

Van Hollen Opening Statement at Hearing on The Department of Defense and the FY 2013 Budget

February 29, 2012

Washington, DC – *Today Maryland Congressman Chris Van Hollen, Ranking Member of the House Budget Committee, delivered an opening statement at the House Budget Committee hearing on The Department of Defense and the FY 2013 Budget with Leon E. Panetta, Secretary of the Department of Defense, and General Martin E. Dempsey, Chairman of the Joint Chiefs of Staff. Below are his remarks as prepared for delivery:*

“Thank you Mr. Chairman. Welcome back to the Budget Committee, Secretary Panetta. Welcome General Dempsey and Under Secretary Hale. Thank you all for your dedicated service to our country.

“Please extend our thanks and appreciation to the men and women who serve in our military. Our country is secure and free because of the sacrifices they and their families make.

“The President, the Department of Defense, and our Armed Forces, along with the State Department, intelligence community, and law enforcement, deserve a great deal of credit for the important work they have done over these last few years. We have successfully redeployed our troops from Iraq, captured or killed countless terrorists actively planning attacks, and greatly diminished Al Qaeda’s capabilities. We forged a coalition that successfully helped the people of Libya end dictator Muammar Gaddafi’s brutal 40-year reign that included the Lockerbie bombing that killed innocent Americans. And, of course, we eliminated the mastermind of 9/11—Osama bin Laden. These successes have helped strengthen our national security.

“We must continue to support a strong military that is second to none, and, as President Obama has made clear, ‘the size and the structure of our military and defense budgets have to be driven by a strategy, not the other way around.’ But during this difficult fiscal period we have to be much smarter and more efficient in how we shape our defense budget. The strength of our military depends in large part on the strength of our economy, and the long-term strength of our economy depends on implementing a plan to reduce our long-term deficits and debt in a predictable, credible way. Last year, the then-Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, warned policy makers of this growing risk. He said, ‘Our national debt is our biggest national security threat.’

“Everyone must do their part. From 2001 to 2010, the ‘base’ Pentagon budget nearly doubled. In 2010, the U.S. spent more on defense than the next 17 countries combined, and more than half of the amount spent by those 17 countries was from seven NATO countries and four other close allies—Japan, South Korea, Australia, and Israel. Last year, Admiral Mullen argued that the flush defense budget had allowed the Pentagon to avoid making difficult choices. He said,

‘...with the increasing defense budget, which is almost double, it hasn’t forced us to make the hard trades. It hasn’t forced us to prioritize. It hasn’t forced us to do the analysis.’

“We can no longer afford to spend taxpayer resources without doing the analysis; without ensuring every dollar is efficiently and effectively invested. We can no longer go along with business as usual if we are going to get our fiscal house in order.

“There is now wide bipartisan consensus that all spending, including spending at the Pentagon, must be on the table as we figure out how to get our finances back on track. Even in this committee, where agreement is often hard to come by, a majority of our members voted in favor of an amendment last spring to include language in the 2012 budget resolution emphasizing that defense spending should be considered as we strive to bring the deficit under control. And last August, the Congress codified that consensus by passing the Budget Control Act (BCA), which capped discretionary spending, including security spending. These BCA caps would, in essence, encourage ‘making the hard trades’ across the government, including the Pentagon.

“Today, however, we find ourselves in a difficult position. We are facing the prospect of an across-the-board \$1.2 trillion sequester beginning January 2, 2013. If we do nothing, the defense budget will be cut another \$500 billion over the next nine years in addition to the cuts already made through the BCA discretionary caps. No one believes an across-the-board reduction is the preferred way to get our finances in order or to take care of priorities. However, any efforts to turn off and replace the sequester must be done responsibly, by reaching agreement on a deficit reduction plan that is balanced and that lays a strong foundation for our security.

“We still have time. The President’s budget for 2013 provides an alternative to consider, and I hope it facilitates negotiations in the Congress. The President’s plan responsibly replaces the sequester with even greater deficit reduction through a balanced plan that calls for shared responsibility. It reduces our deficits to manageable levels over time as the economy rebounds in the near-term. It makes key investments in education, infrastructure, and science and innovations to strengthen our economy over the longer-term. It puts a priority on protecting key investments in defense rather than protecting tax loopholes for special interests and tax breaks for the very wealthy. The defense budget is built on a forward-looking strategy developed by our top civilian and military leadership. It maintains our unparalleled military strength. As you have said, General Dempsey, this budget does not lead to a military in decline. It maintains a military that, as you have said, ‘can win any conflict, anywhere.’

“Some have criticized the cuts in the defense budget as being too deep. I think it bears reminding that under the President’s budget, defense spending levels will remain high by historical standards. We will still spend more in 2013 in real terms for defense than during the peak years of the Korean War, the Vietnam War, and the Cold War. Even if you exclude war funding, average annual defense expenditures over the President’s 10-year budget will still be higher in real terms than the average annual expenditures during the Korean War, the Vietnam

War, and the Cold War period under President Ronald Reagan. In addition, the reductions in defense spending in the President's budget are only half of the amount of cuts recommended by the bipartisan Simpson-Bowles Commission.

“Secretary Panetta, when you were sworn in as Secretary of Defense, you said that a choice between fiscal discipline and a strong national defense is a false choice. I agree and I am confident we can work together to get our fiscal house in order and ensure that we continue to have the strongest military in the world.

“Again, I thank you for coming and I look forward to hearing your testimony.”

“The President has put forth a budget that invests in job creation and economic growth in the short-term and gets our nation on a long-term, responsible path to fiscal sustainability. It builds on the recent good news about our economy, recognizing that the recovery is still fragile and that our first priority must be to put Americans back to work. In the near-term, we can boost our economic recovery by passing a payroll tax cut extension and continuing to provide unemployment insurance to the millions who are out of work through no fault of their own. Additionally, this budget includes key elements of the President’s American Jobs Act, which has been sitting before Congress since September. For example, the proposed infrastructure investments will put thousands to work repairing our roads, bridges, and schools. If we hope to keep our economic recovery moving forward, the time is long overdue for Congress to pass these proposals.

“The fastest and most effective way to reduce our deficit is to put Americans back to work – in fact, CBO recently estimated that we would cut the deficit by one-third if our economy could be at full employment. But the President also includes additional measures to put our fiscal house in order, making tough choices and achieving deficit targets through a balance of spending cuts and increased revenue. It asks the wealthiest 2 percent of people, for example, to go back to the tax rates they paid under President Clinton – a time of great growth and prosperity – but also makes difficult cuts. We must all share responsibility as we work to reduce our debt and deficit.

“The President’s budget stands in sharp contrast to last year’s Republican budget – much of which we expect to see again this year. We need to get serious about debts and deficits in this country, but we must do it in a responsible way. The President takes a balanced approach to deficit reduction, but Republicans continue to insist on ending the Medicare guarantee and slashing vital investments in education, while giving tax breaks and sweetheart deals to the super wealthy.

“The President’s budget is a responsible proposal that will help America move forward, while Republicans want to pursue a lopsided agenda that will cost jobs,

hurt the economy, and help the richest in our country at the expense of working Americans.”