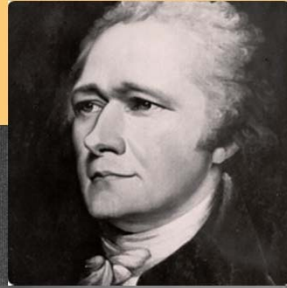
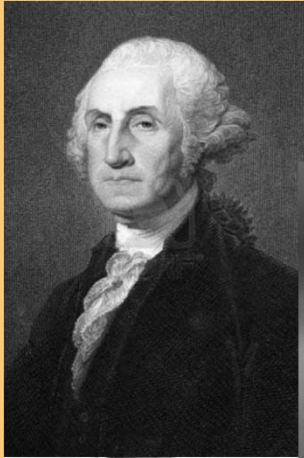


Lean, Mean Fighting Machine:

Cutting defense doesn't mean going defenseless

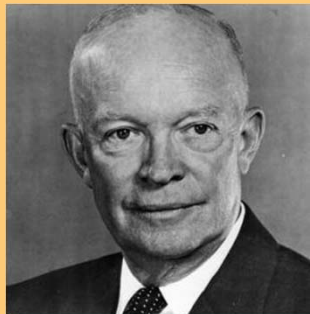


Topics for Discussion:

- What is America's top priority?
- What are the threats to the U.S.?
- How should we defend the United States?
- Don't just cut Defense. Reform and Reorganize it!
- Closing Thoughts

A presentation by
Douglas Macgregor, PhD
Colonel (ret) U.S. Army
CPAC , Washington, DC
9 February 2012

Economic power must be restored!



“The purpose is clear. It is safety with solvency. The country is entitled to both.”

President Dwight David Eisenhower, 1958



- The Federal Debt is now 100% of U.S. gross domestic product; so large it will swallow any legislation the President and congress agree to pass.
- When interest rates on the U.S. Treasury’s securities rise – and they will – the U.S. Government’s cost of servicing the nation’s ballooning debt will soar confronting Americans with a new, more profound fiscal crisis – the specter of default.
- The U.S. will be fortunate to maintain a defense budget of 250 to 300 billion dollars.

*“We are facing an extremely difficult time, comparable in many ways to the 1930s, *the Great Depression*... The worst-case scenario is a collapse of the financial system.”*

George Soros, in NEWSWEEK, 23 January 2012

Albert Einstein said, "Insanity is doing the same thing over and over again and expecting different results."



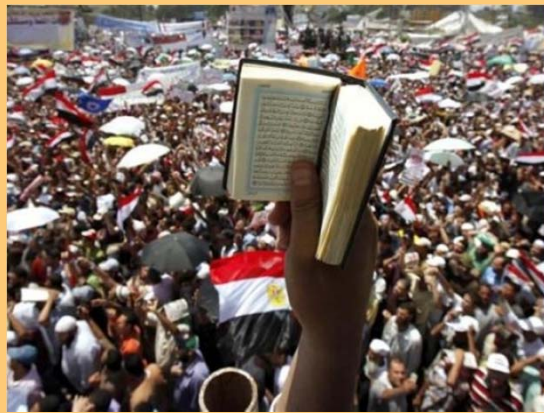
"If we quit Vietnam tomorrow we'll be fighting in Hawaii and next week we'll have to be fighting in San Francisco."



"I would be saying to the Iranians, you either open up those facilities, you begin to dismantle them and, and make them available to inspectors, or we will degrade those facilities through airstrikes and make it very public that we are doing that."

- American military interventions in Iraq and Afghanistan cost the U.S. four trillion dollars, destroyed tens of thousands of American lives while cultivating millions of new enemies.
- Iraq is now aligned with Iranian interests and the outcome in Afghanistan promises to be worse.

What are the threats to the United States?



- Russia: Down from 14 million in the armed forces to less than a million. Russian forces are hard pressed to modernize, let alone secure Russia, which borders 14 nations. Russia's focus is on restive Muslims, not on the US and the West.
- China: Its top concern is the potential for its 1.2 billion people to overwhelm China's internal political structures. This and internal economic dynamics militate against external aggression and expansion.
- Arab Spring: Repeated attempts to establish secular democracies have failed resulting in the replacement of traditional authoritarian monarchs with modern military despots.
- Islam has never been successfully suppressed, supplanted, or marginalized inside any Arab society. Islamism will always be with us because it is rooted in the societies and their supporting cultures.
- Military intervention worsens these conditions.
- Competition between Turkey and Iran will shape the future of the Middle East.



What the United States needs is a policy option between “impotence and over kill,” an alternative to an unaffordable and self-defeating all-out war with Iran.

“To insist that Iran abandon altogether the nuclear fuel cycle is now probably unrealistic. Iran already has it... But to bomb is even less a solution.”

Alastair Crooke, “The power, and threat, of Iran,” *LA Times*, 1 October 2009.

“To a growing number of Iranians, however, religious fundamentalism is a luxury they can no longer afford. Half of them are under the age of 40 with no ideological connection to the Islamic Revolution of 1979. Their difficulties and desires of life take precedence over doctrine and dogma.”

Jamsheed Choksy, “Iran's Theocracy Implodes,” *Realclearworld.com*, 4 August 2009.

Bottom Line: Like most authoritarian regimes unless the Iranian State’s ruling elite is convinced it will be expelled or liquidated as the result of a ground invasion by U.S. and allied forces, Iran will persist in its bid to become a nuclear power.

Iran’s threat to its neighbors is subversion principally through Shiite populations, not military invasion or long-range strike.



Criminality, terrorism and human trafficking from Latin America, especially, Mexico, presents an immediate and growing threat to the internal stability and national security of the United States.

- Mexico is in the midst of a drug war, with rival cartels fighting for control of a \$30 billion market for illegal drugs inside the United States.
- In the five years of President Felipe Calderon's administration the drug war has claimed 47,500 lives including those of 3,000 public servants – policemen, soldiers, judges, mayors, and dozens of federal officials.
- The largest contributors to the Mexican economy are oil revenue, remittances from migrant workers in the United States, and drug money.
- “Many alien smuggling networks that facilitate the movement of non-Mexicans have established links to Muslim communities in Mexico,” the CIA Counter Terrorism Center said in a 2004 threat paper.
- How is Venezuela’s Hugo Chavez helping? Answer: He’s facilitating violence against the United States.



If there are no existential military threats, how do we defend the Republic?



- ✓ In lean times, like all of the English-speaking powers, the United States is of necessity a global maritime and aerospace power, but not a global land power.
- ✓ Future wars will not resemble Iraq. They are far more likely to resemble the Balkan Wars of the early 20th Century, except that fights for regional power and influence will overlap with the competition for energy, water, food, mineral resources and the wealth they create.
- ✓ ISR and Strike capabilities (kinetic and non-kinetic) now decisively influence not only tactical maneuver, but the operational and strategic conduct of operations. The demand in future warfare is for high lethality/low density forces.
- ✓ Harvesting savings from today's forces and programs are critical to master the development and employment of new capabilities in the form of unmanned platforms, integrated missile defense systems and directed energy weapons.

Reduce the defense budget by 40 percent or 2.79 Trillion Dollars over ten years. Highlights:



Estimated annualized savings from reductions in naval surface forces and Marine fixed-wing aviation: \$10 billion.

- Direct the reduction of the Navy's Surface Fleet from 11 to 8 Carrier Battle Groups (CVBGs) and rebalance home porting in acknowledgement of national priorities in Pacific Command (PACOM) and CENTCOM areas of responsibility. Direct Combatant commanders to reevaluate "presence versus surge" naval requirements given improved long-range precision strike and ISR capabilities of smart presence alternatives.

Estimated annualized savings from eliminating the F-35B: \$ 2.5 billion

- Disband the 20-plus Marine Corps F-18 fighter jet and AV-8B Harrier jet squadrons. Reorganize three manned Air Forces -- the Air Force, Navy, and Marines -- into two affordable air forces; one sea-based and one land-based.
- As a result of authorization bills in 2010, the Air Force will be required to retire about 300 older F-15, F-16, and A-10 aircraft without replacements until 2015.
- The cuts mandated as part of the New Strategic Arms Reduction Treaty (New START) will probably result in the loss of a few more bombers.

Estimated annualized savings from reducing political appointees, changing acquisition and military education: \$2 billion.

- Disestablish Service Component Acquisition Executives. Combine these staffs under the Office of the Undersecretary for Defense for Acquisition, Technology and Logistics (USDATL) and abolish service-centric acquisition autonomy.



Estimated annualized savings from reorganizing the Army and Marines: \$18 billion.

- Establish new end strength ceilings for the combined active strength of the Army and Marine Corps: 600,000 active duty service members (120,000 Marines/480,000 Army). *Reorganize the fighting force for more teeth!*
- Forces created for long-term territorial occupation beget second- and third-order budgetary effects we see in the current bloated “services and logistics” contracts; contracts that run into the billions of dollars over time. *(No more Iraqs!)*

Estimated annualized savings from reducing the number of unified commands and single service headquarters: \$1 billion.

- Eliminate many military commands. Extract savings from modifying the current Unified Command Plan (UCP) and U.S. Code Title 10 to reduce the current number of regional and functional unified commands.
- Disestablish duplications in separate intelligence services, transfer these capabilities to national intelligence agencies -- Intelligence and related “black” programs have exploded in costs post 9/11 with dubious returns on these investments.

Estimated annualized savings from eliminating the Department of Homeland Security, restructuring National Intelligence and the Army National Guard: \$7 billion.

- Inside the United States, pass legislation eliminating the inefficient experiment that is the Department of Homeland Security (DHS).

Don't just cut Defense, Reform and Reorganize it!

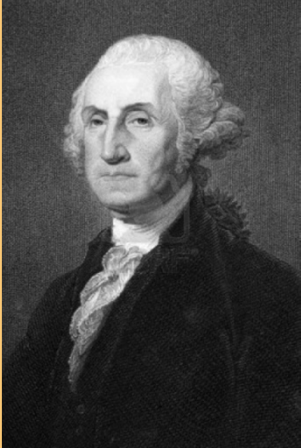


While Siemens CEO Peter Loescher cut \$2 Billion from operating expenses since taking over and dismantled a bureaucracy that once contained 200 separate management boards, he isn't scrimping on research and development (unchanged at 5.1% of revenue in 2010) or on engineers. "This is not overhead," he says. "This is our competitive advantage."

Daniel Fisher, *Forbes Magazine*, 9 May 2011, page 98.

- DoD's layer upon layer of bureaucratic overhead is an anachronistic industrial age model in today's information age. (*Maximize fighting power at the expense of overhead!*)
- Identify and incentivize the right workforce balance, military and civilian, and divest unnecessary functions and competencies. DoD cannot afford to continue "works programs" that value "effort" more than "results" (*Future Combat System, 20 Billion dollar loss*).
- Service "equities" should not trump National Security needs – Title 10 autonomy must be revised to reign in Service competition in roles, missions, end strength and equipment.
- The Joint Staff should be repurposed as a meritocratic, professional National Military Staff with real authority and governance over Service operations and investments, allowing dramatic reductions in the Unified Command Plan (UCP) Commands, Service HQ Staffs and Service Component Commands.

Closing Thoughts:



“Twenty years’ peace,” George Washington argued in 1796, *“combined with our remote situation would enable us in a just cause to bid defiance to any power on earth.”*

- Let the United States be a "beacon on the hill," not a crusading sword.
- Reaffirm the U.S. is a global maritime and aerospace power, not a global land power.
- Reduce Overhead, not Capability!
- Audit the Department of Defense. (Accountability, Accountability!)
- Scale back our overseas presence.
 - Restructure the way we conduct “forward presence.”
 - We can make it too dangerous and costly for the Pashtun tribes (Taliban) to harbor al-Qaeda in the future. We should do so and withdraw our forces from Afghanistan.
- Defend America’s Borders and Coastal Waters. Enforce the law inside the United States.
- Reform, reorganize the general purpose armed forces. It’s time for a new National Security Act.
- Think about the future and the demands of future conflict.

Who is Douglas Macgregor?



- Colonel (ret) Douglas Macgregor is a decorated combat veteran, an author of four books, a PhD and an independent business man. He was commissioned in the US. Army in 1976 after four years at West Point and one year at VMI.
- In 1991, Macgregor was awarded the bronze star with “V” device for valor for his personal leadership of the cavalry troops from the Second Armored Cavalry Regiment that destroyed a full-strength Republican Guard Brigade in the action known as the Battle of the 73 Easting, the U.S. Army’s largest tank battle since World War II. His book, *Warrior’s Rage. The Great Tank Battle of 73 Easting* (Naval Institute Press, 2009) describes the action.
- As the Director of the Joint Operations Center at SHAPE in 1999, Macgregor supervised the conduct and planning of operations during the Kosovo Air Campaign.
- Secretary of Defense Donald Rumsfeld insisted that General “Tommy” Franks meet with Macgregor on 16-17 January 2002 to discuss Macgregor’s concept for intervention in Iraq. The plan assumed Iraqi Army and administrative structures would be retained. Though modified to include less armor and vast numbers of Army and marine light infantry, Macgregor’s offensive concept was largely adopted.
- Macgregor’s concepts from his groundbreaking books on military transformation, *Breaking the Phalanx* (1997) and *Transformation under Fire* (2003) have profoundly influenced thinking about change inside America’s ground forces.
- Macgregor has testified before congress and appears as a commentator on national security affairs on Fox Business’s *Freedom Watch*, as well as on other national and local television and radio programs.

