

Resource 2 (1 of 2)**“National Debt Poses Security Threat, Mullen Says”**

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American Forces Press Service

DETROIT, Aug. 27, 2010—The single biggest threat to national security is the national debt, the chairman of the Joint Chiefs of Staff said yesterday, underscoring the importance of good fiscal stewardship and a need to stimulate economic growth.

American taxpayers are going to pay an estimated \$600 billion in interest on the national debt in 2012, Navy Adm. Mike Mullen told local leaders and university students here.

“That’s one year’s worth of defense budget,” he noted, adding that the Pentagon is going to have to work to “cut the fat” from its overhead spending.

“We’re going to have to do that if it’s going to survive at all,” he said, “and do it in a way that is predictable.” The Defense Department must be more fiscally responsible to prevent future appropriation cuts, the admiral explained.

Mullen addressed several venues here yesterday, including Detroit’s Economy Club, Detroit’s Regional Chamber and Wayne State University students. He noted that Detroit is one of the hardest-hit cities as the nation struggles to overcome a faltering economy.

The chairman called for a strong defense industry that seeks veterans for employment. A more fiscally responsible Pentagon, coupled with a growing veteran work force in the defense industry, could create jobs and prevent wasteful spending, he said.

“I need the defense industry, in particular, to be robust,” he said. “My procurement budget is over \$100 billion, [and] I need to be able to leverage that as much as possible with those [companies] who reach out [to veterans].”

Mullen asked industry leaders to help in this endeavor. Industry leaders need to be more vocal and offer meaningful ideas to streamline their efforts, he said. Also, business leaders, the federal government and local communities need to determine better ways to integrate veterans into society and into their local work force.

Ultimately, industry, community and military leaders share the same goals, he said.

“I have found that universally, [industry workers] care every bit as much about our country, are every bit as patriotic and wanting to make a difference . . . as those who wear the uniform and are in harm’s way,” he said.

Defense Secretary Robert M. Gates earlier this month called for reform in the way the Pentagon does business by working to eliminate duplicative, unnecessary overhead costs. Since 2000, the defense budget has doubled. The fiscal 2010 budget is \$664 billion, compared to roughly \$300 billion before the wars in Iraq and Afghanistan.

Earlier this year, Gates tasked the services to find \$100 billion in overhead savings over the next five years. He also authorized the services to consider consolidation or closure of excess bases and other facilities.

Another immediate step Gates announced is the reduction in funding for support contractor personnel by 10 percent a year for the next three years. Gates is looking for ways to ensure the defense budget grows 2 to 3 percent each year.

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That's what is needed for the Defense Department to sustain itself, Gates said Aug. 9, but President Barack Obama can ensure only 1 to 2 percent growth of future budgets.

The Defense Department is determined to save money, Gates said, but it will be a challenge.

Mullen agreed.

“We're not a business,” he said. “Part of us does this really well. Parts of us have never had to, plus our budget has doubled over the last 10 years.” Defense spending has not been prioritized as well as it should have, he explained, and leaders have not had to make tough decisions about programs and procurements. The Pentagon must return to more responsible fiscal practices, he added.

“A lot of those skills have to be sharpened,” Mullen acknowledged.

For industry and adequate defense funding to survive, the chairman said, the two must work together. Otherwise, he added, “this wave of debt” will carry over from year to year, and eventually, the defense budget will be cut just to facilitate the debt.

“It's the responsibility of both sides,” Mullen said. “We have to gird ourselves for some pretty significant challenges, given the national security challenges that we have as well as the responsibility to steward every dollar that we have.”

Mullen was in Detroit as part of a three-day “Conversation with the Country” tour across the Midwest. The trip is geared toward urging community and business leaders and the academic community to step up in honing veterans' skills and life experience. He met with business and community leaders in Chicago Aug. 25 and will be in Cleveland today.

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Questions:

- ▶ How does the amount of interest taxpayers will owe on the national debt relate to the amount of money budgeted to national defense?
- ▶ According to Mullen, spending within the defense budget has not been prioritized as well as it should have been, and leaders have not had to make tough decisions about which programs and procurements are a priority and which are not. Why was this the case in the past? What has changed to force this prioritization and these tough decisions?
- ▶ How was the Defense Department seeking to protect itself from future budget cuts?
- ▶ How might Mullen's positions of Navy Admiral and Chairman of the Joint Chiefs of Staff at the time this article was written influence his opinion about the national debt? Why might he have been concerned about employment opportunities for returning veterans?
- ▶ What additional information would you need to determine whether you agree with Mullen's argument?