

Moving to Austerity:  
Weathering the  
Approaching Fiscal Storm





George Washington's March to Valley Forge  
December 11, 1777

William Trego, 1883



# 2012 Strategic Pivot to Asia-Pacific

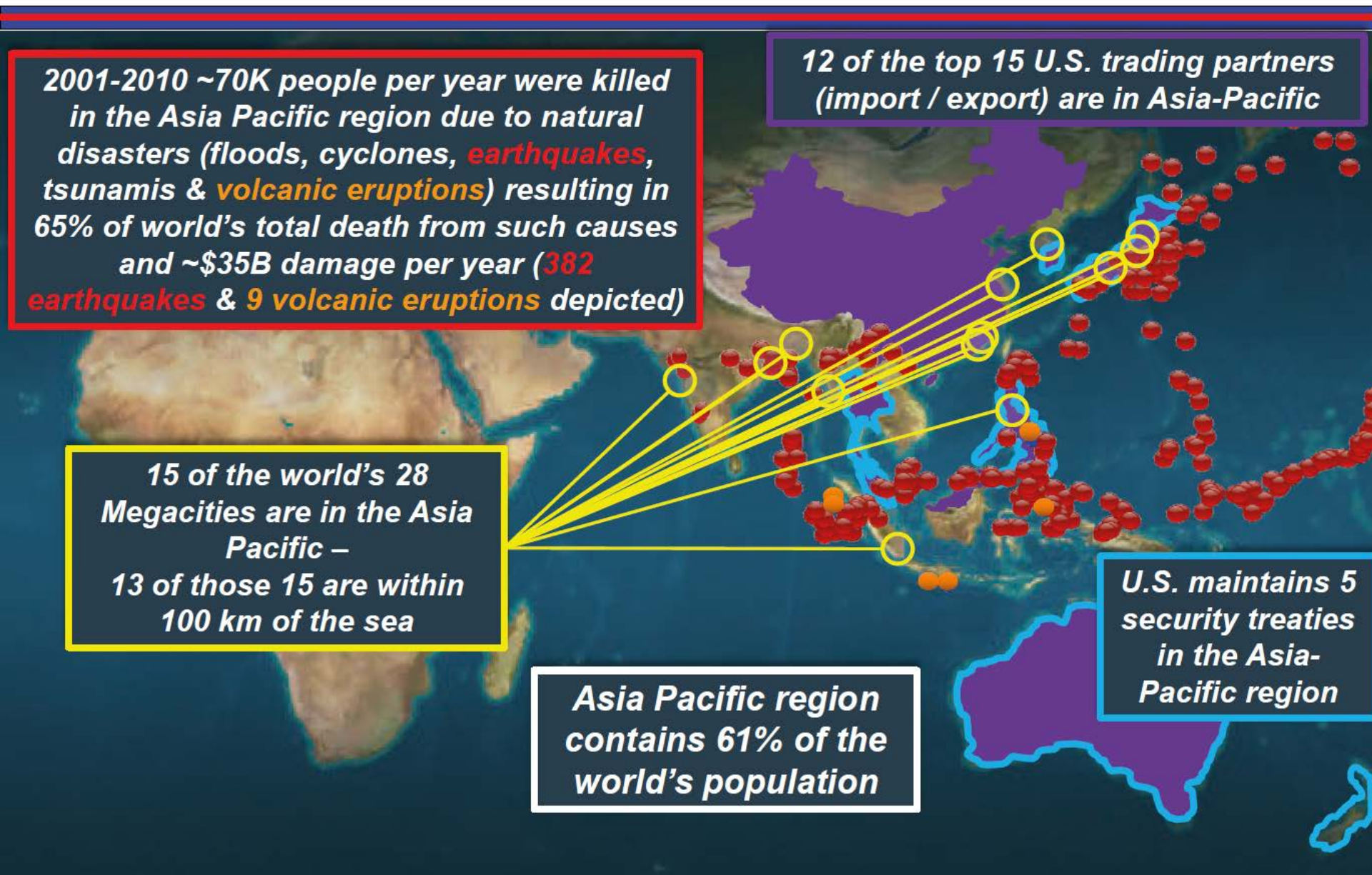
2001-2010 ~70K people per year were killed in the Asia Pacific region due to natural disasters (floods, cyclones, **earthquakes**, tsunamis & **volcanic eruptions**) resulting in 65% of world's total death from such causes and ~\$35B damage per year (**382 earthquakes** & **9 volcanic eruptions** depicted)

12 of the top 15 U.S. trading partners (import / export) are in Asia-Pacific

15 of the world's 28 Megacities are in the Asia Pacific –  
13 of those 15 are within 100 km of the sea

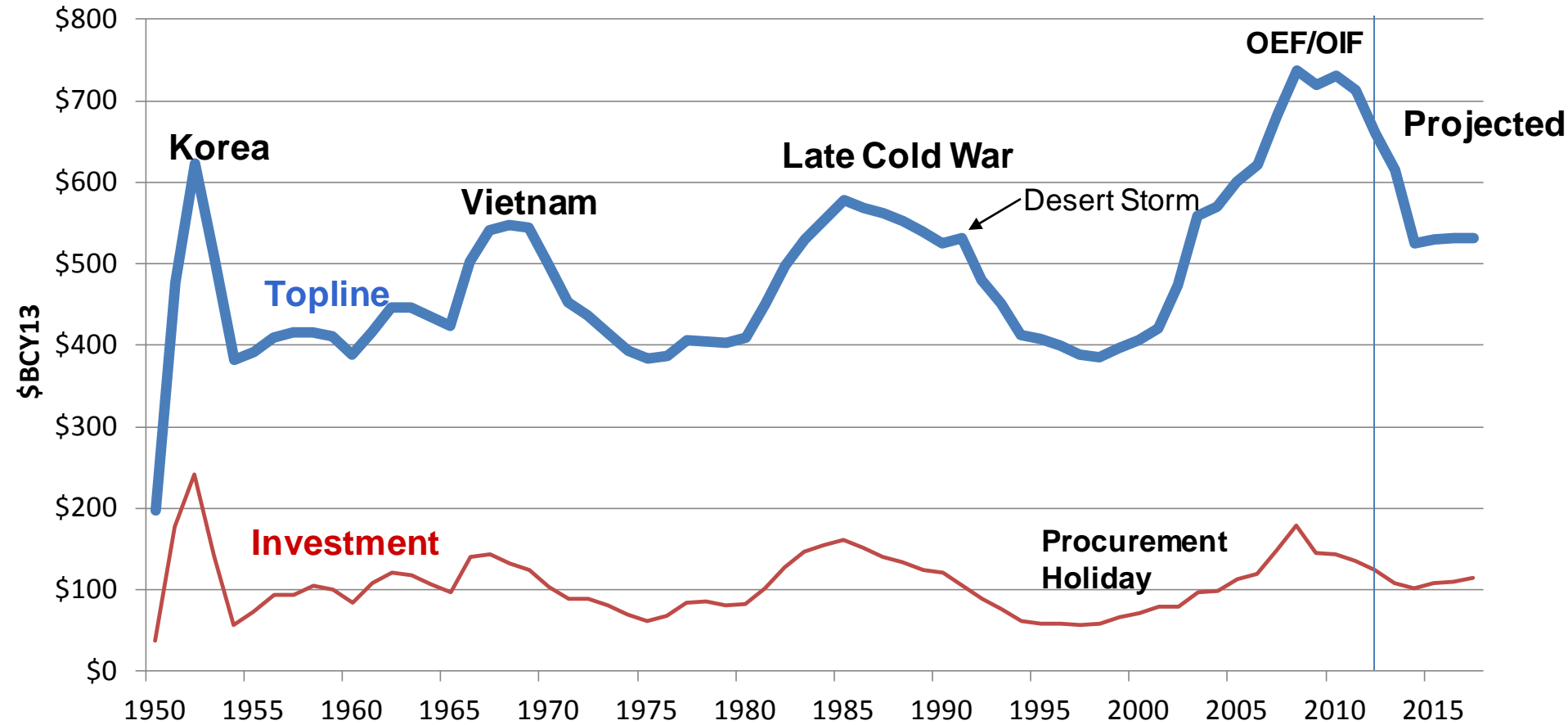
Asia Pacific region contains 61% of the world's population

U.S. maintains 5 security treaties in the Asia-Pacific region



# DoD Spending

Includes OCO

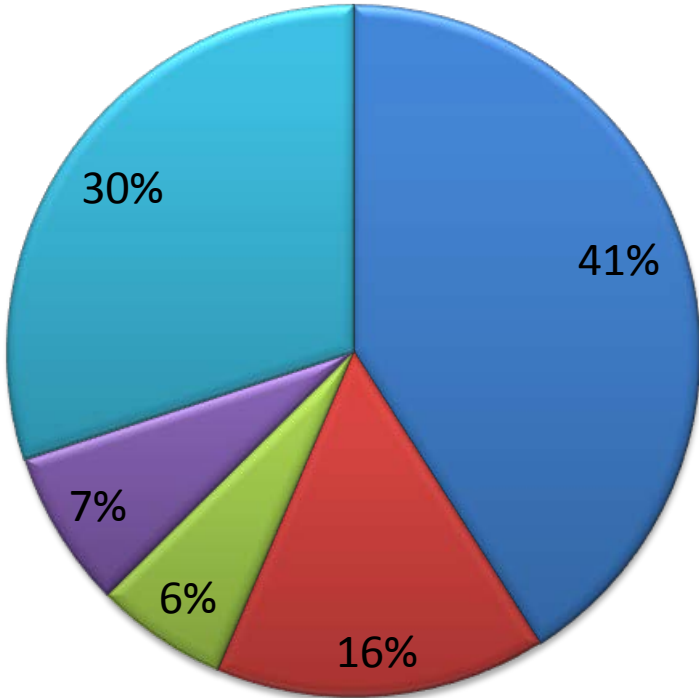


Troughs always follow buildups

# Composition of Federal Spending (% of Total Spending)

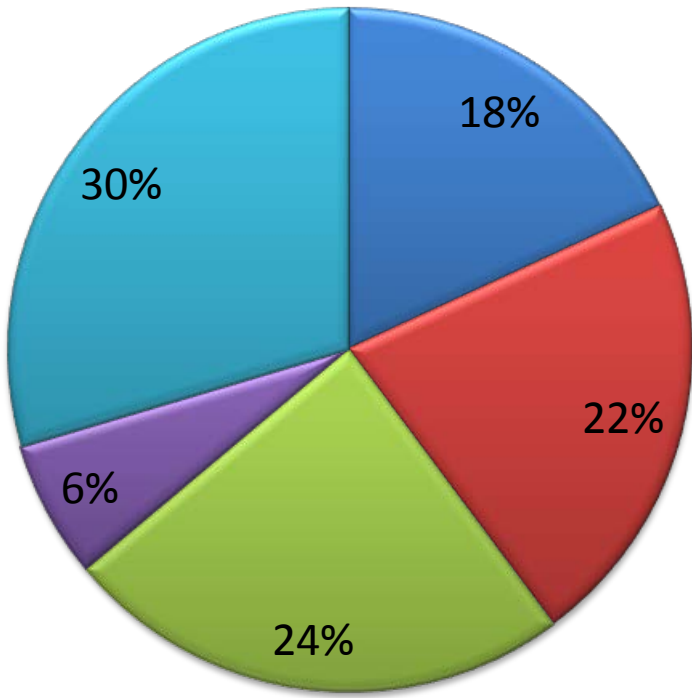
- Department of Defense
- Social Security
- Medicare and Medicaid
- Interest
- All Other Programs

**1970**



**Total Spending 1970:**  
\$972 Billion (Constant 2013 Dollars)

**2013**



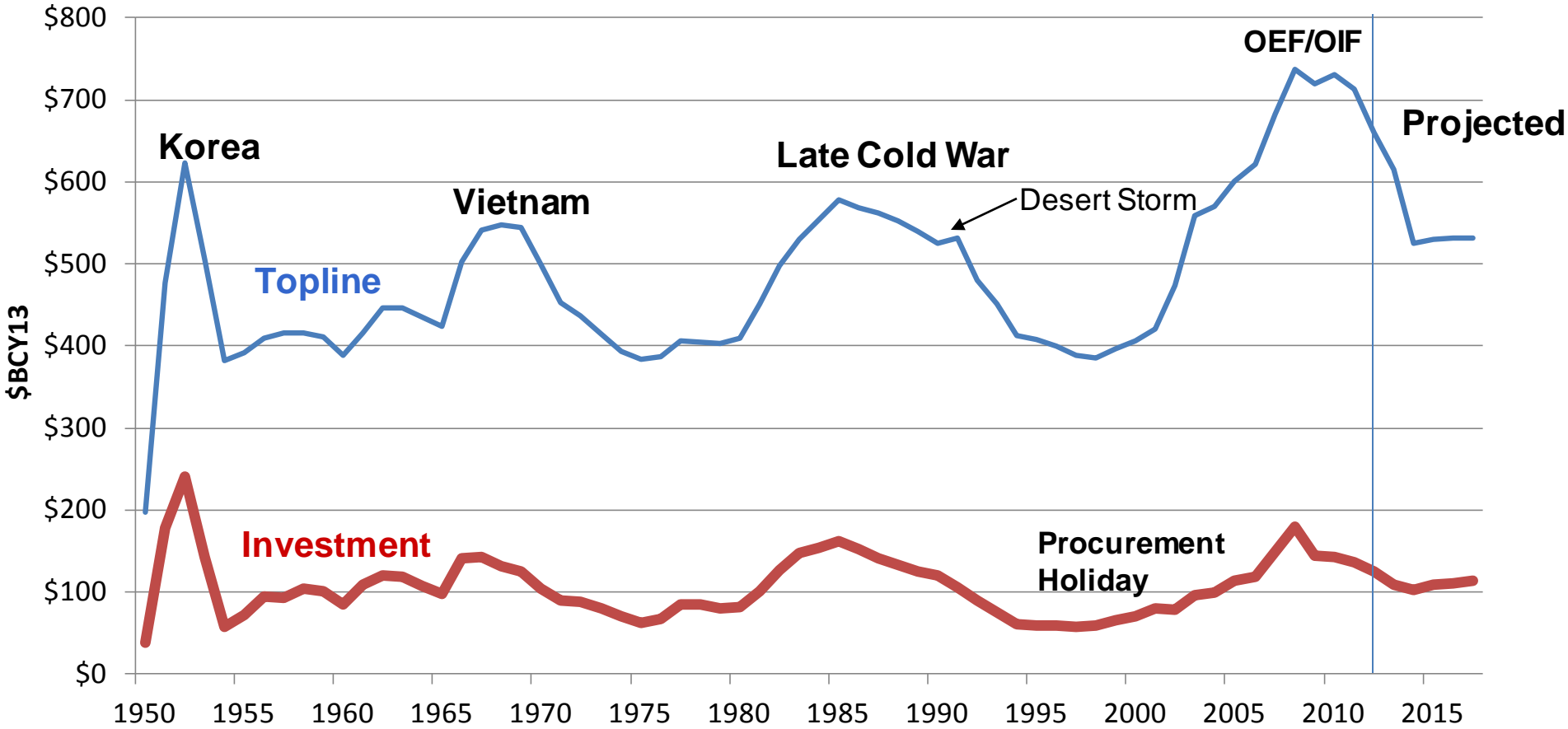
**Total Spending 2013 (estimated):**  
\$3.7 Trillion (Constant 2013 Dollars)

Source: Office of Management and Budget



# DoD Spending

Includes OCO





**“Follow Me”**





KC-130J "Harvest Hawk"





