



May 18, 2009

Letter from Washington

Since our last letter, the administration has submitted both its FY-10 Defense budget request as well as its FY-09 Defense supplemental. There have been several interesting side notes during the process that tell us something about what to expect in the future.

First, the high-profile participation by Secretary Gates in the process has been enlightening. As you recall, Gates released his "recommended" defense spending outline last month, well ahead of the President. Clearly those recommendations were developed in close coordination with the White House, and allowed Gates to be the object of Congressional and industry outrage, as many big-ticket programs were recommended for termination or cut back severely.

The perception is that Gates took a bullet for the team, or at least put himself in that position. In reality, he has strengthened his hand within the administration while costing himself nothing in doing so. As a Bush holdover, Gates has worked hard to crack into the President's inner circle of advisors and confidantes. Giving Obama political cover for the defense cutbacks was just one more step in that process.

Worth noting is that the effort has apparently paid off, and Obama deferred to Gates on the issue of fighting a court order to release photographs purportedly showing American soldiers abusing prisoners --- more on that subject later.

Gates also took two other high-profile actions during this period.

First, he held a press conference to announce that he had asked for the resignation of General David McKiernan, the top US commander in Afghanistan. He said that McKiernan had "done nothing wrong", but strongly implied that the highly decorated armor officer did not have the intellectual firepower required to lead the counter-insurgency effort against the Taliban. The method of the announcement and the message it conveyed left no doubt that McKiernan was being sacked for non-performance. In other times, McKiernan might have been allowed to resign quietly and go away, but Gates is a canny Washington player, and he needed to make sure that the General

could not resurface at some point in the future and claim he had quit on principle over policy differences, especially if the Afghan effort goes sour.

The second thing Gates did was to reign in the Service Chiefs fairly hard. Traditionally, the Chiefs fight internally for their budgetary priorities, but are supposed to line up behind the President's budget when it becomes public (recall that Gates fired the Secretary and Chief of Staff of the Air Force this past winter, partly as a result of their continued Congressional lobbying for the F-22).

But the Chiefs have always had an open invitation from the Congress to present their "unfunded priorities" during budget testimony. This has given the politicians cover for adding money to their pet projects, and also given the Chiefs a way to end-run the Secretary's control of the budget process. Last year the total value of the unfunded priorities presented to Congress was US\$30B.

Gates announced that he would require the Service Chiefs to vet their requests through him before transmitting to the Congress --- a reminder to the Chiefs as to who is really in charge, and that they wander off the reservation at their peril.

The issue of those pictures of prisoners being abused (what were they thinking when they were taken?), came up in several different ways during the last month, much to the administration's chagrin.

The whole issue of "torture" has been played out in the press and during the Presidential campaign last year. Obama's position was that the CIA's "enhanced interrogation techniques" (i.e., water boarding) amounted to torture and was illegal under US law, as well as by international standards.

The issue has great bumper-sticker emotional impact, with the US left still running hard against George Bush, despite the fact he is long departed. The Obama Justice Department released internal Bush administration memos that contained the rationale for permitting the enhanced interrogations under US law, which have been met with great scorn by the Democratic majority.

To the dismay of many Republicans, the only Bush administration figure to publicly take on the issue has been Dick Cheney, undoubtedly the most polarizing politician of the past generation. Cheney has made the argument that much useful information was gained through forceful interrogations of the top Al Qaeda prisoners, and many American lives saved as a result.

The other side has countered that the interrogations were useless, that they produced no valuable information and coerced information is always unreliable.

The truth can only be determined if the interrogations and their results become declassified and open to evaluation, and that is not going to happen. So in the short term, the politicians can take whatever side they want, absent the evidence and the facts.

This would ordinarily be a good issue for the Democrats except for two things:

- Obama would really like to change the subject. He has discovered that the reality of governing is quite different from the rhetoric of campaigning, and that sitting in the oval office is more than a photo op. He knows that he will have to make some grim choices as his term in office proceeds, and he would not want to be boxed in later by anything he says publicly now.
- More importantly, the top Congressional Democrats, including now-Speaker of the House Nancy Pelosi, were briefed on the interrogations as they were occurring in 2002 and registered no moral outrage. This would not have been a big deal, except Pelosi has been trying to have it both ways and has been caught up in the inconsistency of her stories. She has been vocal in demanding a "Truth Commission" to determine who knew what and when, but to make matters worse, when confronted with the CIA data that indicated she had been briefed, she chose to throw the CIA overboard and claimed she had been lied to. It's an ugly sight when a member of Congress with specific knowledge of secret operations places his or her political gain above the interests of national security.

So at the almost-four-month vantage point, Obama has shown himself to be a shrewd Washington player, choosing his battles carefully and changing positions very easily. He has great ambitions for changing the domestic political landscape with everything from health care to education to social security, but he also knows that he must have a robust economy in order to do these things. Ironically, his personal popularity remains quite high, while the popularity of his policies is falling as more of the details become known. In that regard he is almost the exact opposite of the last George Bush.