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TRANSCRIPT

The Asia Chessboard Podcast

**“Counting the Pieces: Defense Spending and the ‘Ever Shrinking Fighting Force’”**

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FEATURING

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Andrew Schwartz: Welcome to the Asia Chessboard, the podcast that examines geopolitical dynamics in Asia and takes an inside look at the making of grand strategy. I'm Andrew Schwartz at The Center for Strategic and International Studies.

Hannah Fodale: This week Mike sits down with Major General Retired Arnold Punaro, Chief Executive Officer of The Punaro Group, to discuss his new book, *The Ever Shrinking Fighting Force*. Mike and General Punaro start off by analyzing the defense budget process and why the US military is not getting enough bang for its buck. They then turn to acquisitions, the politics of defense spending, and how this impacts the Indo-Pacific region.

Mike Green: Welcome back to the Asia Chessboard. We're joined by Major General (Retired) Arnold Punaro. And General Punaro has just published a book called *The Ever Shrinking Fighting Force*, which is really decades of wisdom and experience on defense reform and defense policy, distilled for the general reader the kinds of things that General Punaro was advising most Secretaries of Defense in recent memory for the rest of us. And it's a particular treat for me because my dad as a Marine served alongside General Punaro in the Reserves. My current boss John Hamre, I think, worked for or was probably hired by, Arnie Punaro in the Senate Armed Services Committee. So he's a legend in Washington for people who are trying to understand defense acquisition, defense politics, and how the Pentagon works. And I worked in the Pentagon for a couple years and wish I had read this book back then, because it explains it really well. So welcome and great to have you. We'll talk about China and Asia, but really this is a foundational question about whether we can actually compete with China. So really glad to have you on.

Maj. Gen. Arnold Punaro: Well, it's such a privilege to be here and I'm so glad you mentioned two of my just unbelievable heroes, your dad, one of the finest Marines I ever served with, and, of course, John Hamre, again, an icon in the national security field. And yes, you're right, when Senator Nunn became Chairman and I became Staff Director of the Armed Services Committee, we found John Hamre working down in the Congressional Budget Office and brought him up to the committee, and of course from there he's gone on to just truly legendary accomplishments, just like your father. I was blessed in the Marine Corps to work for three colonels, your dad, Colonel Jim Jeffries, and Colonel Hays Parks. You met all three of them. We've known you since you were growing up.

Mike Green: Yeah.

Maj. Gen. Arnold Punaro: And these were three of the finest Marines ever served with the Eagle, Globe and Anchor. So a real privilege to be with you today.

Mike Green: Thank you so much. And like you, all of them Marines to the core, but deep, deep, thinkers and deeply ethical and moral officers. You all served together in a Reserve unit that focused on law of war among other things, right?

Maj. Gen. Arnold Punaro: That's right. And I'll tell you, your dad's up in heaven right now appalled at what the Russians are doing in Ukraine because they're violating every law of war that's on the books. And I mean, he's the one, your father, pioneered the law war program in the United States Marine Corps. And part of our job was to teach Marines going into combat about the Geneva Conventions, all those various accords, and it became really one of the most important units in the Marine Corps. And thousands and thousands of Marines have benefited from your dad's leadership. But again, if you look at what the violations of the Geneva Conventions, the violations of every norm of human behavior, that the Russians and Putin are resting on the Ukrainian people and the Ukrainian military, it's appalling, and it's heartbreaking.

Mike Green: It's almost like they got a copy of the doctrine you came up with in the '70s and '80s and just decided to violate every single thing in there.

Maj. Gen. Arnold Punaro: That's correct. Absolutely. And I mean, right now, obviously the Ukrainian soldiers that fought valiantly to the bitter end at Mariupol have now surrendered, and they're actually protected under the Geneva Conventions. They're combatants, they've surrendered, they've given up their arms, they're no longer considered combatants, and they've got to be treated as prisoners of war. We won't hold our breath to find out if the Russians adhere to that.

Mike Green: One of the things I was fascinated by growing up, we'll talk about Asia, but one thing I was fascinated growing up watching this Reserve unit. I ended up doing my undergraduate honors thesis on the history of the law of war. And one of the arguments I made in my thesis was that doctrine, effective doctrine, and training in jus ad bellum, the law of war made for a far more efficient and effective fighting force. Wasn't just about the morality of it, it was about the effectiveness of the force, which in your book is largely about effectiveness of the fighting force and how to get it back.

Maj. Gen. Arnold Punaro: You're spot on, in the bullseye on that, not only in terms of war fighting, but also in terms of the fact that we're spending more in constant dollars in the peak of the Reagan buildup and the force is 50% smaller and we're just not getting the bang buck that we should

and we're just not getting the most effectiveness out of the dollars we're spending.

Mike Green: So you wrote this book based on leadership in the Senate Armed Services Committee, on the staff side, Chairman of the National Defense Industrial Association, commanding the Fourth Marine division, the Reserve division. So you write this book about how we get a more effective fighting force, more tooth, less tail, based on that experience. But you started as a Second Lieutenant in the Marine Corps, right? So can you tell us a bit about how you got from Georgia to the heights of power in Washington?

Maj. Gen. Arnold Punaro: Well, so I graduated in 1968, which was a peak year of the draft. And everybody I knew that year that graduated in '68 got drafted but Bill Clinton and Donald Trump. They somehow didn't make it into the military. So basically I had no options. I was going to serve. I didn't mind serving. So I volunteered for the Marines. My father had fought in World War II with Patton's army and he said, "Son, you don't want to be drafted. You'll end up going in the Army and going right to Vietnam." Well, I joined the Marines and ended up in Vietnam quicker than I ever would had if I'd joined the army. I served as an infantry platoon commander in Vietnam, in the Que Son Mountains, and did my time in the Marine Corps. Then your tour was four years of active duty. I never planned to make it a career.

Maj. Gen. Arnold Punaro: I lucked out and went back to graduate school at the University of Georgia. They'd had an 11 and 1 football team the year before so I figured we're going to have a good football team, but unfortunately we lost to Georgia Tech, Harvard, and Alabama that year. But I got my degree. And I lucked out. I was coming back to Washington. My wife-to-be, Jan, had a great job working in the government. I had no job, but Senator Nunn, Sam Nunn, had just gotten elected and he'd started an internship program, an academic internship program. I got selected for it. It was supposed to be only 10 weeks. I was going to spend my 10 weeks looking for work and I ended up staying on 24 years. And so, I moved up in the system with him and became his national security expert up to Staff Director of the Armed Services Committee.

Maj. Gen. Arnold Punaro: And thanks to your father's example and others, I stayed in the Marine Corps Reserve. One of the reasons I stayed in the Reserves, which I never intended to do, not only because of guidance from your father, but also General Creighton Abrams, who was Chief of Staff of the Army at the time, came over to meet Senator Nunn, who was a junior Senator. I was the only one on Nunn's staff that had served in combat so he invited me to sit in on the meeting. At the end of the meeting, Creighton Abrams came over and talked to me and said, "Are

you staying in the Reserves?" I said, "Well, no, I have no intention of staying in the Reserves." The Reserves had a bad name at that time. He said, "Well, the Reserves and Guard are going to be a lot more important in the future. We're never ever going to go to war again without the Guard and Reserve. You should stay in the Reserves."

Maj. Gen. Arnold Punaro: So I actually joined the unit that Jim Jeffries, Hays Parks, and your father was in, and stayed in and came up through the ranks. So while I was working in the Senate Armed Services Committee, I also had the benefit of wearing a uniform, being mobilized three times, and kind of knowing firsthand what was going on. So it helped me in my Staff Director job as well. Then I left government when Senator Nunn retired. I didn't want to be a lobbyist. I wanted to learn profit and loss and industry, which I did. Did that for a number of years, and then I started my own businesses. And then, of course, served on many boards and commissions during that period, most of which were designed to try to improve the output for the dollars that we were spending. So that's really, and along the way, four kids and 10 grandkids, and so here we are today.

Mike Green: Of course Sam Nunn was the longtime Chairman of the Board of CSIS, and I've had many conversations with him in my 16 years here, but my favorite was talking to him about his uncle, Carl Vinson who was Congressman from a landlocked district in Georgia who created, from the House Armed Services Committee, created the Navy that defeated the Imperial Japanese Navy.

Maj. Gen. Arnold Punaro: That's correct. I mean, Carl Vinson, from Milledgeville, Georgia, about 30 miles from my hometown of Macon, Georgia, also the home of then Georgia Military College, Carl Vinson was the father of the two ocean Navy, which the Navy fought at the time, by the way.

Mike Green: Yeah.

Maj. Gen. Arnold Punaro: And so like a lot of things that happened into Congress, the Congress basically made the Defense Department do the right thing and Carl Vinson, legendary figure. And he was the first living American to have a battleship named after him. It wasn't a battleship, it was an aircraft carrier, CVN-70, the USS Carl Vinson. Richard Nixon made that decision, A Republican President, about a Democratic Congressman. And as Senator Nunn called him, Uncle Carl. Uncle Carl was still alive and showed up at the christening. I was privileged to attend. I'll never forget seeing that great American Carl Vinson there with his great nephew Senator Nunn, but also the junior Senator at that time from Georgia, John Warner and his wife Elizabeth Taylor, who came, who was very, very, nice and got along well with

everybody. But that was a truly remarkable period. First living American to have a Naval combatant named after him while he was still alive.

Mike Green: You'd understand from that history and from working on the Hill, it's a pretty small handful of visionary people like Carl Vinson and Sam Nunn that helped fund and create and make possible the force we have. Your book, *The Ever Shrinking Fighting Force*, there's a lot of history and there's a lot of description of how the Pentagon works, the role of Congress. But the bottom line alarm bell you're hitting is that we're getting less and less for our money, and less and less combat capability, and more and more tail and layers of bureaucracy and so on and so forth. For readers who are going to hopefully pick this up and read it, maybe jump to the punchline. What's the way out of this shrinking tooth to tail ratio?

Maj. Gen. Arnold Punaro: To get to the punchline, there are three major reasons why we're not getting the bang for the buck we should. One is basically the acquisition process in the Department of Defense where DOD spends, and by the way, John Hamre was one of the real experts in this area, both when he was on the Committee and in the building trying to fix these problems. DOD spends more than 400 billion a year on goods and services, supplies and equipment. And about all you can say about the outcome and the result is spend more, take longer, get less. We used to be able to build a fighter aircraft from contract to first flight in five years. Now it's 25 to 30 years. China now does it in five years. It takes forever to fill these new modern systems. And as Norm Augustine said in Augustine's Law, another great CSIS legendary supporter, Norm Augustine, one of the finest minds in our country, NASA, DOD, you name it.

Maj. Gen. Arnold Punaro: Augustine Law's and he predicted that, unfortunately, the ever increasing cost of our new weapons was going to be such that in the future we'd be able to buy one plane, one tank, one ship. And unfortunately that's where the thing is headed. And so the expense basically comes in the requirements. It's what the military says we need for this weapon to do. I've said, tongue in cheek, throughout my career if the Army could get away with it, they would want a nuclear powered tank that could fly itself to the battlefield. Well, of course, technologically not possible and, of course, cost prohibitive. And so what happens is these iron majors goldplate the requirements. At one point, the Army had a 38 page requirement for a chocolate chip cookie. And Senator Tillis from North Carolina will come to a hearing and show a stack of documents that was like three and a half feet tall for a handgun.

Maj. Gen. Arnold Punaro: And so the problem is the requirements process is not tied in. They don't bring in industry at the beginning and determine whether or not something is technically feasible or cost realistic. And then it's not tied to the acquisition network. And then it's not tied to the budget process. So we've got to, basically, and by the way, a lot of fine people, Ash Carter, Frank Kendall, Ellen Lord have tried to improve the acquisition process, and they've made some progress. But it's not how far we've come, it's how far we still need to go.

Maj. Gen. Arnold Punaro: The second biggest problem is the cost of the all volunteer force. Look, we can never pay our military enough for what they do, the sacrifices they and their families make. But the fully burdened cost, and John Hamre, again, is another expert here. The full cost of an active duty soldier for one year is \$400,000 a year and that's because it's not just their salary and they don't get all of that \$400,000, not even close. It's all the support that goes into it. The medical bill. We've gone from the medical cost, total cost in Pentagon from being \$20 billion a year to \$52 billion a year. They're 10 million beneficiaries of the military medical healthcare system, of which 5.6 billion are retirees and their dependents. We pay more for retirees than we pay for the people serving on active duty. And by the way we have right now 1.3 million people serving on active duty and 2.4 million retirees. And so we're seeing the same inversion in the Department of the Defense we're seeing in the Social Security System, where there are more retirees than workers. And of course we all know kind of where that heads you.

Maj. Gen. Arnold Punaro: And of course, then you have a worldwide grocery store that's subsidized by the taxpayers, \$1.4 billion a year. All the overhead that goes into supporting the volunteer force. The military retirement, there's a trillion dollar unfunded liability for those 2.4 million. And again and again. And then the third reason that we're not getting the bang for the buck is the massive overhead in the Department of Defense. It's gone from 5% of the budget, the DOD advertised it's around 17 to 18%. If you add in the classified part, it's closer to 30%. So 30% of the budget, if you were a business and you had that much overhead, that's not what we would call in the P&L, billable hours, you got a real problem. And so if you take in the early '50s we had one defense agency, National Security Agency. Today we have 28. These are massive large businesses. The Defense Logistics Agency does over \$40 billion a year with the Department of Defense. And yet, while they do a good job, they're not run like a business.

Maj. Gen. Arnold Punaro: Mark Esper who just wrote his book *A Sacred Oath*, Mark Esper tried to take on what he called the Fourth Estate, the defense agencies. He argues that most of these agencies should be run by civilians that

have expertise in the commercial sector in being a worldwide communication agency like DISA, a worldwide logistics agency like DLA, a worldwide grocery store like the Commissaries, and on and on and on. And so these are the three areas that if you're going to basically improve the system, you've got to tackle that. And when it comes to acquisition, there are 154,000 people working in the defense acquisition field, of which 35,000 are contracting officers. And these are the people that issue all the contracts. And the regulations, the 5100 series that governs defense acquisition, I've said facetiously, "Put a match to it, burn it down and start over," because it's basically thousands and thousands and thousands of pages long. And so these are the bureaucratic impediments.

Maj. Gen. Arnold Punaro: One last thing in this area, because I dedicate my book, I say to the men and women, National Guard, active duty, Reserve, defense civilians, defense contractors, that come to work in the Pentagon every day to do the very best job they can for the war fighters and the taxpayers, but as former Secretary of Defense Bill Perry, another great CSIS fan, said to me one time, "Arnold, bad processes beat good people every day." And what we have in DOD is a proliferation of bad processes that don't allow these dedicated people who come to work every day to do a better job to fulfill what they want to achieve. And so that's really the root of the problem. And that's why so much of my book is, one, identifying the problem. Again, I've given you this long winded answer, but I have to say Former Chair of the Finance Committee Russell Long once told my boss, Senator Nunn, "Don't solve a problem for people before they know they have one." So I spend a lot of the book identifying the problem. Then I spend part of the book saying, how do you fix it?

Mike Green: There should be an urgency to this, one would think. 15 years ago, if we were having this discussion, the PLA Navy was smaller than Japan's Navy. Now they have more surface combatants than we do. So there should be an urgency. You've worked on the Hill at senior levels, staff levels. One of the biggest problems you just identified is basically an entitlements problem. Can you reform DOD entitlements? I remember the commands, was it the Command Sergeant Major of the Marine Corps, among others, saying, "You're going to have to cut." He was talking about his own people, but we just can't sustain this, and Congress couldn't do it. Are we going to get that done do you think?

Maj. Gen. Arnold Punaro: In the 1960s, 75% of the federal budget was discretionary, meaning a decision maker could make a decision in the year they were in as to where to put 75% of that budget. 25% was entitlements and interest on the debt. It's now flipped. 75% are entitlements, meaning they're on auto pilot. They don't even go through the annual appropriation

process, and interest on the debt that goes up markedly every time the interest rates go up. And we have a \$4 trillion a year budget, and basically 75% of it is on autopilot. And so that's a huge trend, adverse trend, that we have to deal with.

Maj. Gen. Arnold Punaro: The Simpson-Bowles Commission that was set up by President Obama came up with a way to basically tackle entitlements, discretionary spending, and revenues, and everybody needs to sacrifice. We've got to get control of our deficit, \$30 trillion and counting, much of our debt owned by foreigners like the Chinese. And everybody's got to sacrifice. You're going to have to raise revenues, cut entitlements, and cut discretionary spending. And they came up with a bipartisan plan to do it, but the body politic did not have the courage to tackle it and that's how we ended up with the worst public policy I've seen in my lifetime, which was the sequester, which gutted military readiness starting in FY '13 and also gutted domestic discretionary programs, and we're still recovering from that mindless sequester.

Mike Green: Yeah. It hurt us. It hurt us. And our allies could see our readiness going down, morale going down, because people were stretched too thin based on the cuts. What do you do about the acquisition part? And you talk in the book a bit about requirements and make the argument that there's too many chefs in the kitchen. And as you said, all these majors are gold plating. So how would you get requirements more clearly defined? One thing people have sometimes talked about is give the combatant commanders and maybe INDOPACOM should have more of a say in requirements because they're going to be leading the fight against our peer competitor. How would you streamline the requirements dialogue?

Maj. Gen. Arnold Punaro: They absolutely should. I mean, if you look at Goldwater-Nichols in 1986, and again, I want to compliment our good friend and colleague, Dr. John Hamre, who was on the staff at that time and had a strong hand in that revolutionary change that was opposed by everybody in the Pentagon at the time, military and civilian. It said, and as you know, you've heard through your lifetime, the military departments organize and train and equip our military. Well, Goldwater-Nichols said they organize, train and equip in support of their requirements of the combatant commanders. The combatant commanders were made more powerful. They're the war fighters. So the US Pacific Command now the Indo-Pacific Command, they should be the ones that are telling the department what do we need to do with the threats in my region, in the Indo-Pacific. And let's face it, China is on the march. China's on the march militarily, they're on the march economically,

they're on the march diplomatically. They have more diplomatic posts around the world than the US.

Maj. Gen. Arnold Punaro: And scarily, to me, they're on the march, technologically. They're ahead of us in a lot of key technological areas. And some of them are at fundamental risk for our military. We've talked about this pivot to the Asia or pivot to the Pacific, whatever you want to call it. We have the same force structure in our military, in the Pacific, we had in the year 2000. We have not increased our force structure. We're talking a good game. We may be spending more money. But we haven't actually put our money where our mouth is. And so the combatant commander, the requirements, should drive the Pentagon requirements to combatant commanders. And then the chiefs, the military chiefs need to take more responsibility and own the requirements they need to bash the iron majors upside the head and say, "Look, we can't afford this requirement. And, one, it's going to take too long."

Maj. Gen. Arnold Punaro: We've got to take more risk. We've got to be willing to fail. We've got to basically get stuff out in the field faster. And the good is not the enemy of the best and that's the problem. We're always looking for that last 5% of performance so we get 100%, when 90% is good enough. And so all those things have to happen, but you hit the nail on the head. I mean, we should be paying a heck of a lot attention to Admiral Aquilino. He has the bullseye painted on his chest to deter China. And if we can't deter China, to keep China from invading Taiwan or threatening their neighbors or doing whatever bad actor things they're going to do militarily. And so we should be listening to him in terms of what he thinks the requirements are and we should be funding those requirements and not basically just doing what the service chiefs or the building thinks we ought to be doing.

Mike Green: I'll tell you another reason I think that combatant commanders, especially INDOPACOM, should be driving requirements is because we depend more than ever before, and especially in that region, on our allies and partners. Japan's going to increase defense spending. They're saying double it to 2% of GDP. I'm not sure they'll get there, but there's going to be more. The Australians are spending a lot more. We need their capabilities more than we ever have, to execute war plans, to deter, to defeat. But the way we talk about requirements with Japan, with Australia, with our allies, the exception is Korea, because we have a joint and combined command arrangement. But the way we talk about requirements, especially with Japan and allies is completely confusing to them.

Mike Green: They hear one thing from service chiefs, they hear another thing from industry. They hear one thing from INDOPACOM, another thing from

the OSD. I think we're going to be, not just us, but our allies are going to be wasting a lot of money on the wrong stuff, unless INDOPACOM is, not only defining requirements back in Pentagon, but in the region.

Maj. Gen. Arnold Punaro: I unfortunately agree with you. We speak with forked tongue. I mean, we've got to be clear. And by the way, I should add, it's not just INDOPACOM. Our domestic agencies, particularly our State Department, are essential. They have an essential role in the Pacific. They should be helping educate the Congress and educate the Department of Defense. I mean, we had a concept years ago, and it's practiced in some countries, some countries not, called the country team, where the ambassador is a senior person and he brings in everybody, including the military, and you have a unified approach.

Maj. Gen. Arnold Punaro: Now, because we deal now with global threats and not just a threat in one command, you've got to look at this globally, but still you've got to be organized. And the combatant commanders when our State Department has sort of gone downhill during parts of the sequester and in during some administrations that didn't value the State Department as much, we need to get them back into the driver's seat. I mean, in all my years of working in the Senate, when we traveled around, the Foreign Service people that we would meet and work with, particularly in the Pacific, Senator Nunn and I did a tremendous amount of travel in the Pacific, were just the top of the heap and just like our senior military. And so our senior diplomats should be listened to just as much as our senior military.

Mike Green: Our best diplomats drive this process as ambassadors. Bill Hagerty's now a Senator from Tennessee, of course, but when he was ambassador in Tokyo, because he had a background in development in the state of Tennessee and so forth and he knew business well, on FMS, foreign military sales, he saw there was a problem and he reached back into Washington and he helped to fix it. So I think if we have a book like your book about the State Department, there should be a chapter on how ambassadors need to be proactive and knowledgeable about these political military issues.

Maj. Gen. Arnold Punaro: You're exactly right. Another one of your CSIS board members, General Jim Jones, is a tremendous advocate of this, this approach, and really using the State Department more. And when you bring up ambassadors to Japan, I'm reminded of the great Mike Mansfield, Mike Mansfield from Montana, basically Majority Leader of the United States Senate in the '70s, retired. And then Carter asked him to be ambassador to Japan. He was such an important person and did such a great job. Ronald Reagan, a Republican, kept him on, as ambassador to Japan. And here was an individual that served as the Majority Leader

in the United States Senate, ambassador, and you name it, what else, and on his tombstone in Arlington National Cemetery is Mike Mansfield, Private, United States Marine Corps. The thing he was most proud of was serving as a Marine in World War II.

Mike Green: And he had also served in the Army and the Navy.

Maj. Gen. Arnold Punaro: I didn't know that. I had not known that.

Mike Green: When he was younger. He briefed Secretary of Defense Perry early in my career over lunch. It was me and Mike Mansfield. Talk about intimidating. And Mike Mansfield, after serving in the interwar years in China, he went and got a Master's at University of Montana, and he wrote one of the most amazing dissertations about the geopolitics of the Korean peninsula ever, still worth reading. Brilliant, brilliant guy.

Mike Green: Hey, I'm going to ask you a little bit of a sensitive question for a Marine, but can you weigh in on the debate about General Berger's new concept for the Marine Corps, which is revolutionary. It's getting a lot of criticism, but it is really looking at the pacing threat from China and trying to find ways to get the force in the fight and make a difference. Do you have a view on it?

Maj. Gen. Arnold Punaro: Well, first of all, I would say, and you could tell I'm a huge fan of CSIS because Senator Nunn got and I got tagged into it early in the 1970s when David Abshire was running it. So Mark Cancian had a great program over at CSIS recently, where he had Bob Work and Dov Zakheim, but he also had Lieutenant General Van Riper and General Tony Zinni, and so it was a very informed discussion. I would never put myself in the category of a war fighter like Tony Zinni or Paul Van Riper or some of the other legendary Marine war fighters, Jim Mattis, Joe Dunford, and people like that.

Maj. Gen. Arnold Punaro: I would say I am heavily influenced by the senior Marines that I served with side by side in my career, General Al Gray, General Jim Jones, and some of the ones that I just named. And they are very concerned about the direction that the commandant has going, particularly as it relates to reducing some of the Marine's ability to operate as a combined arms team and operate as a Marine air ground task force, and be the most ready when the nation is least ready, to be a crisis response force and not a force tailored for a specific threat, as important as that threat is. And so my concern is really the fact that these real luminaries of the Marine Corps are concerned and they don't appear to have their voice be listened to at all, which is kind of contrary to everything that I grew up with in the Senate and in the Marine Corps.

Maj. Gen. Arnold Punaro: So I don't have the ability to make personal judgements on it other than to basically be guided by. It would be like, if your dad, Jim Jeffries, and Hays Park said to me, "Arnold, let me tell you, here's something that the Marine Corps is doing that's wrong." I would take that as the gospel. So when people like Al Gray are concerned, to me, that's the gospel.

Mike Green: It is.

Maj. Gen. Arnold Punaro: So I share their concerns. I don't know what we do about it because it's pretty far down the pipe, but I would tell you the Marine Corps, in our hymn, and by the way, it's not a song. It's the Marine Corps Hymn. Fighting every clime and place. We're not just supposed to fight in the island hopping area of China.

Mike Green: Yeah. You get a little too forward leaning on the first island chain, all of a sudden your Marines are in Norway or Finland.

Maj. Gen. Arnold Punaro: Right.

Mike Green: And it's a little different.

Maj. Gen. Arnold Punaro: Dr. Mark Hanson will tell you, if you look at the history of the Marine Corps, we have been fighting in a lot of places we never thought we were going to be fighting in. And so that's the point about the future.

Mike Green: The fight between the retired and active duty leadership is unprecedented, really, for the Marine Corps, I think. Probably not a good thing on the Hill. But as you said, it's pretty far forward. It's moving forward. And the threat from China is just so confounding. You can't keep doing business as usual. That's for sure.

Maj. Gen. Arnold Punaro: That's correct. And I would say about the Hill, the Hill has bailed out the Marine Corps consistently. I mean, the Marine Corps never got what they needed in the DOD budget and the Marines always came to the Hill to get it sorted out. So, quite frankly, I don't find this as unusual as some people do. Now, what's a little different is, it typically was a Marine Corps against the world, working on the Hill, not so much parts of the Marine Corps talking about other parts of the Marine Corps. So let's hope that people can work it out. But I think, I grew up in an environment on Capitol Hill where you basically had to listen to what other people had to say. If my boss is chairman and didn't pay attention to the other members of the committee, he wouldn't be a successful chairman. And I think what we have in the active duty Marine Corps today is senior officials that are pretty tone

deaf from people that have a lot of war fighting experience that they ought to listen to.

Mike Green: Well, let's turn to the Hill for a minute, the midterms, it's looking like the Republicans will take the House. The Senate's going to be interesting, up in the air. Usually when the Republicans take the House, defense spending goes up, but the Republican Party's not quite the same Republican Party as the past. What do you see as the politics of defense reform and defense spending on the Hill going into the midterm and beyond?

Maj. Gen. Arnold Punaro: Well, I actually, I have a chapter in my book on national security and divided government. And that chapter points out analytically that actually, I hate to say it, it didn't make a lot of difference when it comes to national security, who's in the White House, who runs the Senate, who runs the House, because typically we do pretty well in the Department of the Defense because the committees, to their great credit, under Republican chairman, under Democratic chairman, under all different stripes and colors, the Senate Armed and House Armed Services Committee, the House and Senate Defense Appropriation Subcommittees, tend to operate on a bipartisan basis. And that's the way they have operated when there's divided government. And I believe that will be the case independent of who kind of controls the various bodies in Congress.

Maj. Gen. Arnold Punaro: We've actually been increasing the defense budget, over time, quite substantially. That's the concern I have is, is the budget has gone up. We haven't been getting the bang for the buck. So yes, there're going to be some areas that would be different. Particularly nuclear policy. Nuclear policy tends to be a little bit different under Democratic leadership than it does under Republican leadership. But I would say the basic fundamentals and the concern about national security is a bipartisan concern.

Maj. Gen. Arnold Punaro: Now, the committees, those committees of jurisdiction, are more of an oasis than they would've been 10 years ago. The rest of the Congress really is deteriorated in terms of their ability to get anything done. I referred Norm Ornstein, one of the legendary analysts of Congress, calls Congress now the broken branch. They don't get their work done on time. I think it's pathetic that we're in these continuing resolutions year after year after year after year. And October 1 comes every year at the same time. The Congress knows when the fiscal year begins, but they haven't gotten their work done on time in probably a quarter of a century.

Mike Green: It is an oasis of collegiality and bipartisanship, the Senate Armed Services Committee especially, but the House as well. And I find talking China and Asia, it's even more bipartisan. And our friends and allies and adversaries probably need to know that. There's a lot of broken glass on the floor, a lot of dysfunctional politics. But when it comes to national security and especially in the Indo-Pacific, there's probably more consensus now than there has been for decades, I'd say.

Maj. Gen. Arnold Punaro: I totally agree that's one of just the gems of bipartisanship is there's unanimity in the Congress about China and Indo-Pacific. And, quite frankly, a lot of that this credit goes to people like yourself and like CSIS, your other think tank brethren, the military. We've had some terrific people in DOD and State in both Democrat and Republican administrations that have expertise on Asia and Indo-Pacific. We've reached out and then have a rapprochement with India. So, yes.

Maj. Gen. Arnold Punaro: Now I wish we could pass this China legislation. And the other thing that we need to do is our industries need to pay a lot more attention to the national security implications of doing business in China. I'm not enough of an expert here, you are, to kind of point fingers at the various industries. But I know our high tech industries, I scratch my head a little bit when I look at all the business they do in China. And China's a total surveillance state and anything you're doing over there you're paying a price for it. So I think, though, you're right. I think the bipartisan approach to Congress ought to be a deterrent factor, but you can't just deter with words. If we're going to deter China from doing anything vis a vis Taiwan, we need to beef up Taiwan's offensive capabilities and basically give them the ability to put things in China at risk so China never will invade to start with.

Mike Green: That gets back to our acquisition system. I was in Taiwan, asked to go by the administration with a group of former officials, including Admiral Mike Mullen, who was spectacularly effective and interesting to travel with. And one of our messages is how can we help? What do you need? And please do keep increasing your asymmetrical capabilities, to do what the Ukrainians are doing, to complicate Chinese planning. And we discovered that a lot of the things that we were talking about, our friends in Taipei buying were stuck in our acquisition system or the State Department Pol-Mil Bureau. So, these inefficiencies you write about in your book get in the way of our capability building for friends and allies too.

Mike Green: Let me ask you about, you published a book, and a lot of it you wrote before the Ukraine invasion. And so now what worries friends and allies in the Indo-Pacific is, okay, we get it about the bipartisanship,

we get it about the intent to support allies and partners and to compete with China. But what about your capacity to do it? Does the United States have the ability to deter an obviously much more dangerous Putin while pivoting to the Pacific? Are we configured? It's been a long time since people talked about being able to fight two major theater contingencies. Do we need to rethink how we approach this entire issue because we cannot be quite as complacent about Europe as we may have been two years ago.

Maj. Gen. Arnold Punaro: Well, the truth of the matter is, the sad truth of the matter is, at the peak of the Cold War we never had the ability to execute the two war strategy. The strategy of our Department of Defense under Democrat, Republican, administrations in that was to be able to fight two wars, one in the Pacific, one in Europe, and we never really had that capability. Then they call it the swing strategy. Well, we'll swing forces from one theater to the other. And then it changed to major regional contingencies and things like that. So we would be constrained now to basically operate on multiple fronts.

Maj. Gen. Arnold Punaro: One of the really worrisome things to me is in the peak of the Cold War, Russia had 44 divisions stationed on the Mongolian border because they were worried about the threat from China. Now, China and Russia are playing kissy face. In other words, we've done what we had as our whole policy in the Cold War was to keep China and Russia at each other's throats and now we've driven them together. This is not a good development. And of course, China has got the economic power and technological power that we talked about.

Maj. Gen. Arnold Punaro: I think a number of things have to happen. One, and this I think what I'd point fingers at both Commerce, State, and DOD, our foreign military sales system is totally broken. Here we are trying to help Taiwan, and yet we won't sell them the equipment they claim they need to deter China. Maybe we know better than they know what they need, but it's been my experience in the military that you pay attention to the people on the ground that are actually going to be taking the bullets in harm's way as to what they think they need to do the fight and not some armchair quarterbacks back in the State Department and the Defense Department.

Maj. Gen. Arnold Punaro: And so I really do think we should spend some, while we got to basically make sure Russia is defeated in Ukraine, we need to pay attention to what's going on in the Indo-Pacific and be working that at the same time. I think it's terrific that President Biden is going out to Asia. He's going out to Asia in the middle of the Ukrainian situation. He's sending a very, very, powerful signal. We've got the Quad four, a lot of good things going on out there, but frankly, if you're dealing

with Putin and you're dealing with Xi, they understand power. They don't understand words. They're not big on diplomacy. I have said, and I'm not a military expert, but I know that I would rather deter war than have to fight a war.

Maj. Gen. Arnold Punaro: I know that if basically China felt Taiwan, with help from its allies like the United States, Japan, South Korea, who frankly are just as concerned about China as Taiwan is, if I wanted to put something at risk in China, I would give Taiwan long range missiles to threaten Shanghai, which is China's financial center and cultural center. That'll get your pucker factor up pretty high, if you think you're going to kind of wreck the entire banking system in China. And so their thing, and by the way, what about smart mines? The big difference, Russia has a contiguous border with Ukraine. They have an 801 mile border with Finland that we're going to end up protecting now. China has to go across the Taiwan Straits, not some mean feat if they want to invade militarily, invade Taiwan. That's a pretty risky maneuver. And so we ought to be doing things that basically make China take a pretty big deep gulp before they think about doing anything offensively vis a vis Taiwan.

Mike Green: So there's lots we can do in terms of deterring conflict in Indo-Pacific, but we got to have the resources. So your book really.

Maj. Gen. Arnold Punaro: Right.

Mike Green: Your book really points to how the system works, where it doesn't work, and ways we can get resources aligned to the threat we face. It's *The Ever Shrinking Fighting Force* by Major General Arnold Punaro, US Marine Corps, Retired. Excellent discussion. Thank you. Good to see you. I love talking about Hays Parks and all the guys in your unit, my dad's old unit, in the Marine Corps Reserves. Great discussion. Thank you.

Maj. Gen. Arnold Punaro: Well, thank you. Such a privilege to be with you at CSIS.

Andrew Schwartz: Thanks for listening. For more on strategy and the Asia programs work visit the CSIS website at [csis.org](http://csis.org) and click on the Asia program page.

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