

**National Security Note 1**  
**US debt ceiling and national security**

by Carl Ungerer

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After months of political debate, the US Congress reached a cautious agreement this week on raising the US debt ceiling and cutting government expenditure. Although compromise was needed on both sides of politics, the deal reflected the growing influence of the Tea Party movement and the general push for smaller government across America.

The initial debt plan calls for US\$900 billion in domestic discretionary cuts over the next ten years. The plan also calls for US\$600 billion in cuts to the Pentagon's budget if Congress cannot agree on other debt reduction measures.

There is now broad agreement among both Democrats and Republicans to shrink the US national security estate. But there is little or no agreement on where that reduction in spending will come from.

Some of the expected savings will come from overpriced, under-performing defence programs such as the new amphibious landing craft for the Marines and a proposed new engine for the F-35 Joint Strike Fighter.

Other savings will come from ending US troop commitments in Iraq and Afghanistan. All 48,000 remaining service personnel in Iraq are expected to leave by the end of the year. And President Obama has announced an overall troop reduction of 33,000 in Afghanistan by September 2012. This figure represents the troop numbers deployed in the 2010 surge.

But these measures alone will be insufficient to meet the required cuts. The US Defense budget has doubled in the decade since 2001. The total allocation today stands at around US\$700 billion per annum. And most analysts think there is plenty of 'fat' to be cut. But finding US\$600 billion in cuts is the equivalent of a 10% reduction in the Pentagon's budget, each year for the next ten years.

As the main instrument of US primacy and force projection around the world, the size and shape of the US military matters to allies such as Australia. A more constrained, cautious and cost-conscious America will place a higher burden on allies to share the responsibility of maintaining international peace and security.

At a seminar this week at the Brookings Institution, the Australian Defence Minister, Stephen Smith, told his audience that Australia was 'an ally that adds value'. In Washington, that value might now be measured in actual dollars.

### **About the author**

**Dr Carl Ungerer** is ASPI's National Security Program Director.

From July to December 2011, Carl is participating in a Fellowship with the Center for Australian & New Zealand Studies at Georgetown University in Washington DC. This *National Security Note* series provides 'on-the-ground' insight into the national security challenges and opportunities facing the United States during this time.

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