and prevention. This modest shift in a \$500-billion-plus security budget would convert a 6 to 1 imbalance to a better balance of 3 to 1. In other words, it would double the proportion of the budget devoted to security tools like nonproliferation, diplomacy, and homeland security. This, we argue, we would make us safer.

First because, as Larry will lay out, much of our military budget continues to be applied to programs that simply aren't making us any safer. Second, because our three-year exercise in military power projection in Iraq has, by the likes of our own CIA, created more terrorists than it has killed. And far from deterring other nations from developing weapons of mass destruction, it may, as Joe writes in the report, have increased the motivation of some to develop a nuclear deterrent to prevent a conventional attack from the U.S.

Third, this money is needed for other things. For example, to make sure that our first responders in the event of an emergency – police, hospitals, public health officials – can talk to each other. Katrina, of course, gave us a taste of how poorly prepared we are for such an emergency. For example – oh my gosh – securing nuclear stockpiles, securing ports, chemical and nuclear plants and so on. The report lays out a broad agenda of neglected nonmilitary security needs. And fourth, because security is not served by a reputation that, as measured by polls of international public opinion, has never been worse. Repairing the damage has to involve recommitting to the post-war project of building the structures of international cooperation.

The U.S.'s continued opposition to its fellow nations in one international forum after another has obstructed our ability to form cooperative arrangements in law

enforcement and intelligence-sharing to fight terrorism. And going it alone is self-evidently more financially expensive than burden-sharing. Repairing the damage to our international reputation also has to involve demonstrating our commitment to address the needs of the rest of the world with foreign aid that is decoupled from our own narrow strategic and economic interests. In the long run, this commitment is in our interest.

And I will justly briefly advert to one new dimension of the report this year. In the past, we've labeled a transition to alternative energy sources as – put it into the category of “and then there are these other urgent domestic neglected priorities,” but this year we've sort of – we've adverted to the consensus that has developed across political lines that what the president calls our oil addiction is really a foreign policy issue and a security issue, and so we've incorporated that into our budget for nonmilitary security tools. And we look at a model put forward by the Apollo Alliance, which is based here at the Center for American Progress, to lay out how that transition could be done.

So now I'm going to quickly turn this over to Larry. Thank you.

(Applause.)

MR. CIRINCIONE: Thank you, Miriam.

Larry?

MR. LAWRENCE J. KORB: Let me welcome you all here today and also welcome Joe as my new boss. I think –

MR. CIRINCIONE: Hardly. Don't believe him.

MR. KORB: – it's a measure of the great job that Bob Boorstin did in getting this national security group up and running that we could attract a person of Joe's caliber. We had to actually outbid the Carnegie Foundation to get him here.

I want to thank a lot of the people who worked on this report. I mean, if you take a look at it, this is product of the work of a lot of people, because Miriam was involved, our task force, but in particular people like Antoine who's got the microphone and tells us what to do, and Andy Grotto, who did a lot of the yeoman's work in shepherding this through. He worked so hard we had to give him a couple of days off to recuperate. Matt Brown, who published; and Alex, who handles all of the logistics for these.

As has been mentioned here, the reductions I'm going to talk about don't impact the war. We're not dealing with the supplemental, though I would say that if you take a look at the supplemental, they've snuck a lot of things in there that ought to be in the regular budget. I mean, for example, the Army was going to convert to the so-called modularity program where they were going to change from divisions to brigades as the unit of action. A lot of the funding for that is in there even though this program started in 1999. It won't endanger our ability to prosecute – whatever your current phrase is – the

global war on terror or the long war. In fact, as has been pointed out, it will increase our ability to prevail in that struggle.

When I testified this year before House Armed Services Committee on the defense budget and the QDR, I mentioned some of the things that Miriam did, and there was some receptivity about the fact that we spend more on one program in the Department of Defense – national missile defense – than the entire Coast Guard. And as I go around the country, that does resonate with people because I think people can understand we're in much greater danger of somebody sneaking a weapon of mass destruction in at one of our ports than shooting it with a return address, even assuming that it would work.

Let me briefly go over the changes that we recommend, and I think as Winslow mentioned, they're just kind of a beginning. There are other things, but some of the things – and I'm not going to go through all of them because they're outlined in your report, but basically I'm talking about five ways in which you could basically take money out of the defense budget to use it in other places.

First of all, weapons that deal with threats from a bygone era. The FA-22, which was originally conceived when I was in the building and to deal with the next generation of Soviet fighter, it's been changed to have a ground attack mission for which it's really not suited. The costs are going up exponentially. Originally we were going to build them, and build several hundred of them for about \$150 million in aircraft. Now it's over \$300 million. And the Air Force has 100 of them anyway, if you take a look at the ones that are actually operational as the ones have been authorized, and certainly that would be enough. And interestingly enough, Rumsfeld wanted to cancel it in his first year in office, and the secretary of the Air Force threatened to resign, so he backed off.

The DDX Destroyer – great if you were going to fight another blue-water battle on the open ocean warfare. Not going to help you much in supporting your forces on the ground. In fact, it's not only us that don't like it, the Marines don't like it. They don't think very much about it because it really doesn't help them on the ground. And you also have the Littoral Combat Ship, which you can buy for about \$200 million a copy as opposed to the DDX which is going up exponentially. In fact, John McCain said, my goodness, we're spending as much on this as we are on an aircraft carrier. The Virginia class submarine, which you really don't need – you can extend the life of the Los Angeles, you can modify the Tridents from carrying nuclear weapons to perform a lot of the other missions.

There's been mentioned national missile defense. It hasn't been tested. They dug holes. They put stuff in the ground. It hasn't been tested. In fact, I saw something, they're going to start testing again, but they're going to make the test easier. So this should be cut back to a research and development program rather than an operational.

Space – it has not received the attention that it should. There's a big difference between the militarization of space, which has already occurred – we use GPS, for

example, to help our forces on the ground go where they want to go, and you've got the satellites to provides reconnaissance, but they're talking about weaponizing it, which means you'd use it to launch weapons against ground targets. My old colleague from the Council on Foreign Relations, Dick Garwin, who had a little bit to do with developing the hydrogen bomb, said that's absurd. It costs you 166 more times to launch the weapon from space than from the ground.

Weapons not working. Miriam has mentioned the V-22 which continues to have problems. \$18 billion over 20 years. Still don't have any operational. The C-130-J has a number of defects. Again, Rumsfeld tried to cancel it in early 2005, but backed off when the Georgia delegation wouldn't go along with it. So you've got weapons that are not working.

Programs you're rushing. I think you ought to build a Joint Strike Fighter, but to get all three services involved – the Air Force, the Navy and the Marines – together, you don't want to rush that. The Future Combat System for the Army makes sense, but again, not at the pace that you're trying to develop it.

Nuclear weapons. General Habiger, who was the head of the Strategic Command in the '90s, basically said you don't need any more than 600 operational and 400 in reserve. If you would go down to that from the 5,700 you have operational, another 5,000 in reserve, you could save significant amounts of money, as well as send the right message to the world in dealing with the whole question of proliferation, not to mention the fact that the whole idea of developing smaller nuclear weapons should also be off the board.

We've got to make some cuts in force structure. We've got 5,000 tactical aircraft, close to 2,000 armed helicopters, and they really don't contribute much to dealing with the threats we're facing today, so you could eliminate about two tactical air wings and at least one carrier battle group, so you could make some changes in force structure.

And then finally, in management we only recommend \$5 billion in cuts, but I know there's a lot more. Congressional Research Service says you had nearly 3,000 earmarks last year totaling almost \$10 billion, not to mention that Don Rumsfeld has said he could save \$20 billion to improve the management. I wonder what he's waiting for, but, nonetheless, there are some savings to be had there.

So those are the things that I think that you can do without endangering our national security. And the money certainly can be used better elsewhere.

Thanks.

MR. CIRINCIONE: Thank you, Larry. We're now going to open it up for questions and discussion. And we would like to give our colleagues here from the media first crack at this if there are any questions to begin with. Yes. And can you wait for a microphone, and then just give us a brief identification. Thank you.

Q: I'm Pam Hess with UPI. On the major weapon systems cuts that you're talking about, the Pentagon would argue that you can't cut these now because when you do need them ten years from now, you will have missed the ten years of development that go through. So could you address that?

Would you also talk about the new global strike platform that they're talking about to hold enemy nuclear capabilities immediately in threat? It's something that's big with Hoss Cartwright out at STRATCOM and I think it was in the QDR.

MR. KORB: Okay. Yeah. If you take a look, for example, if you're – and of course nobody says it, but the unstated presumption is China – you know, that you'd have to deal with another major power. You've got 100 FA-22s. They're talking about building – the current plan is 180. The Air Force dearly hopes that whenever the next secretary of defense comes in they can convince him to go higher. Certainly you'd have 100 of those. As we talk about it here, you can make the F-16s and the A-10s much more capable by improving their electronics. And you're also building the Joint Strike Fighter, which is going to be far better than anything that China has. We talk about not rushing it because you've got to work out a lot of the technological problems with the three services. So I don't think that that's really a problem that you'd have to deal with.

I mean, China is not going to develop a blue water navy, okay. I mean, if anything, you can take a look at what they're doing, they're developing the things to protect us from getting too close to Taiwan. But the whole idea of fighting an open ocean navy doesn't make a great deal of sense, and you still have things. I mean, we've got ships around – the Arleigh Burke cruisers and destroyers – so it's not like you won't have anything to deal with.

You have a pretty robust RDT&E budget. In fact, it's basically gone up 50 percent since the administration has come in office. We want to slow that down a bit, but certainly that should help you maintain your technological edge.

Q: (Off mike.)

MR. KORB: You're talking about in space?

Q: (Off mike.)

MR. KORB: Well, that's part of the problem. And I think the thing on that, and maybe Joe or Miriam wants to add something to it, I think you have to be very careful about weaponizing space because what – we have the best of all possible worlds right now. We're able to use space to enhance the capability – the effectiveness of our forces here on earth, if you will. If you go ahead and weaponize it, what you're talking about then – people are not just going to allow that to happen, and you could explode space mines; for example, explode a nuclear weapon up there just to mess up everything. So it doesn't make any real sense to go ahead and weaponize it. And whether there's a legally

binding treaty, I think it's pretty well understood among the major nations that we're not going to weaponize space. And part of the problem you have – a lot of this stuff is classified, so I'm not exactly quite sure what they're trying to do there.

MR. CIRINCIONE: Could you just wait for the mike?

Q: Oh, sorry.

MR. CIRINCIONE: That's okay.

Q: I am Winslow Wheeler. I was just going to just add very briefly that Larry is being unnecessarily kind to the F-22. (Laughter.) For \$61 billion dollar, \$360 million per airplane, you get a puny little force of 183 aircraft.

MR. CIRINCIONE: Do those numbers again. For?

Q: \$61 billion for – well, actually, reduce the size of the force, 181 aircraft. You get a puny force. You get an airplane that its aerodynamic characteristics are about an F-15, some dimensions are a little bit better, some are a little bit worse. You get the characteristics that we've paid a huge of money for, stealth, that in past air warfare has been an irrelevant characteristic. And you get a super-cruise capability for getting a jump on other fighters that is much diminished from the original specification, such that it's almost meaningless. In other words, for a huge amount of cost, you get not much. You get an airplane that'll be able to generate about one sortie every other day thanks to its stealth characteristics. In a fight with China, I don't want that kind of help.

MR. CIRINCIONE: Thanks. Winslow actually has an extensive, as you might have guessed, briefing on the F-22, which I recommend to anyone who wants to get deeper into this, and he's happy to go anywhere and talk any time about this. (Laughter.) Go ahead, right up front here. Just identify yourself.

Q: David Eisenberg, British American Security Information Council. It seems to me in any discussion of the security budget one of the primary categories that you have to deal with would be intelligence, which I don't see mentioned in the report. But I'm wondering, since 2001, according to press reports, the budget has reportedly gone up about \$10 billion or so from about \$30-odd to \$40-odd billion, so that's about an increase by about a third. And that report, postmortem since 2001 on the intelligence community has indicated one which is deeply dysfunctional, in disrepair, badly demoralized and reduced down to its essence – report that the (ast one – the Silberman-Robb Commission – last report, our intelligence capabilities suck, so we've increased the budget –

MR. CIRINCIONE: That's a paraphrase.

Q: That's a paraphrase, yes. (Laughter.) So – but pretty close. So we have an increased by a third, \$10 billion, no increased capability. Do you have any thoughts on what should be done with all this wasted intelligence spending?

MR. CIRINCIONE: Thanks, David. Anyone?

MR. KORB: Well, part of the problem is obviously it's classified. Mary Margaret Graham inadvertently told us it was \$44 billion. I think the key thing in this is how much control the Pentagon is going to give to the NDI, the new director – how much control he or she will have. Because the Pentagon, the best we know, has about 80 percent of the spending. And until you do that – now, as long as Rumsfeld is there, it's going to be hard to get it. And the reports I've read about Negroponte not exactly willing to take him on give me pause to wonder whether it's being spent the way that it should. So I mean in terms of spending, I think that's got to be the key thing because if the Pentagon maintains control over –

Q: Yeah.

MR. KORB: – that, the question is, does the country get what is needed within that budget?

MR. CIRINCIONE: Yeah. I mean the fix was supposed to be that there'd be a strong director of national intelligence who would solve this problem and would be allocating funding between the NSA and the other Pentagon agencies and more covert operations, and that doesn't appear to be happening, right? I agree. That's the way I see it, too; that the Pentagon still maintains its budgets and its control over the majority of intelligence assets.

Next question, please.

Q: Nick Berry, Foreign Policy Forum. Assuming that Russia and China do not go along with Chapter VII on Iran and the United States goes it alone with maybe marginal support, and Iran resists, the probability of an air and naval war – a rather prolonged one – with Iran is likely. How will this – will this positively or negatively affect your recommendations?

MR. KORB: Well, I think you're still going to have the best navy in the world. I mean, we're talking about getting rid of one carrier battle group. I mean, you're still going to have ten carrier battle groups. You'll have close to 300 ships. You've got very sophisticated equipment on all of the ships. Now, the Iranians, I assume, if they engage us in naval warfare would use what we people call asymmetric tactics. None of the things we're talking about here – the DDX is not going to help you deal with that. You still have a very good submarine force that exists. The real problem would be, yes, you would prevail militarily if you did engage. The question would be, what would be the impact on energy supplies in the world and – if the Gulf is closed.

Now, in terms of the military options if you did decide to use that – I mean, the question is no matter what you had, do you have the intelligence to know what to hit, would you be able to get it all in such a way – and then the consequences of having done

that or what the Iranians might do in terms of our forces in Iraq, what they might do with terrorist attacks around the world. That's the real consideration. But in terms of what we're – I mean, I think you ought to take the nuclear option off the table, but if you took all of our recommendations and got down to 600 operational, none of which are – all of which are 20 times bigger than Hiroshima, I can't see that you wouldn't be able to do a heck of a lot of damage with it.

MR. CIRINCIONE: Do you have anything to add, Miriam?

MS. PEMBERTON: Just that the point of view of this report is that we need to work through every means of diplomacy at our disposal to make sure that doesn't happen. And I guess maybe I'd throw it back to you since you know more about the nuclear proliferation threat from Iran, and what are the possible ways of dealing with it. I mean from my non-expert perspective, it seems as if Iran has given us – at least it's saying at this point if we back off in the U.N. they will allow intensive and extensive inspections. Seems to me that that's the best first step, but I wonder what you think.

MR. CIRINCIONE: I'll just take one minute on this. First, directly on your question, this is not going to be a conventional war, if we're so foolish as to be dragged into a war with Iran. I don't think there's going to be an extensive air and sea battle. U.S. versus Iran – it's no contest. And part of the purpose of this task force report is to demonstrate that even at substantially lower levels of defense spending, it's still no contest. The U.S. going up against a third-world Iranian navy – there isn't much to talk about. It'd be an asymmetrical warfare that most of our budget doesn't address at all, sinking of a tanker in the Straits of Hormuz. That's all they have to do. It's not defeat the U.S. Navy in the Persian Gulf; it's just to put oil traffic at risk in the Straits. So part of the point of this is to say we're over-spending on these areas that we don't need. We can maintain our superiority at much lower costs.

The subject of Iran I think is a whole other issue. I don't trust the Iranians. I think they're playing games with us. I think they're doing exactly what they always do: as things start to tighten up at the United Nations, they show a little leg, they hint that they're willing to negotiate a solution on this just to get us to back off. But it's clear to me that there is no military solution to the Iranian problem, that the only way you're going to solve this is diplomatically, and the only way that's going to work is if the U.S. opens up direct negotiations with the Iranians as the German president who's visited Washington today has advocated. I think it's time for us to listen to the advice our allies are giving us and make a deal with Iran the same way we have proposed to make a deal with Kim Jong Il. Surely the Iranian government isn't any worse than that of North Korea.

Let's work our way back, and we'll be a little shorter in our answers – there you go – so we can have more of these questions and discussion. Thank you.

Q: Hi. Ameer Pendra (ph), Developing Peace. One question about sort of the parameters of the national security budget, and then one about the size. This may be a

naive question, but can we really take any kind of budget seriously, even yours, that actually doesn't incorporate so-called emergency supplemental spending for foreseeable national security costs?

The second question on sort of the size of the budget is, even your budget, are we in fact moving around deck chairs on the Titanic? I mean, when do we see a national security budget or thinking about a national security budget that addresses the basic question of the unsustainability of something like this level of national security spending for issues of our long-term economic security and our economic relations with the rest of the world?

MS. PEMBERTON: I guess the answer to your first question is, no, you can't take seriously a budget that doesn't include the war supplementals. For purposes of this exercise, what we've done is to look at the regular budget and the spending categories within it and then advert to the fact that there is this large lump of money that we're not including, in part because we don't know what it's going to be year to year, and we can predict but what we have to work with is the budget request itself, and then advert to the fact that it doesn't include this large category of spending.

And in answer to your second question, that's what we do also is to lay out some of the reasons why, as you say, this kind of trajectory for military spending, particularly with these astronomical war costs included, is unsustainable for our economy.

MR. KORB: Let me make a couple points. First of all, we don't – since we've been in Afghanistan since 2001 and Iraq since 2003, they ought to be in the regular budget. I mean, we have a pretty good idea of what the cost is each month. Now, if it turns out to be different, then you can come back for supplemental, but this is not unexpected so it should be in there. The problem with the supplemental is it doesn't get debated and the tradeoffs are not made with other areas, nor are you forced to deal with the size of the deficit.

Second thing is that even if the money is not shifted from defense to other places, the fact of the matter is there's not enough money in the projected level of defense spending to fund all of the programs there.

MR. CIRINCIONE: Yeah.

MR. KORB: I think if you take a look at the Quadrennial Defense Review, it made no hard tradeoff. It basically kicked the can down the road to the next administration.

And then finally, talking about China, this is absurd. We're borrowing money from China to finance the war, and we're worried about China as a future threat. I mean, that makes no sense at all.

MR. CIRINCIONE: Thank you. Antoine, right there. Thank you. And then

we'll work over.

Q: Hi. My name is Lauren Dunn and I'm from NETWORK. It's a national Catholic social justice lobby. In much of the congressional debate about the rest of the budget, nonmilitary spending, there's an eagerness to put in accountability measures for many of the programs. And I'm wondering if there are accountability measures for the defense spending that are being ignored, and if increased use of accountability measures for the military programs would be helpful in creating a more effective defense budget.

MR. CIRINCIONE: Oh, okay.

MR. KORB: Oh, you want to –

MR. CIRINCIONE: Yes.

MR. KORB: Oh, okay. There is a law, it's called the Nunn-McCurdy law, that says whenever a program goes 25 percent over the expected cost you're supposed to come up and tell why. It hasn't been followed to the extent that it should. And even Republicans like Senator Cornyn from Texas say they have never seen the cost growth in weapon systems that they've seen in this administration.

Aside from the issues of policy and stuff, up until very recently you didn't have anybody running the Pentagon. The deputy secretary of defense is supposed to be the chief operating officer of the world's largest organization. This is a job that's been held by people like David Packard, Don Atwood from General Motors. You had a policy person in there before. Now you have Gordon England, who's come from defense industry. Maybe he'll be able to get it under control. But as far as I can see, the deputy wasn't running the place and so the thing just really got out of control. You had – your chief financial officer was not somebody like Chuck Bowsher, who was in the Pentagon and had an accounting background. This was another policy person, so you had nobody really focusing on this, and so as a consequence you've made a bad situation worse.

MR. CIRINCIONE: Yeah.

MS. PEMBERTON: I guess on the question of accountability, I'd just add one thing that worries me is that as our strategy lays out we're going to be relying more and more on special forces, and there are reasons for doing that, but these are the least accountable forces that we have. And now we've heard that they're going to be operating in countries without necessarily letting the U.S. ambassador know that they're there. And to me, we've got to really look at the question of how to make sure these forces are accountable to somebody and to the public as they're operating clandestinely around the world.

MR. CIRINCIONE: Thank you. Up front here.

Q: Hi. Dick Glass (sp), U.S. Air Force, retired. A quick comment. I think you

underestimate the F-22. It is a wonderful toy for fighter pilots to become chief of staff of the Air Force and then become compliant to the secretary of defense. (Laughter.)

Aside from that, I'm wondering about the politics and how you get this done. The tradeoff between \$10 billion for the Coast Guard versus missile defense against a threat that doesn't exist, getting statements from Gene Habiger or Lee Butler about where we can go on nuclear weapons. Do you have a strategy or a suggested strategy for how actually to move this ball forward?

MS. PEMBERTON: We have a few preliminary ideas. As I mentioned, we have been talking with the Congressional Budget Office about getting a unified security budget put together officially as a tool for the committees to use. I guess really getting this done would involve a lot of reorganization of the committee structure and the way the budget process works. And I'll just preview. A couple of colleagues, Gordon Adams of George Washington University and Cindy Williams, who's on this task force at MIT, are working on a book where they're really going to try to figure out a rational budget process and the committee structure that would allow this broad consideration of security priorities, so maybe in six months or a year we can do an event here and they can explain how all this is going to be done.

MR. KORB: I might mention that there was a – there's a Common Sense Budget Act that was introduced this year that talks about taking money out of defense, putting it other places, so it was actually introduced in both houses. Where it's going – I don't have great hope for it getting through, but I do think it is important for groups like CDI and Foreign Policy in Focus to raise the questions, make people aware of it. As I mentioned, I testified before the Armed Services Committee and tried to make this point.

Now, where it goes I think will depend a lot on all of you here and people in the country.

MR. CIRINCIONE: I think that's exactly right. All of us have worked in government. Winslow and I met each other when we were both on Capitol Hill staff working these processes. We understand there are formidable bureaucratic obstacles to any kind of change whatsoever unless you're talking about increasing a particular budget line item. But it's up to the – it's the job of institutes like this, like the ones that are represented here today, to develop these ideas, to propose these alternatives, and to point out, as you do so well, Miriam, in the opening paragraphs of this task force report, that it's not just a rhetoric of what our balanced approach is; it's how much money we're laying down that we have to watch to determine whether we really have a balanced approach or not. All we can do is just keep trying.

Other questions here?

Q: Hi. Good morning. My name is Jeff Tantz (ph). I'm from the Brookings Institution. Given – returning to this question of cost overruns and Nunn-McCurdy breaches, given their persistent historical nature, I think GAO puts them between 20 and

40 percent on average and probably more in the current administration. To what extent do you think the expenditure cuts that you highlight in your unified security budget would yield future gains beyond the '07 window? Do you think that this is really just the first round and there's more fat to be cut beyond it? And given that there are such persistent cost overruns, do you think that they represent real gains beyond the single year?

MR. KORB: That's a terrific question. When Dick Cheney was secretary of defense, he tried to cancel the V-22 basically. I've seen a press report where in private he called it a turkey. We quote as public saying this is kind of a waste of money. He also cancelled the A-12 for the exact reason you're talking about, because basically this was going to be the Navy's version of the FA-22 because he found out that the thing was completely out of control and he was trying to send a message.

I think if somebody were to grab some of the programs we've spoken about here, and Winslow has talked about the FA-22, I'll read you a GAO report, it says, we're spending \$339 million for an aircraft that's too heavy for improved maneuverability, too large to be considered stealth, and only capable of carrying half the payload of the F-117, okay. To do something like that would send the right signal; in other words, hey, even if you needed this, this is just not a well-managed program. And that's really what you need to send a message.

What's happened here is Rumsfeld, who tries to sort of envision that he's really in charge and making things happen, when he wanted to cancel FA-22 – you may remember when he first came in, his first eight months in office he had all these task forces recommending things, and when he talked about the FA-22, Jim Roach, who was the Air Force secretary, threatened to resign. Well, he should have said, nice to have you here. I mean, you're working for me. You've got to go down; you've got to cancel this.

C-130-J – he tried to cancel it and then the Georgia delegation got upset. He backed off. That you really need to do. And the C-130-J was not a well-run program, aside from whether you need it. But that's what you really need to do. Right now you just really are going along. I mean, yes, the A-12 did stay cancelled. Tried to cancel the V-22; that came back again. And as long as that keeps happening, it's going to be harder and harder to do. So I think that's what you really need, the secretary doing it, and just say, this is enough, we've had enough. We're going to cancel this thing.

MR. CIRINCIONE: But I don't think there was any weapons cancellation in the Clinton administration. The eight years of the Clinton administration did they cancel anything?

MR. KORB: No. In fact, they –

MR. CIRINCIONE: No.

MR. KORB: Again, we've mentioned it other places, they resurrected the V-22.

MR. CIRINCIONE: Yeah.

MR. KORB: They went ahead with the Seawolf submarine that Cheney – oh, yeah. I mean, there’s no doubt about it. It’s not a Republican or a Democratic thing.

MR. CIRINCIONE: No.

MR. KORB: As our colleague from Brookings pointed out here, it is a systemic problem, okay. I mean, I’ve got to tell you when we did our QDR here – we recommend some of these reductions – we got a lot of heat from Democratic senators. I mean, they said, “what are you doing?” I mean, we need to keep Groton going or Bath Iron Works and places like that.

MR. CIRINCIONE: Thank you.

Yes, sir?

Q: Jason Gross with the U.S. Global Leadership Campaign. I want to pay special tribute to Miriam and to the task force and CAP for continuing to raise the importance of investing in the international affairs budget. Our group right now is working in support of a Senate bipartisan letter spearheaded by Senators DeWine and Feinstein in support of just the president’s increased request for the international affairs budget for this year; far more important, but far more modest than what the report indicates, which shows the political challenges we still have in the short term for it.

My question stems from a recent op-ed that Gordon Adams, who you mentioned, wrote in the *Baltimore Sun*. He called the recent Quadrennial Defense Review a cry for help from the Pentagon, citing the lack of civilian international capabilities to help them achieve their goals – military goals abroad right now and a lack of investment there.

So my question is, can the Pentagon be seen and be used as a kind of advocate or validator for trying to break this political cap that we have right now on international affairs spending when, as we’ve discussed all day today, the defense budget is so sacrosanct on Capitol Hill right now and every year for reinvesting in the international affairs budget we face these political challenges?

MR. KORB: It’s interesting, when General Shalikashvili was chairman of the Joints Chiefs of Staff, he made the point that you did: we need to – in fact, he said he’d take it out of the Pentagon budget to more in there to release it. I mean, if you take a look at Iraq, one of the problems you have – you don’t have enough good civilians there working with the Iraqi ministries and places like that, and that’s hurting the – and we are asking the military to do too much. And if you read Dana Priest’s book on the – they call them the CINCs, they’re stepping into a vacuum. No, I think the military would be very happy – now, they may not want to take it out of their budget, but I think they would be more than happy if you had a more robust international affairs budget.

MR. CIRINCIONE: Anything else? Next? Thank you.

Q: Thanks. Dave Margolis. I'm of the Center for American Progress, and I'm a graduate student at Harvard University. I guess my question is, the defense appropriations problem is often described as iron triangle between the – not just appropriators in the legislature, but also the officers in the Pentagon and defense industry lobbyists. And I guess the solution being proposed here seems like a way of putting leverage only on the legislators. Especially in light of the Duke Cunningham scandal, what suggestions are there for assaulting the influence that would come from the other parts of the triangle?

MR. CIRINCIONE: Thank you. Miriam?

MS. PEMBERTON: I guess I'll mention one thing. My colleague, Sarah Anderson is here, and she's been working on trying to promote the idea of a new Truman Commission to look at war profiteering from the Iraq war. It seems like that would be an import – and there are some members of Congress who are interested in doing something like that. Seems like that would be a constructive step to take. It's been blocked so far, but let's keep that flag raised as one way of addressing the problem you mentioned.

MR. KORB: First of all, you have an Office of Management and Budget in the executive branch that is supposed to help the president make these tradeoffs. We took as a given the amount that they have in the three areas, okay. They decided to do that for what budgetary reasons or whatever it might be. But I think that's what the Office of Management and Budget – that's why it was created: to enable the president to make the tradeoffs between FA-22, national missile defense, and the Coast Guard. And it's supposed to be a check on the individual agencies that are pursuing programs that don't achieve their particular objective. So, yeah, it has to start with the executive branch, if they get their act together.

But it's very interesting, if you go back and look at Rumsfeld's first eight months, when he came in there, and as Winslow mentioned, he wasn't given a lot of money. I mean, if you read the 2000 Republican platform, they said \$48 billion over ten years. That's 4.8 billion increase each year in defense; not a lot. And he was told, you've got to make some hard choices. When all of this stuff starting leaking, the administration didn't back him, and Congress complained (and the?) defense industry, and in fact, had it not been for September 11th he might have left. It looked like he was actually going to be forced out for trying to make these hard decisions because of the political price the administration didn't want to pay. So if they're not willing to do it, then it really is not going to happen.

Q: Can I just make a quick comment?

MR. CIRINCIONE: Sure, go right ahead.

Q: Thank you very much. I think the Truman Commission discussion is very important. It demonstrates how lame the Democratic opposition is on defense issues. The way the Truman Commission got started was that Harry Truman got in his old Dodge and started driving around. He got horrified at the way that the initial appropriations in 1940 were being spent, wrote a report, and sent it to the White House. The White House ignored him, told him to go away, so he gave a speech on the Senate floor. And then the Truman Commission got created. In other words, if you want to create a Truman Commission, if there were a Harry Truman in the Senate today, and sorry, there ain't (laughter), what you need to do is start getting to work on it and go do it. Go drive around, do your work. Truman also traveled without a staff, without an entourage. And he just plain did it.

In this case, Democrats are choosing to complain that those nasty Republicans are not permitting them to have a Truman Commission. That's pitiful.

MR. CIRINCIONE: Thanks. That's provoked a lot of questions. Let's have Sarah speak.

Q: Sarah Anderson from the Institute for Policy Studies. I'll just point out that Truman was of the same political party as the president at that time, so it'd be nice if we could get a Republican Senator to drive around in whatever car they might have.

I just wanted to ask a question, though, about the proposals around increasing spending on diplomacy and U.N. peacekeeping. Are there some specific positive impacts that we could expect to see as a result of that?

MS. PEMBERTON: Yeah. If Don Krauss is still here, I might punt that question to him. He was the advisor on the section on peacekeeping. And the question is positive impacts from the recommendations of the report on peacekeeping.

MR. CIRINCIONE: Did you get that, Don?

MR. DON KRAUSS: So what are the positive impacts of the report on peacekeeping?

MR. KORB: What would be, yeah – (inaudible).

MR. KRAUS: Well, right now the – I'm Don Krauss from Citizens for Global Solutions. Right now the U.S. is approximately \$521 million behind on its peacekeeping payments right now. What this means is that when troop-contributing nations want to participate in peacekeeping missions and they haven't gotten paid for other missions that they've been on, then it's harder to get them in if we want to blue-hat Darfur, for example. So what this report – one of the things this report allows to happen is it catches us up in terms of just making our basic payments, number one.

Number two, it looks at how could the U.S. get more involved in peacekeeping?

How could the U.S. play a larger role? Right now the number of U.S. military actually engaged in U.N. peacekeeping missions is three. We have a number of civilian police involved, but on the military end we're not really engaged there. So is there a way that the U.S. can increase its capacity to be able to do that?

And then the third piece it takes a look at is U.N. civilian policing. One of the biggest deficits in peacekeeping right now is the ability to be able to transition from a military peacekeeping mission to actually handing power back over to a national authority, and the road to do that is on civilian police. There's a huge deficit in this area. And in the time that it takes to get civilian police actually deployed into a peacekeeping mission, you see organized crime take hold, you see a lot of problems that happen where a country is just not normalized again.

So it covers it over these three areas, plus a few other smaller pieces as well, so it's a really big impact. You even have Secretary Rumsfeld and Cheney talking about how peacekeeping in Haiti, for example, you're getting eight times better bang for the buck in terms of doing U.N. peacekeeping versus U.S. peacekeeping. We have OMB and GAO and Rand reports coming out talking about the effectiveness of U.N. peacekeeping.

And we just had right now two minutes ago a voice vote adopted on the Senate giving an extra \$60 million on the supplemental, so that \$521 million is down a little bit. So we are moving ahead on this. Thanks.

MR. CIRINCIONE: This guy is pretty good on the fly. (Laughter.)

MR. KORB: He was out getting the money in the bill. (Laughter.)

MR. CIRINCIONE: Let's go in the back there for another question.

Q: I'm Tyler Beardsley from Janson Communications. This is probably more of a comment than a question, and it's a continuation –

MR. CIRINCIONE: Sure, that's fine.

Q: – of the accountability piece and the iron triangle comment. I recently – and I have an opportunity in my job to do this quite a bit – recently returned from the National Space Symposium in Colorado Springs. I go to AUSA and (GO Intel?) and all the major industry-focused trade shows. We're talking about misdirected funding to programs that we don't necessarily need. All you need to do is go to one of these shows. If you had been to Space Symposium, you would have seen Lockheed, Northrop, Boeing – their unbelievably attractive and expensive displays that they've put on to make the case for NMD. There's nothing there, of course, from the Coast Guard. When you see the people attending the shows, you see that it's flag officers from STRATCOM and all the major commands around the country – all the folks that are making the decisions about the spending.

What you don't see related to international affairs is anyone out there representing the PSCs at USAID. There are no major industry components on the international affairs budget, so when you're dealing with the problem of how do you get some of this under control and what's the reason that there's so much – and a lot of this is obvious – but the misdirection, it has to do with the fact that the follow-on from your public service oftentimes leads you to a private-sector position with one of the major defense companies that are there. The people that are helping the (source?) selection folks, the people that are writing the statements of work for a lot of the activities are, in fact, people in the defense industry that are benefitting from this, and this is the Truman Commission and everything else.

I don't think you can attack that because it's jobs. It's jobs in Georgia with Lockheed Martin. It's jobs with Boeing in Seattle, now Chicago and other areas. But there's got to be some way to balance out the true needs and the organizations that represent those outside in the private sector, the folks that are actually going to do the work. And I don't know how you get there. I don't know how you become a louder voice because you can't really make it through the marketing budgets that a lot of these folks have.

So I wonder, other than saying we're going to restart the Truman Commission, what's being done to maybe really take a hard look and try to bring some sanity back into what's spent? Because a lot of it's necessary, but a lot of it seems misdirected. So if that's a question, is there an answer for it? (Laughter.)

MR. KORB: Well, several people have written books about that. Let me mention something from my own experience. As Joe mentioned here, when I left the Pentagon Raytheon came to me and asked me if I wanted to work for them. I said, I don't know anything about the defense industry. And they said, well, wouldn't you like to be secretary of defense some day? I said, well, sure. They said, well, you need some industry experience. I lasted four months, and for two reasons. Number one, I was asked by my former colleague or sort of mentor at AEI, Melvin Laird, to work with Senator Goldwater and Congressman Nichols on Goldwater-Nichols, which the Pentagon didn't want. And I testified one day with former Secretary Laird, Bill O'Dean (ph) and myself. And then the next thing they passed Graham-Rudman-Hollings, the deficit reduction law. So I testified and said, hey, you're going to have to cut back on defense in order to bring this thing down because you're building ships, you won't be able to have people, and all that. Well, that was my last day on the job. (Laughter.)

And the fact of the matter is, yeah, I mean there's a penalty, and we're tightening up some of the laws, but really what you have to have is particularly executive branch leadership. If you have a president who is willing to take this on, it can happen. And I remember going to a speech by the first President Bush over here at the National Press Club in which we talked about we don't need the V-22, we don't need the Seawolf submarine, okay. We can stop production of the B-2 bomber now that the Cold War is over, and things like that. And he did it. And he got some success but not everything. But I mean I think you really – that's what you really need in order to make this happen.

If you let the system play out, it's very, very difficult to stop it because there are jobs.

And as I mentioned, when we did our QDR here, a lot of Democratic legislators did not like some of the reductions that we proposed because they do have an impact on jobs. But unless you have that, it's not going to happen, or a very courageous legislator like a Harry Truman who's willing to take on his own party and say, this just does not make sense, we've got to do better. Hopefully, it won't take the financial crisis that I think we're heading toward in terms of the baby-boomers getting Social Security and Medicare while – or we're increasing the payment for the peacekeeping while they're making the tax cuts permanent. And if they're going to do that, you're not going to have enough revenue and something is going to have to give.

MR. CIRINCIONE: Go ahead.

MS. PEMBERTON: I'd just add, the Democrats put out their Real Security plan recently, and there is a fair amount of overlap between that document and what we do in terms of increased spending on container security and port security and redeploying out of Iraq. But my piece of advice for them would be, the clear missing piece is how this is going to be paid for and some of the cuts that we outline in unneeded weapon systems is one way that they can pay for this real security plan. So that needs to be an added piece to their program.

MR. CIRINCIONE: Let me say three quick things. One, there's a movie still playing in town called "Why We Fight," which does a nice job, and I'm not saying that –

MR. KORB: You're one of the stars in it.

MS. PEMBERTON: Yeah, yeah.

MR. CIRINCIONE: I'm not saying that just because I'm in the movie. (Laughter.) But does a nice job of looking at the complexities of this problem that you're talking about. Number two, if you look at the graph that Winslow did that's in this report on page three, you'll get a good sense of the history of the budget cycles. And I'm old enough to have lived through all one, two, three, four if we count Desert Storm, five budget cycles on this. And one of the things you notice, that what goes up comes down. And this boom that we're in is going to end. In fact, if you look at it, the slope is already flattening out. You cannot sustain these levels of defense spending.

And what happens is not necessarily reformers winning, but it's the business community, it's the people who are concerned about the fiscal health of the nation, Republicans and Democrats, that come in and say, "We can't sustain this. There's got to be cuts." And I think that time is coming. It may have to wait till the next administration. We may see some of it happening in the remainder of this. And what we need when that happens – when that crash comes – is to have guidance like that put forth in the task force budget to show, well, now that we're going down, where do we cut,

where do we redirect, where can we cut safely so we still have a tough military, a credible defense, but we're adding to it by redirecting some of those resources.

And finally, nothing is going to change unless you have very strong anti-corruption reform in the procurement process. I mean, now is the time we should be talking again about strengthening the revolving door laws, about keeping arms length from the people who are overseeing the budget and the people who are profiting from the budget. And it doesn't necessarily have to be the legislature that does this. It could be the next administration coming in and saying voluntarily, here are the guidelines that we're going to lay down. The people that are making the decisions for America on where our money goes are not going to profit from it. I want a pledge from everybody coming in that for the next two or three years after they leave this job they're not going to have anything to do with people who have benefitted from the decisions they had to make. We can do things like that. We don't have to move the whole legislature. We've just got to move one or two people at the top of the food chain.

Thank you very much. (Laughter.) Any other – I'm sorry, I didn't mean to – maybe I did mean to –

(Cross talk.)

MR. CIRINCIONE: Thank you very much. Please join me in thanking our panelists. Thank you very much for coming today.

(Applause.)

(END)