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# Buying National Security

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How America Plans and Pays for Its  
Global Role and Safety at Home

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# The Politics of National Security Budgeting

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### Introduction

Without resources, national security policy is largely rhetoric.<sup>1</sup> Policy is shaped and implemented through the budget process. Policy debates frequently occur in the framework of a process that decides on the funding that supports that policy.

If the nation is going to war, it must pay for it, as the lengthy debate over funding the war in Iraq has illustrated.<sup>2</sup> If the United States supports Pakistan's efforts to subdue terrorists in their northwest provinces, funds are needed for foreign assistance and troop training. Arms control agreements are only verifiable if there is funding to support the personnel and equipment used for verification. The enforcement of immigration policies requires funding for technology and people.

Funds for national security policy commitments are planned, allocated, and implemented through the budget processes and institutions described in this book. These institutions and processes are not mechanical, however. They are part of a political process.<sup>3</sup> To understand a budgetary outcome, it is important to understand the political process it goes through. This chapter examines how the formal, sometimes technical processes and institutions we have discussed are linked into that wider political process. The chapter discusses several analytical perspectives that can be used to analyze national security budget decisions, and looks at international affairs, defense, and homeland security budget decisions with those perspectives in mind.

### The Mystery of National Security Budget Decisions

Examined in isolation from the political process, national security budgets would seem to be the rational result of defining the fiscal requirements of national security policy. The government decides to pursue a certain course of action with respect to national security. The resources to support that action are estimated, submitted in a budget request, and provided by the Congress.

The Soviet Union acts in an aggressive and hostile way; the United States responds by enlarging its military or developing new strategic systems. Congress provides the funds for that capability. The Warsaw Pact dissolves and the United States and other democracies create and fund programs to provide support to the newly emerging democracies.

At other times, this rational, policy-based logic behind national security budget decisions doesn't seem to explain the budget outcome. The total level of national defense, international affairs, or homeland security budgets, or their relative sizes, may seem unrelated to the needs of national security or careful consideration of the balance among the tools of statecraft.<sup>4</sup> The State Department and the US Agency for International Development (USAID) plan the budget for and implement foreign assistance programs, but the Defense Department creates its own major foreign assistance program. Air power is a necessary ingredient of US military capability, but air capabilities are redundantly provided by several military services, at great cost.

The United States established a new Department of Homeland Security (DHS) to centralize budget decisions in the hands of a single Cabinet Secretary, but the shares of the homeland security budget that go to the component parts of the department are the same as they were before the department was created.<sup>5</sup> The military services are lukewarm about national missile defense, but a \$10 billion per year program is created, nonetheless. The Secretary of Defense cancels a bomber program, but it re-emerges in another administration. USAID is the primary foreign assistance provider, but an entirely new foreign assistance agency, the Millennium Challenge Corporation (MCC), is created outside USAID.

Analysts of the national security policymaking process rarely dig into the politics of the budgetary process.<sup>6</sup> Resource decisions, if they are discussed at all, are a secondary derivative of policy.<sup>7</sup> Analysts of the federal budget process, moreover, spend little time examining national security budget decisions, focusing instead on the politics of domestic budgets.<sup>8</sup> The result is that there is little understanding of the politics of national security budgeting. Only by focusing on those politics can one unravel the mystery of decisions that do not appear rational when policy considerations alone are taken into account.

## **Perspectives on National Security Budget Decisions**

National strategy, policies, and international events all clearly have consequences for the national security budget institutions and processes we have discussed in this book. The political arena, however, is the context in which these issues are translated into budgets. National security budget decisions can be examined along three different dimensions: international events and national strategy, bureaucratic interests and processes inside government

agencies, and politics in the broadest sense—interests and objectives pursued by players at the top of executive branch agencies, at the presidential level, and in and around the Congress. As national security budget decisions are made, all three of these dimensions can have an impact and they clearly interact with each other. Few national security budget decisions can be explained with only one of these dimensions in mind.

### ***The Impact of National Security Strategy and International Events***

Decisions on national security budgets are clearly about policy. The policy problem being addressed in the budget may grow out of an international event, the requirements of the nation's national security strategy, or a specific policy decision. Developments in the international system pose specific challenges and opportunities that can lead to budgetary requirements. A terrorist strike, a coup, a change of policy by a key ally may all require a US response. That response needs to be staffed and funded—or “resourced,” in budget language. More proactively, the nation's security strategy outlines goals and objectives aimed at meeting international challenges, seizing opportunities, asserting the United States' national interest, or protecting people and infrastructure. The budgets, programs, and activities of the departments and agencies with roles in foreign policy, national defense, and homeland security support the implementation of those strategies and policies.<sup>9</sup>

From this perspective, international challenges and events and national strategy are clear; both have detailed implications for agency programs and budgets. Agencies and the White House estimate the budgetary costs of responding to events and implementing strategies, and request the funds from the Congress. The Congress holds hearings and drafts legislation and appropriations bills that support or alter the administration's requests.<sup>10</sup> This rational view is the explanation generally offered for national security budget decisions. It is the perspective from which security decisions are generally discussed in the media. In strategy and budget documents, administrations defend their national security budget decisions as rational responses to events or the requirements of strategy and policy.<sup>11</sup>

Since World War II, international events and national strategies have clearly been important factors in shaping the nation's security choices and budgets. From the late 1940s until the end of the Cold War, for example, successive administrations' understanding of Soviet capabilities and intentions provided the framework for evolving US national security strategy: deterrence and containment. Spending for conventional forces was reduced as budgets for nuclear forces grew. Later build-ups reflected estimates of growing Soviet nuclear capability and what was seen as the increasing prowess of Warsaw Pact conventional forces. The strategy also dictated the deployment of substantial numbers of military troops and the provision of significant economic

assistance to Western Europe, as well as the creation of foreign and security assistance programs for other US allies around the world.

The end of the Cold War dramatically changed the context for US national security policy. With the disappearance of the Soviet threat, US active-duty military forces shrank from some 2.1 million troops in 1989 to roughly 1.4 million by 1995, leading to a smaller defense budget. The United States made a deliberate policy decision to support democracy and free-market economies in the newly independent states that emerged from the break-up of the former Warsaw Pact and Soviet Union. The United States pressed NATO to open its doors to several of the newly independent states and created its own program to train and prepare the militaries of the new states for the responsibilities of NATO membership—the Partnership for Peace program.<sup>12</sup> Significant new foreign assistance programs were also created: the Support for East European Democracies Act (SEED—1989) and the Freedom Support Act (FSA—1991), discussed in Chapter 4. Diplomatic relations with these new countries also required an expansion of the US diplomatic presence in the region, with additional funding for such budget accounts as Overseas Buildings Operations, and Diplomatic and Consular Programs, discussed in Chapter 2.

The events of September 11, 2001 changed the context yet again. The Bush administration's 2002 and 2006 National Security Strategy documents focused on terrorism, the proliferation of weapons of mass destruction, and support for democracy abroad. The administration also articulated multiple strategies for homeland security and counterterrorism, including the National Homeland Security strategies of 2002 and 2007.

Budget allocations reflected these changes. Spending for homeland security rose faster than that of any other category, more than tripling (in dollars unadjusted for inflation) over a period of eight years (see Table 10.1).<sup>13</sup> Shifts in funding within the defense and international affairs categories also reflected changed priorities, with considerable funding for military operations in counterterrorist situations, training non-US security forces for counterterror operations, biological weapons defense, and democracy promotion. Similarly, when the administration identified the AIDS virus as a threat to political and economic stability in Africa, it created a new program combat HIV/AIDS, much of it targeted to Africa, and invested billions of dollars to achieve that goal, as discussed in Chapter 3.

International events and national security strategies do not explain all national security budget decisions, however. There is rarely one correct response to events, one correct strategy, or one correct budgetary response. For example, knowledgeable experts inside and outside government opposed the decisions to enlarge NATO and use US funds to train and equip former Warsaw Pact militaries. There was considerable opposition to creating a ballistic missile defense program to deal with the Soviet nuclear threat.

Moreover, even if an event or a strategy suggests the need for a program, the form the program takes, its placement within the bureaucracy, its timing

Table 10.1 Budgets for security and foreign affairs (budget authority in billions of current dollars)

	FY 2001	FY 2009
<i>National Defense</i>		
Excluding Iraq and Afghanistan	318	550
Iraq and Afghanistan	0	142
Total National Defense	318	692
<i>Homeland Security</i>		
Total Homeland Security	17	72
Homeland Security in DOD	4	20
Homeland Security Net of DOD	13	52
International Affairs	20	45
Total Security and Foreign Affairs	351	789

Source: Authors' table based on Office of Management and Budget, *Budget of the United States Government Fiscal Year 2010: Historical tables*, Table 5.1; Department of Defense, *Fiscal Year 2010 Budget Request: Summary Justification* (May 2009), Table 4-1; Office of Management and Budget, "Crosscutting Programs," *Analytical Perspectives*, Budget of the United States for FY 2010 (May 2009), 15.

and duration, and the size of its budget may bear only an indirect relationship to the security rationale. Budgets for some programs may seem urgent, yet they get deferred or traded off against other urgent needs. Programs, organizations, and funding may emerge or persist with little apparent connection to the logic of events or strategies. Budgets may vary little from year to year, despite important shifts on the international scene; next year's budget looks like last year's with a boost for inflation.<sup>14</sup>

### **The Impact of Bureaucracy**

The executive branch is the starting point for much of this book's discussion of the budgetary process. Every executive branch agency has its own bureaucracy and its unique formal and informal bureaucratic processes. The bureaucracies have their own cultures, rules, processes, standard operating procedures, and program and budgetary histories.<sup>15</sup> Moreover, within agencies there are bureaucratic subcultures that can have a significant impact on budget decisions. The White House has its own budget bureaucracy at the Office of Management and Budget (OMB), with rules and processes that apply to the entire executive branch. The Congress has an elaborate system of budget procedures, structures, and its own bureaucratic turf wars, discussed in Chapter 9.

Bureaucracies typically seek to preserve the budgetary status quo, starting with last year's budget and making changes at the margin. Genuine "zero-based" reviews of programs and activities are rare. These bureaucratic realities have a major impact on national security budgets. They can help explain why

some budget decisions seem illogical if viewed solely from the perspective of national security policy.<sup>16</sup>

### *Bureaucracy and the Department of Defense*

Bureaucratic politics within and among the defense components can be a significant ingredient in Defense Department budget decisions.<sup>17</sup> As the largest and most complex federal agency, DOD is a mini-government. It employs one-third of the civilian workforce of the federal government. Defense civilians and active-duty service members make up some 60 percent of the government's full-time equivalent workers, and members of the Guard and Reserve push the proportion even higher. DOD spends more than half of the discretionary budget and buys roughly 75 percent of all the goods purchased by the federal government. DOD and the services operate logistical and supply institutions, health services, grocery stores, school systems, travel operations, and a system of retirement benefits.

The military services are classic bureaucratic organizations, with historically rooted cultures, doctrines, and processes.<sup>18</sup> In combat, each service performs unique missions for which the others are not trained or equipped—naval warfare, ground combat, air combat and air-to-ground support. The culture of each service supports those core missions. Army culture, for example, gives high priority to retaining as many personnel (“billets”) as possible, which can lead to budget tradeoffs against weapons programs in the Army budget. By contrast, Air Force culture places a high value on technology, and the service will accept personnel reductions in favor of funds for aircraft. The Navy's air, surface, and submarine subcultures compete among themselves for funding. No service would voluntarily downsize, abandon its missions, or shrink its budget.<sup>19</sup>

At the same time, there is also overlap and duplication among the service capabilities. In operational terms, some duplication may be helpful. Air Force and Navy air capabilities seem redundant, but can actually deliver air interdiction capabilities under different circumstances. The Air Force needs fixed bases or significant tanker capability to operate; the Navy can operate from carriers offshore when fixed bases are not available. Other duplications, such as Marine and Army ground force or Army and Air Force close air support capabilities, may seem less logical. These may stem from a sense in each service that they cannot fully rely on the others for needed support capability, such as communications.<sup>20</sup>

Distinctions in capabilities, service culture, and the desire to ensure important capabilities are owned within one service can all play a role in how the military services interact in the budget process. For decades, the services have come to believe that each must preserve its share of the defense budget, making the principle of “constant shares” a core element of defense budget planning.<sup>21</sup> As one former Vice Chairman of the Joint Chiefs of Staff (JCS) put it:



[T]he appearance of partnership and cooperation among the four US armed services is the biggest illusion of all.... Duplication and redundancy among the different services became the norm, and once in place, redundant programs became heavily vested. Each service worked hard to ensure that it received the funding and operational priority, while working hard to defeat the other services if they developed a rival capability.<sup>22</sup>

None of the services focuses on the overall needs of forces operating in a combat theater. That is the responsibility of the Combatant Commanders in each regional theater, who actually operate the forces. The COCOMS, as they are known, have become another player in the DOD budget process. The Chairman and the JCS also play a role in the process, providing views on resources, military advice to the President, and overall strategic direction to the military forces.<sup>23</sup> All of these bureaucracies must deal with the Office of the Secretary of Defense, which balances these competing needs and budget requests.<sup>24</sup>

### *Bureaucracy and International Affairs*

Bureaucratic considerations are also an important element in budget decisions for international affairs. Most important, no single agency takes control of planning and budgeting for the entirety of the International Affairs budget. As discussed in Chapters 2 and 3, there is no integrated budget process for all of the international affairs budget, and the most visible foreign affairs agency—the State Department—has not yet done integrated strategic planning or resource allocation for its own programs and operations.

The organizational “diaspora” in international affairs is one reason why defense budgets are so much larger than those for international affairs. While the State Department dominated US national security policymaking at the end of World War II, the balance shifted over the years of the Cold War, leading to a relatively coherent Defense Department, but scattered foreign affairs bureaucracies. The smaller role played by foreign policy institutions in US national security policy and their smaller budgets result, in part, from this bureaucratic difference.

The diaspora itself is a result of the bureaucratic culture of the State Department.<sup>25</sup> Starting in the late 1940s, State repeatedly resisted incorporating programs for foreign assistance, public diplomacy, and trade in its core mission. Instead, these programs were created within other federal agencies (Treasury, Agriculture), or in new agencies designed to carry them out (US Information Agency, USAID, or the MCC).

This resistance to program is linked to the Foreign Service, which sets the tone in the department. The Foreign Service culture values the skills of negotiation, analysis and reporting, foreign languages, overseas representation, and an understanding of foreign cultures. Foreign Service training concentrates on these skills, but does include much attention to strategic planning,

program development, or program implementation. Few diplomats are exposed, over their careers, to other institutions in the national security arena (NSC, OMB, DOD, Congress); very few have had responsibility for strategic or budgetary planning or program development and implementation. Within the department, Foreign Service Officers tend to be concentrated in the political and economic areas and the regional bureaus, while functional offices at State that deal with such issues as nonproliferation, security assistance, and democracy promotion tend to be staffed by civil servants, who are not part of the dominant culture. Planning and program development did not fit easily into this dominant culture.

The dispersal of international affairs program activity is exacerbated by the growing involvement of other federal agencies in US global engagement, including Commerce, Health and Human Services, Labor, the Environmental Protection Agency, Justice, and Homeland Security, among others. Budgets for these agencies are planned entirely outside the world of Function 150, as seen in Chapters 3 and 4.

As a consequence, the civilian agencies involved in international affairs agencies have no strategic planning or budgetary process comparable to DOD's Planning, Programming, Budgeting, and Execution (PPBE) system. The reforms to State/USAID foreign assistance budget planning initiated in 2006 (and discussed in Chapter 3) fall well short of the PPBE process. Through 2008, this new process was *ad hoc* in the bureaucracy, disconnected from overall strategy, limited to a one-year horizon, and restricted to only those programs for which State and USAID were responsible.

Over the decades, the dispersal of responsibility for planning, budgeting, and implementing civilian US foreign policy and global engagement has undermined the role and responsibilities of the Department of State and weakened State's ability to create, articulate, and implement a coherent case for foreign affairs budgets to the Congress. One consequence is that the more planning-oriented, coherently organized organization—the Department of Defense—has developed capabilities and activities that overlap with those of the State Department, as discussed in Chapter 4.

### **The Political Crucible**

International events, the requirements of strategy, national security policy choices, bureaucratic norms, and turf struggles come together in the crucible of politics. Budgets are the vehicle for the distribution of financial and human resources, probably the most “political” set of decisions the government makes. As Harold Lasswell said, politics is about “who gets what, when, and how.”<sup>26</sup>

The political arena is crowded with players, all of whom are connected to the budget process. There are senior appointed policy officials who oversee policymaking and budgeting. There are the most senior elected officials—the

President and Vice President, and the staff and offices they oversee. There are members of Congress, congressional committees, and staff. And there are powerful associations, interest groups, local institutions, and citizens, bringing their views to bear on the budget. Each of these players has interests; each sees value in some part of the budget; each typically sees its own budget goals as “rational,” linked to its own particular interests. This examination of the political arena reviews the role of each of these sets of players in turn.

### *Senior Policy Officials*

Senior executive branch policy officials, appointed to top positions in bureaucratic agencies, play a critical role in the national security budget process. Policy officials shape strategy and interpret events. They push the bureaucracy and respond, in turn, to bureaucratic interests and pressures. They bring their own views and personalities to the decision process.<sup>27</sup> Policy officials are not bureaucrats. Within DOD, the State Department, USAID, DHS, and the other departments and agencies, there is a clear distinction between the responsibilities, interests, actions, and culture of career civilians and military officers, on the one hand, and the Assistant Secretaries and Under Secretaries appointed by the President, on the other.<sup>28</sup> Bureaucrats may play a critical role in generating budget options, and a good part of an agency’s budget may support a mission defined by bureaucrats. But policy officials are deeply involved in this process. They will redirect the bureaucracy, negotiate across agencies or even with White House offices, advocate for the agency’s budget with the Congress, and oversee the implementation of the results.

### *Presidential Policies and National Politics*

Presidents, Vice Presidents, and their staff bring a different dimension to the national security budget process. Unlike senior policy officials, they have been elected to their positions. Most Presidents come to office with a policy agenda, which they seek to implement through the budget. Elements of this agenda may have played an important role in their electoral victory. While in office, they may develop new policy goals that are seen as crucial to future electoral success.

While it is sometimes argued that presidential elections do not turn on national security issues, this view misses important ways in which national security issues are critically important to US presidential elections. Since World War II, presidential candidates have been judged on the basis of their ability to project an image of strength and their commitment to America’s international leadership and, especially, its military strength. National security proposals, with budget implications, have been made during the campaign as a way to demonstrate the capacity for such leadership. John F. Kennedy promised to close what turned out to be a non-existent missile gap.<sup>29</sup> Ronald

Reagan promised to restore US strength, particularly through increased defense spending and a stronger US nuclear deterrent. George W. Bush promised to invest in missile defense as a major priority during his 2000 campaign. Barack Obama promised to restore America's international reputation and leadership, in part by committing to doubling foreign assistance spending.

While these promises were probably not the sole cause of their electoral victories, once in office, presidents are expected to follow through on those proposals; their re-election prospects may depend on the degree to which they fulfill their commitments and successfully project an image of international leadership in doing so. Presidential legacies often turn on their international role, leading many presidents to make foreign and security policy a priority. The budget is the tool presidents use to establish such a legacy.

### *Congressional Politics*

Congress is sometimes described as a secondary player in national security policymaking.<sup>30</sup> A budgetary focus changes this perception. When it comes to the budget, Congress plays an equal, even dominant role in funding national security policies, programs, and institutions. The executive branch prepares budget proposals, but it is the Congress that authorizes and appropriates the funds, giving it significant impact on policy, as discussed in Chapter 9.<sup>31</sup> Congressional appropriations provide the funds for defense forces and equipment, intelligence operations, the operation of security checkpoints in airports, security assistance to Pakistan, contingency operations in Iraq and Afghanistan, nonproliferation negotiations with Iraq and North Korea, and preventing the spread of HIV/AIDS in Africa.

Congress's role in national security budgeting has multiple dimensions. Authorizers and appropriators make essential budget decisions, and frequently differ in their views. The Senate and the House regularly disagree on national security budget levels and details. Democrats and Republicans bring contrasting views to the congressional budget debate, and those differences can be critical, especially when one party controls the Congress while the other controls the White House. Members of Congress and the congressional committees are pressured continuously by interest groups, advocacy organizations, industry lobbies, and the general public, all with their own views on national security issues and programs.

These political relationships can become quite complex. In some policy areas and on some programs, members of Congress and their committees, a closely involved lobbying group or groups, and executive branch agencies will work closely together, seeking to ensure funding for an agency or program. These are sometimes described as "sub-governments" or "iron triangles."<sup>32</sup> They can be particularly influential in budget decisions for weapons programs for DOD.

Events, strategies and policies, bureaucratic politics, and the players in the wider political crucible all have an impact on national security budget decisions. Their importance may vary, however. Relying on one of these dimensions alone can often be inadequate to explain a particular budgetary outcome. The interplay of these dimensions is particularly noticeable when it comes to setting the overall budgets for international affairs and defense.

### ***The International Affairs Topline***

The International Affairs budget is roughly one-thirteenth the size of the defense budget. Moreover, for decades, the State Department and other foreign affairs agencies have found it difficult to obtain White House or congressional support for significant budget growth. The persistent difficulty in funding international affairs cannot be explained by international events or a lower priority for diplomacy and foreign assistance in national security strategy. The political and bureaucratic dimensions are critical to understanding this budgetary outcome.

Lacking a central budget planning process and with a bureaucratic culture that does not put a high priority on strategic planning, State Department budgets, especially those for foreign assistance programs, are not "requirements driven," and lack the strong analytical backup DOD's budget requests provide. From a political perspective, the senior international affairs policy officials do not have the same systematic, detailed interaction with OMB and the White House that DOD officials have. As a result, OMB and the White House tend to be more skeptical about diplomacy and foreign assistance resource requirements and planning.

Moreover, the political relationships between senior policy officials in the international affairs world can have an impact on budgets for selective parts of the international affairs budget. A close relationship between the Secretary of the Treasury and the White House can lead to budget increases for multilateral development banks, independent of any State Department view on the banks as a budgetary or strategic priority. The Director of the Peace Corps might have an independent political connection with the White House, with the same result for the Peace Corps budget.<sup>33</sup> Until the early 2000s, the Administrator of USAID could and did make a separate case for development assistance funds, sometimes at odds with the Secretary of State's views.<sup>34</sup>

The overall level of the International Affairs budget request can also depend on the political relationship between the Secretary of State and the President, and the willingness of the Secretary to use his or her direct access. Secretary of State Warren Christopher did not make a strong, personal case to the President for the International Affairs budget, while Secretary Madeleine Albright would regularly seek a meeting with President Clinton to appeal for an increase in the budget above the amount set by the Director of OMB. Secretaries Colin Powell and Condoleezza Rice were very successful in obtaining

significant increases in the International Affairs topline, because of Secretary Powell's personal stature and Secretary Rice's direct access to the President.<sup>35</sup> Other Secretaries have shown less interest in the budget process, leading to budget reductions at the White House level.

Once it has been transmitted to the Congress, the overall budget level can be significantly affected by congressional politics. The overall cap on discretionary spending set in the Budget Enforcement Act of 1990 and the continuing politics of deficit reduction until 2002 did not favor International Affairs budget requests. For many of those years, the defense budget was protected by a separate budget ceiling in the annual congressional budget resolution. International Affairs budget was grouped together with domestic budgets in the category of "non-defense discretionary" spending. Given the popularity of domestic spending, this congressional budget rule meant the administration's International Affairs budget requests were generally cut in the budget resolution.

Congress can hold down International Affairs budgets because foreign policy and its budget lack a political constituency. The State Department employs roughly 25,000 Americans, half of whom serve overseas and the other half largely in the Washington, DC region. The State Department does little contracting in the United States and only a small amount of grant-making. Grass-roots lobbying for diplomacy is limited to local foreign policy associations or World Affairs Councils, and at the national level to development organizations and a national coalition—the US Global Leadership Campaign.<sup>36</sup>

The political constituency for foreign assistance is not significantly larger. USAID employs roughly 2,000 foreign and civil servants. The aid agency does have a political constituency through its contractors, who provide development services and agricultural commodities through the food assistance programs. As a result there is a collection of private firms, consultants, and non-profit NGOs who actively support the USAID budget request in the Congress. Many of these are members of Interaction, a national coalition that supports development assistance. Interaction, founded in 1984, has 165 member organizations, from the American Red Cross to Church World Service, to Save the Children. This small but vocal constituency plays a role in maintaining funding for these programs in the Congress.<sup>37</sup>

Overall, however, the State Department, USAID, and the other international affairs agencies have significantly less political support in the US political arena than DOD. International events and national strategy may provide a strong case for increasing these budgets, but bureaucratic dispersal, institutional culture, and this weak political base make it hard to build support for an overall budget level that would be fully responsive to those events and strategies.

### **The DOD Topline**

The politics of defense budgets contrast sharply with those of international affairs. All of the perspectives on budget politics—events and strategy, bureaucracy, and politics—combine to reinforce a tendency for high levels of defense spending in the United States. Defense budgets can decline, though peacetime defense spending since the Korean War has remained quite high, in constant dollars. The declines reflect changes in the politics of defense, as well. The politics of the defense budget in the 1990s reflects the interplay of these dimensions.

Whatever the national security “requirements” for national defense, between 1993 and 2001 decisions about the defense topline were clearly made in the political arena, supported by substantial bureaucratic and political pressures to increase funding. The presidential politics dimension was important at the very start of the Clinton administration, as it prepared its first budget in 1993. The outgoing Bush administration had not sent a federal budget proposal forward to the Congress, but did transmit a document describing what spending levels would be if existing programs were simply continued into the future (known as “current services” budgeting).<sup>38</sup>

The timing for Clinton’s first budget was compressed, with a final budget proposal due to Congress in April 1993. The normal budget process, which takes more than a year, could not be carried out and no agency, including DOD, had policy officials in place to prepare a budget. As a result, the White House, led by OMB and the new National Economic Council, played the key role in setting all budget toplines, including that for defense.<sup>39</sup> The defense budget level was set by the White House, in the context of a presidential commitment to deficit reduction and increased domestic spending. It was not set in response to any specific judgment at that moment about national security requirements, international events, or even strong pressure by senior political officials at DOD or from Congress or outside interests.

This did not mean, however, that the White House developed the defense budget independent of any national security planning context. The Chairman of the Joint Chiefs, General Colin Powell had developed a framework for retaining a post-Cold War military force sufficiently large to ensure that the defense budget would not go into “free fall” with the end of the Cold War. This “base force” concept was, with some amendment, accepted by Secretary of Defense Les Aspin. But there was no clear defense budget number that coincided with this force. Because DOD policy officials were not central to early White House budget deliberations, the department did not have a major role in setting the final defense topline.<sup>40</sup> Absent these normal political and bureaucratic pressures, the FY 1993–97 defense toplines were set at a level that was cumulatively roughly \$120 billion below the levels projected in the Bush “current services” documents, a level the President thought was adequate for US military requirements.

The 1993 budget decision meant that the defense budget topline would be decided largely in the political arena for the remainder of the decade. The budget debate was less about defense requirements or national strategy per se, than it was about the contest between the political parties, using the language of national security. In the 1994 congressional campaign, Republican candidates criticized the administration for what they argued was a decline in military readiness, caused by excessive deployments and inadequate budgets. The 1994 off-year election was hotly contested and the Republican Party successfully made military readiness an issue. The White House and senior policy officials at DOD decided in the fall of 1994, outside the standard DOD budget review, to increase the previously projected defense topline for FY 2006 by \$25 billion explicitly focused on readiness investments, to try to prevent a Republican majority.

The effort failed, leading to continuing political struggle over the defense topline between the majority Republican Congress and the Democratic administration for the remainder of the decade. The Republican majority argued vigorously that the White House was under-funding defense. The Senate Armed Services Committee reached into the DOD bureaucracy for agreement, asking the military service Chiefs for an annual "unfunded requirements" letter listing the programs the Chiefs thought they required which had not been included in the administration's defense budget request. As witnesses, the service chiefs had often been asked whether they felt the administration's budget request was adequate. The letter created a more formal, parallel budget process, making it possible for the services to extend the normal Pentagon bureaucratic struggle over budgets to the Congress, where the majority party could make the defense budget issue part of its political struggle with the White House. The White House chose not to intervene in these communications, though they undercut the President's budget request, for fear of being accused of "censoring" the services.

Electoral politics played an important role in this topline battle. The defense spending issue was seen in the Clinton White House as a potential electoral vulnerability in the 1996 presidential election. Determined to keep the issue out of the election, the White House gradually conceded ground to the military service requests for increased funding. At the same time, the White House took maximum advantage of the politics of deficit reduction in its effort to restrain such increases. The Republican majority in Congress was divided on the overall federal budget, making it possible for the White House to work with the congressional budget committees, chaired by Sen. Pete Domenici (R-NM) and Rep. John Kasich (R-OH), to restrain the defense topline in the budget resolution.<sup>41</sup>

White House willingness to concede some ground on the defense budget, while exploiting the cross-cutting pressure for deficit reduction, kept the defense issue out of the 1996 presidential election, but it did not go away. Republican criticism in the Congress continued, combined with growing



bureaucratic pressure from the military services to increase defense budgets above the administration's projections. These political and bureaucratic pressures led to another major increase in the defense topline in the FY 2000 defense budget.<sup>42</sup>

The politics of this increase were complex. In 1998, congressional Republicans were determined to break the budget agreement and provide more defense funds. The administration was determined not to take responsibility for breaking the budget agreement, but did not want to concede the defense issue to the Republicans. At a September 29, 1998 congressional hearing, the service Chiefs again brought their concerns to the Congress, discussing readiness problems and funding shortfalls and saying they would need an additional \$17.5 billion a year to make up that shortfall.<sup>43</sup> The administration knew the testimony would be delivered, but hoped the Congress would take responsibility for breaking the budget agreement and provide the additional funding.<sup>44</sup>

Inside the administration, the senior officials played an important role in this budget struggle. The services enlisted the Secretary of Defense, former Republican Senator William Cohen, as an advocate. Cohen and the Joint Chiefs argued internally in the fall of 1998 for a significant long-term increase in the defense topline. The Chiefs sought a \$148 billion addition over six years to the existing DOD budget projection, but after difficult negotiations with the White House, settled for \$112 billion, \$28 billion of which was offset by policy and inflation adjustments in the existing budget projection. The Republican Congress then added another \$8.4 billion to the President's request.

The budget argument continued to be carried out in the language of military "readiness," which was clearly a national security policy issue. It was not clear, however, that the readiness argument was a critical problem. Nor was there much discussion about the underlying question of "readiness for what"—an analysis of the threats, events, or capabilities of other countries—the strategic considerations that might have played a central role in defense topline discussions, if policy were the critical dimension for explaining these budgetary outcomes.

The 2000 presidential election continued this debate over readiness. Candidate George W. Bush made the issue a central part of his critique of the Clinton-Gore administration, but was careful not to link that argument to a specific commitment to the defense topline. Once in office, the Bush administration confronted the same budget issue the Clinton administration had faced: how to restrain overall federal spending, including defense, within the budgetary caps. Although Secretary of Defense Donald Rumsfeld argued for a large increase in the topline, the White House resisted this demand, given the presidential priority of restraining overall federal spending.<sup>45</sup>

The terrorist attacks of 9/11 and the invasions of Iraq and Afghanistan put an end to this long-term political and bureaucratic saga. National security considerations became the critical dimension for understanding the budget

decisions. At virtually the same time, the constraints imposed by the 1990 Budget Enforcement Act caps expired. National security policy and international events superseded political and bureaucratic factors as the dominant explanation for defense topline from 2001 until at least 2009.<sup>46</sup>

Defense budgets never declined dramatically over this period, however. Constituency politics are an important element in ensuring a floor under the defense budget, regardless of the vagaries of presidential and party politics. Unlike the world of international affairs, the US defense establishment has, since World War II, become a significant presence in the country's domestic political landscape. While the size of the active-duty armed forces has risen and fallen over time, at 1.4 million (the smallest force since 1950) the active-duty military has, for decades, provided roughly one-third of total federal government employment. Including the 700,000 civil servants working for DOD, over 50 percent of all federal employees work for the Department of Defense.

In addition, there are more than 850,000 citizens in the National Guard and the Reserves, over two million military retirees (plus family members), and 26.5 million veterans. This "constituency" is spread across the United States (only 138,000 military and civilian personnel are in the greater Washington, DC area) in cities and rural areas, and on more than 2,500 military bases, offices, and other installations with local economic impact. While this is less than half the number of installations that existed in 1985, the military remains an important presence in such states as Alabama, Alaska, Arizona, California, Hawaii, Missouri, New Jersey, Texas, and Virginia, creating active local support for DOD, its mission, and its budget.

While there were debatable defense policy issues in the 1990s, policy and strategy were not the primary elements in determining the defense budget topline. Decisions were determined by presidential priorities, party politics, broader budget deficit reduction rules, the complexities of the congressional political process, and the broad base of support for defense budgets in American society.

### ***Homeland Security and Counterterrorism Budgets***

Budgets for homeland security and counterterrorism might be expected to be most directly explained by international events. Even in this case, bureaucratic and political dimensions played an important part in budgetary decisions. The impact of international and domestic events is clear. There had been terrorist attacks for a decade before 9/11, including the World Trade Center bombing in 1993, the attack in Saudi Arabia on the US military barracks at Khobar Towers in 1996, the bombing of the US embassies in Kenya and Tanzania in 1998, and the attack in Yemen on the USS Cole in 2000. Even before these events, administrations had begun to focus on the terrorism problem. The State Department created the Anti-Terrorism Assistance (ATA)

program in 1983, following the attack on the Marine Corps barracks in Lebanon. In 1989, State's Office for Combating Terrorism became the Office of the Coordinator for Counterterrorism, which was made a statutory office in 1994.

The 1993 World Trade Center bombings, combined with growing concern about domestic terrorists (the bombings in Oklahoma City in 1995 and at the Atlanta Olympics in 1996) led to a 1996 OMB-led review of counterterrorism programs and budgets across the government, and a decision to seek an additional \$1 billion in counterterrorism funding from the Congress. The embassy attacks in Africa led directly to a significant budget increase for State Department buildings operations to safeguard embassies overseas, discussed in Chapter 2.

Despite this initial effort, there was growing criticism in the 1990s about the inadequacies of US government counterterrorism programs, criticism that was largely independent of partisan or presidential politics.<sup>47</sup> In 2000, a panel chaired by former Republican Virginia Governor James Gilmore found that the federal government had "no coherent, functional national strategy" for combating terrorism and that governmental organization was "fragmented, uncoordinated and politically unaccountable."<sup>48</sup> The panel proposed creating a National Office for Combating Terrorism in the Executive Office of the President, with authority to certify agency budgets, similar to the authority of the Office of National Drug Control Policy (ONDCP) over counternarcotics budgets. A year later, the bipartisan Hart-Rudman Commission asserted that a mass casualty terrorist attack against the United States was likely, and urged the creation of a National Homeland Security Agency "to consolidate and refine the missions of the nearly two dozen disparate departments and agencies that have a role in US homeland security today."<sup>49</sup>

Terrorism became a core concern of US national security policy and spending after the attacks on the World Trade Center and the Pentagon on September 11, 2001. The Bush administration made counterterrorism policy the central focus of its 2002 national security strategy and crafted a National Strategy for Combating Terrorism.<sup>50</sup>

Political considerations almost immediately entered into play, however, as homeland security structures and processes were debated after the 9/11 attacks. The White House resisted the Hart-Rudman proposal for restructuring executive branch institutions to confront the terrorist threat more coherently. Only when it seemed likely that the Congress would create a new federal department, as proposed by Democratic Sen. Joe Lieberman in October 2001, did the administration take the initiative to propose such a department itself in June 2002, pre-empting the Democratic proposal. Moreover, the administration used the issue of creating a new department against the Democrats as part of its effort to regain control of the Senate in fall 2002. The administration argued that Democratic resistance to its bill, focused on an effort to ensure civil service protections would be extended to the new

department, reflected a lack of concern for US national security in the face of the terrorist threat. The argument played a key role in returning the Senate to Republican control. The Bush administration signed the new Department of Homeland Security into law in November 2002, significantly restructuring homeland security institutions and budgets.<sup>51</sup>

In the wake of an investigation of the 9/11 attacks by a bipartisan, congressionally chartered commission, Congress also created an entirely new coordinating office for national intelligence policy and budgets—the Office of the Director of National Intelligence (ODNI) and a National Counterterrorism Center (NCTC), reporting both to ODNI and to the President, with the mission of drafting and providing agency guidance for a national plan to implement a counterterrorism strategy, discussed in Chapter 6.<sup>52</sup> The military's Special Operations forces were given the mission of providing the military element in counterterrorism strategy and the Pentagon created, for the first time, a military command responsible for the territorial defense of the United States Homeland (Northern Command).

These decisions to alter US national security bureaucratic structures led to a significant increase in US counterterrorism and homeland security budgets. By FY 2008, the DHS was spending \$32.6 billion on homeland security, much of it to protect US borders, integrate US customs and immigration systems, and protect the US transportation system (notably air traffic and airports). Agencies throughout the rest of the US government spent an additional \$32 billion on homeland security that year, over \$17.3 billion of it at DOD, largely for force protection.<sup>53</sup> In all, 15 federal departments, 16 other agencies, and the District of Columbia had created programs and were spending significant resources on homeland security, largely to deal with the threat and consequences of a terrorist attack.<sup>54</sup>

Bureaucratic factors also played a role in these decisions. Once the White House had decided to create a new homeland security department, it decided to design that consolidation in a small, closed White House group, in order to end-run likely resistance from the existing federal agencies that would lose offices, staff, and programs. Once created, the new department faced powerful internal bureaucracies which resisted changes to their cultures, insisted on continuing funding levels set in their previous bureaucratic homes (as discussed in Chapter 7), and redefined their existing programs and activities as contributions to the “counterterrorism” mission of the new department.<sup>55</sup>

Bureaucratic obstacles and political disagreements could not have been overcome and counterterrorism budget increases would not have happened had there not been a major international and domestic event—a terrorist attack—requiring a response. International events and national security strategy clearly provide the strongest explanation for these organizational and budget decisions.<sup>56</sup> Once the institutional change had been legislated and the first budget written, however, bureaucratic and political elements played important roles in the implementation of the new policy.<sup>57</sup>

## **National Missile Defense**

The importance of the political and bureaucratic dimensions in national security budgeting become even more clear when it comes to budget decisions about major weapons programs at DOD. The decision to create and continue a well-funded program for national missile defense (NMD) is a classic illustration. Continued funding for NMD and its bureaucratic structure as a separate program and budget reporting to the Secretary of Defense can only be understood if political and bureaucratic dimensions are part of the analysis.

The United States has spent more than \$150 billion on missile defense since the program was created as President Reagan's Strategic Defense Initiative in 1983. National security policy and strategic considerations clearly played a role in the program, at the start. Conceived in a Cold War framework, missile defenses were proposed as a way to ensure that US strategic nuclear forces survived a Soviet ballistic missile attack, giving the United States an option to retaliate against such an attack. This capability, it was argued, would ensure that the United States retained a strong deterrent, as missile defense would deny the Soviets the option of a successful first strike.<sup>58</sup>

When the Soviet Union dissolved and the Cold War ended, the likelihood of a Soviet nuclear strike diminished, weakening the policy rationale for the missile defense program. Critics of the program argued that the technology would never mature, and that it was, in any case, not possible to develop a system that could frustrate an overwhelming first strike. Advocates argued that a smaller missile defense program could protect the United States and allied countries against a limited nuclear strike from smaller nuclear forces such as China or North Korea. Missile defense, it was argued, would keep the United States from being deterred from overseas military action or coming to the defense of an ally because one of these countries could threaten a nuclear attack.<sup>59</sup> The Clinton administration de-emphasized national missile defense of the United States and focused the program on tactical missile defenses for US forces deployed overseas. In his presidential campaign of 2000, however, George W. Bush revived the argument, making NMD a centerpiece of his national security agenda, and calling for early deployment of a limited system.

Throughout the evolution of the rationale, NMD programs continued to receive substantial funding. Management responsibility for the program, however, was given not to the military services, but to a new organization in the Office of the Secretary of Defense. This agency changed names over the years from the Strategic Defense Initiative Organization (SDIO), to the Ballistic Missile Defense Organization (BMDO), to the Missile Defense Agency (MDA). The national security policy rationale for the program is inadequate to explain either the persistence of funding for this program or its organizational configuration.

The bureaucratic dimension helps answer the organizational question. The military services were never enthusiastic about the NMD mission or the

program because it was not central to the services' core cultures or mission, as discussed above. It was not central to the Air Force, which focuses on air superiority and air interdiction, and fighter aircraft as its core technology. The Navy focused on control of the seas, not missile defense. The Army was interested in acquiring a tactical missile defense capability that would defend deployed land forces, but not a national defense against ballistic missile attack. The services were concerned that once missile defense research and development was complete, funding for production, deployment, and operations would become a growing part of service budgets, where it would compete for funding with core programs and missions. This was a particular concern between 1985 and 2000, when overall defense budgets were declining. For program advocates, the NMD mission and funding could only be protected by providing additional defense funding outside the service budgets and making the Secretary of Defense responsible for the management of the program.<sup>60</sup>

Viewed from the political perspective, the survival of NMD makes sense. Some analysts have argued that a political "iron triangle," driven by contractor interests, has been the key ingredient of its success.<sup>61</sup> Certainly, there are contractors who benefit from the program and who lobby Congress for continued funding. But the primary beneficiaries of missile defense contract funds have been smaller research firms with minimal Washington lobbying presence or influence. For the larger firms in the program (Raytheon, Boeing, Lockheed), missile defense is not a core program or the most significant source of their defense revenue, though they do lobby for the funding. But there is not an "iron triangle" ready to protect the program, as the services remain unenthusiastic about NMD.

Presidential and party politics, however, help complete the explanation: NMD was, and has remained, a presidential priority, especially for the Republican Party. It became an important part of the political dialogue when it was announced as a major, game-changing presidential initiative by President Ronald Reagan on March 23, 1983. Reagan was personally persuaded (largely by scientist Edward Teller, an advocate of the technology) that the technology would work and that ballistic missile defenses would change the United States' relationship with the Soviet Union. The Republican Party enthusiastically embraced Reagan's program and, over the succeeding decades, made support for NMD a "litmus test" of Republican loyalty.

Democrats generally opposed the program, repeatedly seeking to restrict its funding while in the congressional majority. The 1994 Republican congressional victory voided this strategy. The "Contract with America" Republican platform, which was the mandate for that new Congress, stated that it should be "the policy of the United States to deploy at the earliest possible moment an antiballistic missile system that is capable of providing a highly effective defense of the United States against ballistic missile attacks." Throughout the 1990s the Republican Congress and the Clinton White House struggled over

the program, with the Congress urging increased funding and early deployment, and the White House resisting such pressures.

In 1997, the Republican Congress created a bipartisan "Commission to Assess the Ballistic Missile Threat to the United States," chaired by Donald Rumsfeld and appointed jointly by the President and the congressional leadership to assess "the nature and magnitude of the existing and emerging ballistic missile threat to the United States."<sup>62</sup> The commission concluded that the threat was more serious than previously thought, bolstering the Republican view that missile defense required a higher funding and faster deployment than the Clinton administration had supported.<sup>63</sup> These partisan political differences made NMD a major policy issue in the 2000 presidential election. The Project for the New American Century (PNAC), including many of the defense policymakers of the future Bush administration, criticized the Clinton-Gore defense policies and called for early deployment of NMD.<sup>64</sup> Republican Congressional candidates and all Republican presidential candidates endorsed the Rumsfeld Commission report and the PNAC recommendation.

Candidate George W. Bush made NMD a signature national security commitment of his campaign, endorsing deployment as part of his first major defense speech in 1999 and again in his first press conference as the likely Republican nominee in May 2000.<sup>65</sup> Once in the White House, with Rumsfeld as Secretary of Defense, the Bush administration increased NMD funding to over \$10 billion a year, withdrew from the ABM treaty that restricted testing of such programs, restructured the management office in the Pentagon (but retained its relationship to the Secretary of Defense), and deployed early elements of the system in Alaska in advance of the 2004 presidential election, as promised.

The creation of the NMD program, its survival with significant funding, and its organizational structure are more easily explained by the politics of the program, than by its national security rationale. In this case, the key is partisan and presidential politics.

### **The B-1 Bomber**

The B-1 bomber also illustrates the role of party and presidential politics in budget decisions on military hardware programs.<sup>66</sup> The origins of the B-1 program go back to the effort in the late 1960s to determine a successor to the B-52. President Richard Nixon based his case for the B-1 on the inability of the aging B-52 to penetrate Soviet air defenses.<sup>67</sup> This rationale proved questionable, both because the B-1 proved less stealthy than promised and because interim upgrades to the B-52 kept them flying for more than 30 years after the Nixon decision.

Democratic presidential candidate Jimmy Carter put the B-1 squarely in the arena of presidential and party politics in 1976, calling for the cancellation of the program. The Democratic majority in the Congress had opened the

door to this decision, passing authorizing legislation in 1976 that delayed a final production decision until after the newly elected president took office. Once in office, President Carter cancelled the B-1, fulfilling his campaign promise. The Air Force, which might have been expected to support the program, did not become part of an "iron triangle" calling for it to continue. Instead, it supported the Carter decision. From the Air Force point of view, funds for the B-1 competed with production funding for two emerging Air Force fighter programs—the F-15 and F-16—which were important to the core Air Force mission. The congressional vote to rescind B-1 funding passed by a narrow majority, reflecting the pressures brought to bear by the industrial and local constituencies with a stake in the program.<sup>68</sup>

B-1 production was revived, however, in 1981. Presidential politics were the key ingredient. The 1980 election was one of the few that turned on national security issues. In the wake of the failure of the Iran hostage rescue mission in April 1980, Reagan campaigned on a platform that emphasized restoring America's military strength and global leadership. Strategic nuclear weapons programs and funding were a significant part of the Reagan commitment, but there were limited options for him to demonstrate that commitment. The Trident missile and submarine program could not easily be accelerated. The MX missile was a Carter program and was already in trouble in Congress and with the Air Force because of problems finding a basing mode. The next generation stealth bomber program, the B-2, was a still-classified Carter program. Rockwell International, the B-1 contractor, briefed the campaign and the new President that production could restart quickly and that the program would be affordable. As a result, the B-1 became the symbol of President Reagan's commitment to modernize the strategic nuclear arsenal.<sup>69</sup> Once in office, President Reagan added funds to the Air Force budget to manufacture the aircraft, eliminating the bureaucratic obstacle to its production.

The national security rationale is only minimally useful in explaining the B-1 decisions. Bureaucratic considerations weakened the case for the program, as the Air Force preferred to focus on fighter programs. Contractor lobbying was critical to keeping the option on the table for the Congress. But it took partisan presidential politics to revive the program and provide adequate funding for it to be built and deployed, despite a relatively weak strategic rationale.

### *US Arrears to the United Nations*

The interplay of politics and bureaucracy in international affairs budget decisions is also revealed by an examination of the problem the United States encountered in funding its dues to the United Nations. From the perspective of national security policy, there should be no question that the United States is treaty-bound to provide its share of funding to the United Nations for its



administration and for UN peacekeeping operations. During the 1980s, however, the United States began to fall behind in paying its assessments for both purposes. The "arrears," as they came to be known, reached more than \$1 billion by the early 1990s. They caused the United States diplomatic difficulties; other UN member states could not understand why the United States could not fulfill a treaty obligation. Although succeeding administrations would request the required amount of funding, the general understanding was that Sen. Jessie Helms (R-NC), Chair of the Senate Foreign Relations Committee and a vigorous critic of the United Nations, stood in the way of full payment.

The key to the inability of the United States to make these payments lay more, however, in the budgetary structures and processes of the Congress and the bureaucratic politics of the State Department than it did in the policy dispute with Sen. Helms. At the time the arrears were accumulating, the State Department's operations budget, out of which UN dues are paid (see Chapter 2), was appropriated by the Commerce, Justice, State Appropriations subcommittee, whose membership did not include Sen. Helms. That subcommittee, like the others, received every year from the Appropriations Committee chair a 302b allocation which was lower than the overall budget requested by the administration for the departments of Commerce, Justice, and State, all of which were in its jurisdiction. The subcommittee chair would then allocate funds to each agency at a level generally below the administration's request.

Technology (Commerce) and policing (Justice) both have important local constituencies for members of Congress. Diplomacy, as noted above, does not have such a constituency. Facing a smaller allocation than the budget request, the subcommittee chair and the staff would ask State officials whether they would prefer to absorb their budget reduction by cutting back on personnel and department operations, or by reducing payments to the United Nations. Though international policy considerations might suggest that fulfilling UN obligations was a priority, bureaucratic considerations prevailed, leading to reductions in the budget amounts for UN operations and peacekeeping.

The solution to this problem was political, as well as international. Overcoming Sen. Helms' resistance was part of the solution, as he had to be persuaded that the United Nations would reform, in exchange for the United States making up its arrears. At the senior official level, the Clinton White House and the State Department developed a proposal that would link such reforms to a schedule for repayment of the arrears. This solution was not enforceable, however, until the Appropriations committee chairs agreed that the subcommittee's budget allocation would be "held harmless" from these costs. Politics and bureaucracy, not international obligations, were key to solving this budgetary dilemma.

## Conclusion

National security policy and budget decisions are made in the context of international events, crises, strategic goals, and specific policy decisions. They are explained and justified in the language of policy. The budgets are prepared by the institutions and through the processes we have discussed in this book. Most of these budget decisions are rooted in some sense of policy, strategy, or requirement. Rational policy considerations can make a compelling case for many of them—the expansion of counterterrorism programs, for example. Rational requirements, alone, however, provide an incomplete or less compelling explanation for many budget decisions, such as the international affairs and defense budgetary topline. While hardware programs like national missile defense and the B-1 bomber are linked to policy issues, politics provides a more compelling case for decisions on their budgets. Policy problems made finding a solution to the UN arrears necessary, but the problem arose and could only be solved by dealing with bureaucratic dilemmas.

This book deals largely with how institutions and processes plan budgets for US national security policy. It is important to understand how the national security budget process works, and, where it seems not to work, to ensure it can operate as efficiently as possible. It is also critical to recognize that the many programs, institutions, and processes we have discussed in the book operate in a political universe, where policy interacts with bureaucratic needs and cultures, and in the political arena of appointed officials, elected presidents, an active Congress, and an engaged set of interests and advocates.

Politics and bureaucracy are the “battleground” in which budget decisions are made. The perspectives and actions of senior policy officials, the commitments and electoral prospects of the President, and party politics all play crucial roles in setting budget priorities and determining budget outcomes. Moreover, the politics of the budget in the Congress gives that institution a more important role in national security policy and budgeting than is sometimes realized. The presence (or in the case of international affairs, the absence) of local constituencies can play an important role in providing support for budgets in the Congress.

No single perspective on national security budgets can explain all budget decisions and outcomes. Most discussions of national security policy begin and end with the policy issue itself, but do not examine the broader political and bureaucratic sources of decisions. If budgets are policy, then an examination of the politics of the national security budgetary process is key to understanding policy itself and the operations of the institutions and processes we have examined in this book.

- Response Act, PL 107-188 (June 12, 2002); the Smallpox Emergency Personnel Protection Act, PL 108-20 (April 30, 2003); the Project BioShield Act, PL 108-276 (July 21, 2004); and the Pandemic and All-Hazards Preparedness Act (PAHPA), PL 109-417 (December 19, 2006).
- 47 Until 2005, the subcommittee jurisdictions for foreign assistance and State were distinct and differed by chamber. Foreign Aid had its own appropriation, but State was included in the Commerce and Justice appropriation. That split complicated any attempt to increase spending for international affairs.
- 48 Sandy Streeter, *The Congressional Appropriations Process: An Introduction*, CRS Report 97-684 (Washington, DC: Congressional Research Service, September 8, 2006), 6.
- 49 Like the 302(a) allocation, this distribution is named for the section of the Congressional Budget and Impoundment Control Act of 1974 that requires it.
- 50 FY 2005 Consolidated Appropriations Act, PL 108-447 (December 8, 2004).
- 51 Streeter, *The Congressional Appropriations Process* (September 8, 2006), 14.
- 52 Schick, *The Federal Budget*, 260.
- 53 Public Readiness and Emergency Preparedness Act, PL 109-148 (December 30, 2005), Division C.
- 54 Supplemental Appropriations Act for 2008, PL 110-252 (June 30, 2008).
- 55 Committee on Homeland Security, Press Release, *Chairman Thompson on Passage of H.R. 1 and the Future of Homeland Security* (August 2, 2007).
- 56 *Ibid.*
- 57 Other expert commissions and several think tanks have made other recommendations. For a detailed history and analysis of recommendations by commissions and think tanks, see Michael L. Koempel, *Homeland Security: Compendium of Recommendations Relevant to House Committee Organization and Analysis of Considerations for the House, and 109th and 110th Congresses Epilogue*, CRS Report RL32711 (Washington, DC: Congressional Research Service, March 2, 2007), 63.
- 58 Of course, cross-committee hearings are complicated by issues of jurisdiction. Even decisions about who sits where and in what order committee members will be permitted to question the witnesses can set off a power contest.

## 10 The Politics of National Security Budgeting

- 1 As in the rest of this book, we use the term national security to include national defense, intelligence, international affairs, and homeland security.
- 2 Amy Belasco, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, CRS Report RL33110 (Washington, DC: Congressional Research Service, October 15, 2008); Joseph E. Stiglitz and Linda J. Bilmes, *The Three Trillion Dollar War: The True Cost of the Iraq Conflict* (New York: Norton, 2008); US Congress, Joint Economic Committee, *War At Any Price?: The Total Economic Costs of the War Beyond the Federal Budget*, Staff Report November 2007.
- 3 As Aaron Wildavsky and Naomi Caiden put it: "The budgetary process is an arena in which the struggle for power over public policy is worked out." Wildavsky and Caiden, *The New Politics of the Budgetary Process*, 5th Ed. (New York: Pearson/Longman, 2004), 204.
- 4 In FY 2008, for example, total budgets (Budget Authority) for International Affairs (Function 150) came to \$39.5 billion, which was 5.7 percent of the \$693 billion investment in National Defense (Function 050). By contrast, in FY 1976, International Affairs funding was 14.1 percent of the amount for National Defense. Office of Management and Budget, *Budget of the United States Government Fiscal Year 2009: Historical Tables* (Washington, DC: OMB, February 2008), 86, Table 5.1.

- 5 Cindy Williams, *Strengthening Homeland Security: Reforming Planning and Resource Allocation* (Washington, DC: IBM Center for the Business of Government, 2008), 12-13.
- 6 One recent exception is Harvey M. Sapolsky *et al.*, *US Defense Politics: The Origins of Security Policy* (New York: Routledge, 2009).
- 7 In their classic discussion of national security decision-making, Graham Allison and Philip Zelikow note only in passing that "[A] number of established processes fix deadlines that demand action at appointed times," and cite the federal budget process as one of several such processes. Allison and Zelikow, *Essence of Decision: Explaining the Cuban Missile Crisis*, 2nd Ed. (New York: Longman, 1999), 299. Budget processes are largely ignored in Priscilla Clapp *et al.*, *Bureaucratic Politics and Foreign Policy*, 2nd Ed. (Washington, DC: Brookings Institution, 2007); William W. Newmann, *Managing National Security Policy: The President and the Process* (Pittsburg, PA: University of Pittsburg Press, 2003); and Amy Ziegart, *Flawed by Design: The Evolution of the CIA, JCS, and NSC* (Stanford, CA: Stanford University Press, 1999).
- 8 See, for example, Wildavsky and Caiden, *The New Politics*; Allen Schick, *The Federal Budget: Policy, Politics, Process*, 3rd Ed. (Washington, DC: Brookings Institution, 2007); and Stanley E. Collender, *Guide to the Federal Budget: Fiscal Year 1997* (New York: Rowman and Littlefield, 1996).
- 9 Political scientist Warner R. Schilling captured this perspective:

In general, the question can be conceived as one susceptible to a rational solution; it is a question of knowing the dimensions of the security problem at hand, the relative importance of the national ends involved, the nature of the means available, and the consequences that would flow for those ends from the alternative ways in which the available means can be employed to secure them.

Schilling, "The Politics of National Defense: Fiscal 1950," in *Strategy, Politics, and Defense Budgets*, eds. Warner R. Schilling, Paul Y. Hammond, and Glenn H. Snyder (New York: Columbia University Press, 1962), 10.

- 10 This perspective on decision-making is similar to the "Rational Actor Model" in Allison and Zelikow, *Essence of Decision*, 18. Rationality, in their model "refers to consistent, value-maximizing choice within specified constraints." This model views decisions from a perspective that is, in principle, independent of any given nation. It is tied closely to "realist" thinking about international relations, in which states are unitary actors pursuing rational interests with either perfect or imperfect knowledge about the conditions around them. For a critique of Allison and Zelikow's use of this model, see Jonathan Bendor and Thomas H. Hammond, "Rethinking Allison's Models," *American Political Science Review*, Vol. 86, No. 2 (June 1992), 304-9.
- 11 The Clinton administration produced the lengthy *A National Security Strategy for a New Century* (Washington, DC: White House, October 1998), which covered virtually every security and international economic issue, as well as regional and functional issues. The George W. Bush administration produced several such documents: *The National Security Strategy of the United States of America* (Washington, DC: White House, 2002 and 2006); *The National Strategy to Combat Weapons of Mass Destruction* (Washington, DC: White House, December 2002); *The National Strategy for Combating Terrorism* (Washington, DC: White House, February 2003 and September 2006); and *The National Strategy for Homeland Security* (Washington, DC: White House, July 2002 and October 2007). Departments also produced such documents. See, for example, Secretary of Defense Donald Rumsfeld, *The National Defense Strategy of the United States* (Washington, DC: Office of

- the Secretary of Defense, March 2005); Joint Chiefs of Staff, *The National Military Strategy of the United States* (Washington, DC: Department of Defense, 2004); US Department of State and US Agency for International Development, *Strategic Plan, Fiscal Years 2007–2012* (Washington, DC: Department of State, 2006); and Office of the Director for National Intelligence, *The National Intelligence Strategy of the United States of America* (Washington, DC: ODNI, October 2005).
- 12 James M. Goldgeier, *Not Whether, But When: The US Decision to Enlarge NATO* (Washington, DC: Brookings Institution, 1999).
  - 13 Table 10.1 exaggerates the rise in homeland security spending, because the Bush administration expanded the list of activities that it reported as homeland security-related during the period between FY 2001 and FY 2009. This definitional expansion was particularly pronounced in the Department of Defense.
  - 14 Wildavsky and Caiden argue that bureaucracy (along with congressional politics) provides the most powerful explanations for federal budget decisions:
 

The largest determining factor of this year's budget is last year's. . . . Budgeting is incremental, not comprehensive. The beginning wisdom about an agency budget is that it is almost never actively reviewed as a whole every year, in the sense of reconsidering the value of all existing programs as compared to all possible alternatives. Instead, it is based on last year's budget with special attention given to a narrow range of increases or decreases. . . . Political reality, budget officials say, restricts attention to items they can do something about— a few new programs and possible cuts in old ones.

Wildavsky and Caiden, *The New Politics*, 46.
  - 15 In his classic study of bureaucracy, James Q. Wilson noted that bureaucratic institutions defend their turf by seeking out tasks others are not performing, fighting off organizations that try to enter their turf, stick to their core competences, and try to avoid joint ventures with other bureaucracies. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It* (New York: Basic Books, 1989), 181–95.
  - 16 See Allison and Zelikow, *Essence of Decision*, 143–96, for a discussion of their “Organizational Behavior” model of decision-making, which is a classic description of this perspective.
  - 17 The literature on defense decision-making, particularly on weapons programs, is extensive. See, among others, Gordon Adams, *The Iron Triangle: The Politics of Defense Contracting* (New Brunswick, NJ: Transaction Press, 1981); Michael Armacost, *The Politics of Weapons Innovation: The Thor-Jupiter Controversy* (New York: Columbia University Press, 1969); Robert J. Art, *The TFX Decision: McNamara and the Military* (New York: Little Brown, 1968); Theo Farrell, *Weapons Without a Cause: The Politics of Weapons Acquisition* (New York: St. Martin's Press, 1997); Ted Greenwood, *Making the MIRV: A Study of Defense Decision-Making* (Cambridge: Cambridge University Press, 1975); Lauren Holland, *Weapons Under Fire* (New York: Routledge, 1997); James Kurth, “The Political Economy of Weapons Procurement: The Follow-On Imperative,” *American Economic Review*, Vol. 62, No. 2 (May 1972), 304–11; Kenneth Mayer, *The Political Economy of Defense Contracting* (New Haven, CT: Yale University Press, 1991); Harvey Sapolsky, *The Polaris System Development: Bureaucratic and Programmatic Success in Government* (Cambridge, MA: Harvard University Press, 1972).
  - 18 For a classic study of culture of the military services, see Carl Builder, *The Masks of War: American Military Styles in Strategy and Analysis* (Baltimore, MD: Johns Hopkins University Press, 1989).
  - 19 Allison and Zelikow, *Essence of Decision*, 169, describe the military services:

[T]he behavior of each of the US military services . . . seems to be characterized by effective imperatives to avoid: (1) a decrease in dollars budgeted, (2) a decrease in manpower, (3) a decrease in the number of key specialists (e.g., for the Air Force, pilots), (4) reduction in the percentage of the military budget allocated to that service, (5) encroachment of other services on that service's roles and missions, and (6) inferiority to an enemy weapon of any class.

20 As Admiral William A. Owens puts it:

[I]n the information age, when technological advances have blurred the traditional boundaries in space and time that long physically separated the Air Force from the Navy and the Army from the Marine Corps, the military services' inability to communicate with one another and their indifference to doing so have set the stage for crisis and disaster.

Owens, *Lifting the Fog of War* (New York: Farrar, Straus, Giroux, 2000), 157–8.

- 21 The reform of DOD and service structures in the 1980s contributed to considerable progress in breaking down the barriers between the services. For the origins of these reforms, commonly known as “Goldwater–Nichols,” see James R. Locher, *Victory on the Potomac: the Goldwater–Nichols Act Unifies the Pentagon* (College Station: Texas A&M University Press, 2002). For proposals that would continue this progress, see Clark Murdock *et al.*, *Beyond Goldwater–Nichols Phase I Report: Defense Reform for a New Strategic Era* (Washington, DC: Center for Strategic and International Studies, March 2004), and *Beyond Goldwater–Nichols Phase II Report: US Government and Defense Reform for a New Strategic Era* (Washington, DC: Center for Strategic and International Studies, July 2005).
- 22 Owens, *Lifting the Fog of War*, 157, 159.
- 23 The Chairman and the Joint Chiefs are not a “general staff”; they do not have operational command of the COCOMs or combat forces in the field, which is the responsibility of the President and the Secretary of Defense.
- 24 For examples of such budget balancing, see Cindy Williams, ed.,  *Holding the Line: US Defense Alternatives for the Early 21st Century* (Cambridge, MA: MIT Press, 2001).
- 25 Gordon Adams, *The Politics of National Security Budgets*, Policy Analysis Brief (Muscatine, IA: The Stanley Foundation, February 2007).
- 26 Harold D. Lasswell, *Politics: Who Gets What, When, and How* (Rochester, NY: Whittlesey House, 1936). Schilling underlines the importance of a political perspective in understanding the budget process:
 

An appreciation of these two central aspects of defense budgeting—the inordinate intellectual difficulty of the problems involved, and the fact that they are resolved through the medium of politics as well as that of analysis—is essential for an understanding of the post-1945 budgeting process and the kind of budgets produced by that process.

Schilling, “The Politics of National Defense,” 11.
- 27 This dimention of the political arena is similar to Allison and Zelikow's “Governmental Politics” model III.
 

The leaders who sit atop organizations are no monolith. Rather, each individual in this group is, in his or her own right, a player in a central, competitive game. The name of the game is politics: bargaining along regular circuits among players positioned hierarchically within the government.

Allison and Zelikow, *Essence of Decision*, 255–324, at 255.

- 28 Clapp *et al.* conflate the policy official and bureaucratic levels in their classic study, making it difficult to sort out the influence of bureaucrats from that of policy officials. In reality, much of what they discuss reflects the roles, personalities, and interaction of policy officials. Clapp *et al.*, *Bureaucratic Politics*.
- 29 John Prados, *Soviet Estimate: US Intelligence Analysis and Russian Military Strength* (New York: Dial Press, 1982).
- 30 This view is disputed, however, in James M. Lindsay, *Congress and the Politics of US Foreign Policy* (Baltimore, MD: Johns Hopkins University Press, 1994); and James M. Lindsay and Randall B. Ripley, *Congress Resurgent: Foreign and Defense Policy on Capitol Hill* (Ann Arbor, MI: University of Michigan Press, 1993).
- 31 Article 1, Section 8 of the constitution gives Congress the authority "to raise and support Armies...; to provide and maintain a Navy; [and] to make Rules for the Government and regulation of the land and naval Forces." Article 1, Section 9 provides that "no Money shall be drawn from the Treasury, but in Consequence of Appropriations made by law" Allison and Zelikow, *Essence of Decision*, however, refer only in passing to the role of Congress in national security policymaking and make almost no reference to the congressional budget process.
- 32 There is an extensive literature on such iron triangles or "sub-governments." Adams, *The Iron Triangle*; Gordon Adams, "Disarming the Military Sub-Government," *Harvard Journal on Legislation*, Vol. 14, No. 3 (April 1977); Joel D. Auerbach and Bert Rockman, "Bureaucrats and Clientele Groups: A View From Capitol Hill," *American Journal of Political Science*, Vol. 22, No. 4 (November 1978); Stephen Bailey, *Congress in the Seventies*, 2nd Ed. (New York: St. Martin's Press, 1970); Douglas Cater, *Power in Washington* (New York: Random House, 1964); J. Lieper Freeman, *The Political Process* (Garden City, NY: Doubleday, 1955); Grant McConnell, *Private Power and American Democracy* (New York: Knopf, 1966); and Lester V. Salamon and John J. Siegfried, "Economic Power and Political Influence: The Impact of Industry Structure on Public Policy," *American Political Science Review*, Vol. 71, No. 3 (September 1977).
- 33 Mark Gearan, Peace Corps Director from 1995 to 1999, had been a senior White House communications official, which gave him unusual access to the White House to lobby for his budget request. The result often led to an increase in the Peace Corps budget over the amount approved by OMB.
- 34 During the Clinton administration, USAID Director Brian Atwood cultivated a separate relationship with the White House, including the President, through which he made the case for higher funding levels, and institutional autonomy from the State Department.
- 35 Note, however, that much of the increase for Function 150 funding during the Powell and Rice tenures was for presidential initiatives—the Millennium Challenge and HIV/AIDS programs. Both Secretaries were able to increase funding for personnel and overseas building construction and embassy security, as well.
- 36 The US Global Leadership Campaign was created in 1995. It is a coalition of more than 400 business and non-profit organizations, from Boeing and Motorola, to CARE and Mercy Corps, to the American Israeli Public Affairs Committee and the African-American Institute whose explicit purpose is to lobby for increases in the overall International Affairs budget, but not any particular program in that budget.
- 37 Trading and financial businesses and organizations, such as the National Foreign Trade Council, lobby for the budgets of trade and international finance agencies such as OPIC, EXIM Bank, TDA, and USTR.
- 38 The Budget Enforcement Act of 1990, PL 101-508 (November 5, 1990) had moved the date for formal submission of the President's budget from early January to early February, after a new president came into office.

- 39 For a detailed discussion of the economic and budgetary planning process at the start of the Clinton Administration, see Bob Woodward, *The Agenda: Inside the Clinton White House* (New York: Simon and Schuster, 1994).
- 40 For a discussion of base planning and its relationship to the budget, seen from the Joint Chief's perspective, see Sharon K. Weiner, "The Politics of Resource Allocation in the Post-Cold War Pentagon," *Security Studies*, Vol. 5, No. 4 (summer 1996), esp. 133, 137, 140.
- 41 The White House also made a strong effort to keep the 1995 round of base closings from adding to the President's weakness on defense. In particular, the closing of two air logistic facilities in San Antonio, Texas, and Sacramento, California, recommended by the base closing commission, was resisted by the White House in part because of the potential impact of those closures on the President's 1996 re-election prospects.
- 42 The politics of this defense budget increase is described by George Wilson, *This War Really Matters: Inside the Fight for Defense Dollars* (Washington, DC: Congressional Quarterly Press, 2000), esp. Chapters 1, 5, and 6.
- 43 Wilson, *This War Really Matters*, 96.
- 44 In the end, an emergency budget supplemental was agreed to, end-running the problem of the caps.
- 45 The contrast with 1981 is worth noting, since the Reagan administration came into office with a significant economic agenda, including a major tax cut, which it pushed through the Congress very quickly, despite Democratic opposition. The difference is that Reagan also came into office with a commitment to major increases in defense spending, which were implemented early as well, largely without detailed DOD planning. David Stockman, *The Triumph of Politics: Why the Reagan Revolution Failed* (New York: Avon Books, 1987).
- 46 Congressional constraints created by fiscal conservatism were largely end-run over these years by funding war costs (and other defense programs) through emergency supplementals. Between FY 2001 and FY 2008, those supplementals provided over \$860 billion in defense funding, adding roughly 20 percent to overall projected defense resources. Amy Belasco, *The Costs of Iraq, Afghanistan and Other Global War on Terror Operations Since 9/11*, CRS Report RL 33110 (Washington, DC: Congressional Research Service, October 15, 2008).
- 47 See, for example, Richard A. Clarke's discussion in *Against All Enemies: Inside America's War on Terror* (New York: Free Press, 2004).
- 48 Advisory Panel to Address Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction (Gilmore Panel), *Second Annual Report: Toward A National Strategy for Combating Terrorism* (Washington, DC: RAND Corporation, December 15, 2000).
- 49 US Commission on National Security/21st Century, *Roadmap for National Security: Imperative for Change*, Phase III Report (February 15, 2001), vi. The report describes a terrorist attack on the US homeland as "the most dangerous and the most novel threat to American national security in the years ahead." *Ibid.*, 8. See also Chapter 1, "Securing the National Homeland," of the report, which argues that
- a direct attack against American citizens on American soil is likely over the next quarter century. The risk is not only death and destruction but also a demoralization that could undermine US global leadership. In the face of this threat, our nation has no coherent or integrated governmental structures.
- Ibid.*, 10.
- 50 Bush, *National Strategy for Combating Terrorism* (February 2003), [www.globalsecurity.org/security/library/policy/national/nsct\\_sep2006.htm](http://www.globalsecurity.org/security/library/policy/national/nsct_sep2006.htm).

- 51 James B. Steinberg *et al.*, *Protecting the Homeland, 2006/07* (Washington, DC: Brookings Institution, 2006); Donald F. Kettl, *System Under Stress: Homeland Security and American Politics* (Washington, DC: Congressional Quarterly Press, 2007); and interviews conducted by the authors.
- 52 National Commission on Terrorist Attacks, *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States* (New York: Norton, 2004); Office of the Director of National Intelligence, *The National Intelligence Strategy of the United States of America*.
- 53 Office of Management and Budget, "Homeland Security Funding Analysis," *Budget of the United States Government, Fiscal Year 2009: Analytical Perspectives, Supplemental Materials* (Washington, DC: GPO, 2008), 33, Table 3.11.
- 54 The "homeland security strategy" clearly has terrorism as its *raison d'être*. The "Homeland Security Funding Analysis" chapter in *Analytical Perspectives of the FY 2009 federal budget* described this spending as intended "to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage from attacks that may occur." *Ibid.*, 19.
- 55 Williams, *Strengthening Homeland Security*.
- 56 For a more skeptical view of the terrorist threat, see John Mueller, *Overblown: How Politicians and the Terrorism Industry Inflate National Security Threats and Why We Believe Them* (New York: Free Press, 2006).
- 57 Kettl, *System Under Stress*.
- 58 Frances Fitzgerald, *Way Out There in the Blue: Reagan, Star Wars and the End of the Cold War* (New York: Simon and Schuster, 2000).
- 59 James M. Lindsay and Michael E. O'Hanlon, *Defending America: The Case for Limited National Missile Defense* (Washington, DC: Brookings Institution, 2001), 13 and 50–82; and Donald Rumsfeld (Chair), *Report of the Commission to Assess the Ballistic Missile Threat to the United States* (Rumsfeld Commission) (Washington, DC: Central Intelligence Agency, July 15, 1998).
- 60 Robert Holzer and Amy Switak, "Pentagon Mulls Structural Change for Missile Office," *Defense News* (May 14, 2001), 1. On service resistance to missile defense because of the risk of budget pressures, see Builder, *The Masks of War*, 198–202. A similar strategy of isolating a program and its organization from bureaucratic resistance based on traditional service mission and budgetary concerns was used to develop the Polaris missile program in the 1950s. Sapolsky, *The Polaris System Development*.
- 61 William Hartung and Michelle Ciarrocca, "Star Wars II: Here We Go Again," *The Nation* (June 12, 2000), and "Star Wars Revisited: Still Dangerous, Costly, and Unworkable," *Foreign Policy in Focus*, Vol. 4, No. 4 (April 2000).
- 62 National Defense Authorization Act for Fiscal Year 1997, PL 104-201 (September 23, 1996), Section 1321(g).
- 63 Rumsfeld Commission, "Executive Summary," *Report of the Commission to Assess the Ballistic Missile Threat to the United States*, [www.fas.org/irp/threat/bm-threat.htm](http://www.fas.org/irp/threat/bm-threat.htm).
- 64 While reconfiguring its nuclear force, the United States also must counteract the effects of the proliferation of ballistic missiles and weapons of mass destruction that may soon allow lesser states to deter US military action by threatening US allies and the American homeland itself. Of all the new and current missions for US armed forces, this must have priority.  
Project for the New American Century, *Rebuilding the Nation's Defenses* (Washington, DC: PNAC, September 2000), 6.

PNAC members included Donald Rumsfeld, Dick Cheney, Paul Wolfowitz, Richard Perle, Elliot Abrams, William Schneider, Lewis Libby, and John Bolton.

- 65 Wade Bose, "Bush Outlines Arms Control and Missile Defense Plans," *Arms Control Today* (June 2000). An excellent compendium of major documents and articles on BMD can be found at Arms Control Association, *Subject Resources: Missile Defense*, [www.armscontrol.org/subject/md](http://www.armscontrol.org/subject/md) (accessed June 19, 2009).
- 66 For a discussion of the politics of the B-1 bomber in the 1970s, see Nick Kotz, *Wild Blue Yonder: Money, Politics, and the B-1 Bomber* (New York: Pantheon Books, 1988).
- 67 For a detailed discussion of the national security arguments over this and later bomber programs, see Michael E. Brown, *Flying Blind: The Politics of the US Strategic Bomber Program* (Ithaca, NY: Cornell University Press, 1992). Brown deals in less detail with the issue of presidential politics. In his view, bureaucratic imperatives—the Air Force desire for the program—were critical. "[T]he strategic rationale for the program was fuzzy at best and organizationally driven, at worst." *Ibid.*, 261.
- 68 Parts of the B-1 were manufactured in 48 states and all but a handful of Congressional districts. Gordon Adams, *The B-1 Bomber: An Analysis of Its Strategic Utility, Cost, Constituency and Economic Impact* (New York: Council on Economic Priorities, May 1976).
- 69 Brown, *Flying Blind*, 271–81.

## II The Road Ahead: How Might Budgeting Change?

- As elsewhere in this book, we use the term national security to encompass all aspects of national defense, intelligence, international affairs, and homeland security.
- Henry L. Stimson Center and the American Academy of Diplomacy, *A Foreign Affairs Budget for the Future* (Washington, DC: Henry L. Stimson Center, October, October 2008), 11, [www.academyofdiplomacy.org/publications/FAB\\_report\\_2008.pdf](http://www.academyofdiplomacy.org/publications/FAB_report_2008.pdf).
- Modernizing Foreign Assistance Network, *New Day, New Way: US Foreign Assistance for the 21st Century* (Washington, DC: Center for Global Development, June 2008), ii, [www.modernizingforeignassistance.net/documents/newdaynewway.pdf](http://www.modernizingforeignassistance.net/documents/newdaynewway.pdf).
- Secretary of State's Advisory Committee on Transformational Diplomacy, 7 (Washington, DC: Department of State, 2007), [www.state.gov/documents/organization/99903.pdf](http://www.state.gov/documents/organization/99903.pdf).
- Stimson Center and American Academy of Diplomacy, *A Foreign Affairs Budget for the Future*, 67–8.
- Gordon Adams *et al.*, "Providing Authorities and Resources," in *Civilian Surge, Key to Complex Operations: Preliminary Report*, ed. Hans Binnendijk and Patrick M. Cronin (Washington, DC: Center for Technology and National Security Policy, 2008), 147–60.
- Gordon Adams, *Smart Power: Rebalancing the Foreign Policy/National Security Toolkit*, Testimony before the Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia (July 31, 2008), [http://hsgac.senate.gov/public/\\_files/AdamsTestimony073108.pdf](http://hsgac.senate.gov/public/_files/AdamsTestimony073108.pdf). See also, Gordon Adams, *The Role of Civilian and Military Agencies in the Advancement of America's Diplomatic and Development Objectives*, Testimony before the House Committee on Appropriation, Subcommittee on State, Foreign Operations and Related Programs (March 5, 2009), [http://appropriations.house.gov/Witness\\_testimony/SFOPS/Dr\\_Gordon\\_Adams\\_03\\_05\\_09.pdf](http://appropriations.house.gov/Witness_testimony/SFOPS/Dr_Gordon_Adams_03_05_09.pdf).
- Foreign Relations Authorization Act, Fiscal Years 2010 and 2011, HR 2410 (June 10, 2009), Section 302, 78–86. An important role will be played here by the National Security Council and OMB, as well.