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Some thoughts on the military budget in light of the pandemic

Short talk to the San Francisco Bay Area Poor People's Campaign Moral Budget reading group, March 28, 2020, by Andrew Lichterman, Western States Legal Foundation

The changes wrought by the pandemic and the sudden economic contraction it has caused are likely to have profound long-term effects on global economics and politics. For people who work on peace and disarmament issues, this will affect the substance of our work. It may increase war risk, heighten authoritarianism, and lead to the emergence of movements both on the left and the right.

It's too early in this crisis to say much about how things are likely to go. So what I want to do is throw out some facts and ideas that might help us loosen up our thinking a bit about the military budget issues we are focused on here today.

Right now, very large political decisions are being made quickly that will shape the future of the U.S. and global economy. The last time this happened was the financial crisis of 2008-9. The choices made then for the most part sustained and even deepened economic inequality, and further entrenched the very large banks and other corporations that dominate our economy and our politics.

So we should be thinking about the big picture—and asking big questions. What is driving immense US military budgets and a renewed arms race? What do we have a vast, high tech military for? Whose interests does it protect? How do we move away from high tech arms racing and a militarized society to something better? What do we have nuclear weapons for, and whose interests do they serve? Who is willing to risk the annihilation of the population to defend the existing order of things?

This moment already has provided some clarity about who is willing to risk the lives of the population to preserve the status quo. We have seen pressure from the President and influential elements in the business world to end social distancing measures, a decision that would let hundreds of thousands of more people die to preserve balance sheets and investment portfolios. And in epidemics it always is the least fortunate, those already vulnerable due to ill health, homelessness, or lack of access to quality medical care who die in the greatest numbers.

In regard to the military spending issues, there is another thing that has become more clear. The problem of immense US military spending isn't a question of "guns vs. butter." It's a question of justice and real human security. In the wealthiest country in the world, the possibilities never really have been limited to what could be traded off in annual battles over how much of the discretionary portion of the Federal budget should go to the military and how much to civilian programs. In a period like the last 30 years it could seem that way, though, due to the

absence of social movements raising questions about the fundamental structures of the economy. That's why the Poor People's Campaign is so important—it was raising these kinds of questions even before this sudden crisis brought them more sharply into focus.

And even before this crisis it was clear that it wasn't about choosing guns or butter, but about what kind of a society we want to have. A few examples: A very modest financial transactions tax, sufficiently mainstream to have been included in a Congressional Budget Office list of revenue options, would raise more than \$70 billion per year—more than the estimated annual cost of maintaining and modernizing the U.S. nuclear arsenal.¹ The Trump tax cuts were a political choice that resulted in an annual loss of revenue estimated at \$275 billion—over a third of the military budget.² Restructuring the health care system so that its share of GDP is close to that of other wealthy countries could free up close to a trillion dollars annually, equal to the more expansive estimates of total military-related spending.³ And those countries also do a better job of making healthcare accessible to all.

Finally, a right-wing President and Senate just agreed to a two trillion-dollar emergency economic package. A lot of that was to bail out big business. But a lot also was needed to prevent rapid economic collapse by partially compensating for a threadbare so-called social safety net and for an economy that leaves a majority of the population without savings or decent health care if they lose their jobs. Those at the top are being forced to learn once again that if most people have no money to spend there is no “economy.” I would note that no one said a word about needing to cut the military budget to pay for the bailout.

What does all of this suggest? We have to look elsewhere than “guns vs butter” themes for arguments about why to cut the military budget. We shouldn't have to wait for cuts in military spending to get more economic justice. But also, if we want to cut military spending and stop a new arms race, we must confront the causes of militarism and war.

We need to do more to understand the role of the military-industrial complex today. Military spending as a percentage of the U.S. economy reached its peak in the 1950s and 1960s. The general trend since then has been downward. Today's military spending in absolute numbers is immense, but as a share of the economy it is well below Cold War peaks. There are also fewer domestic military bases, and fewer communities dependent on them. These factors make military spending a less useful tool for economic management. They also suggest that the military and the arms makers should have diminished influence in a money-driven political system.

So we must consider other factors that might be driving today's increasing military budgets and arms racing. We have to understand what those military forces are for, and whose interest they truly serve. We must consider whether we are moving into a moment like the first half of the 20th century, in which competition for markets and resources is driving a rising risk of war, this time among nuclear-armed countries. And once more, as then, the risk of war is intertwined with the rise of authoritarian blood and soil nationalisms, which always have been associated with militarism.

Another common theme among people arguing for military cuts is conversion—taking weapons factories and research laboratories and their workers and turning them to civilian

pursuits. This is a complex issue, but here are a few things to think about. The track record of conversion in the post-Cold War period has been poor. There were few successes either in the United States or the East bloc countries. There are a lot of reasons for this, some tied to the fact that the institutional strategies that have entrenched military industrial complexes and made them so lucrative also make them hard to convert. Conversion often is advanced in military-dependent communities by peace activists as a way to talk about cutting the military budget—but seldom with any success. This may be in part because people in the arms industry, and particularly in aerospace, make on average almost twice as much as the average U.S. worker.⁴

We have to be honest with arms workers when we ask them to give up secure, well-paying jobs in a job market that for most people today is highly competitive and insecure. Many likely would prefer to be doing something other than manufacturing the machinery of annihilation. Perhaps instead of talking about conversion we should start the conversation by asking: Why is it that you can't choose work that contributes to a more peaceful and ecologically sustainable world without risking your family's economic future? That's a starting point for the discussion we need— about how they can, if we move towards an economy that makes decent housing, health care, education, and an ecologically sustainable society a reality for all of us.

Notes

¹ Congressional Budget Office, “Impose a Tax on Financial Transactions,” Options for Reducing the Deficit: 2017 to 2026, Revenues Option 41, December 8, 2016, <https://www.cbo.gov/budget-options/2016/52287>. The CBO estimate is based on a financial transactions tax of .1 percent of security value. The \$70 billion per year revenue estimate is conservative; the CBO estimates that it would take several years of market adjustment for revenues from the tax to stabilize at around \$100 billion or more per annually.

“If carried out, the plans for nuclear forces delineated in the Department of Defense’s (DoD’s) and the Department of Energy’s (DOE’s) fiscal year 2019 budget requests would cost a total of \$494 billion over the 2019–2028 period, for an average of just under \$50 billion a year, CBO estimates.” Congressional Budget Office, “Projected Costs of U.S. Nuclear Forces, 2019 to 2028,” January, 2019, p.1.

² see William G. Gale and Aaron Krupkin, “Did the Tax Cuts and Jobs Act Pay for Itself in 2018?” Tax Policy Center, *Tax Vox*, March 13, 2019 <https://www.taxpolicycenter.org/taxvox/did-tax-cuts-and-jobs-act-pay-itself-2018>

³ The United States devotes about 17% of GDP to health care spending, Germany 11.3%, France 11.5%, and Canada 10.4%. World Bank Data, Table, Health expenditure, total (% of GDP), derived from World Health Organization Global Health Expenditure database, <https://data.worldbank.org/indicator/SH.XPD.TOTL.ZS> accessed February 1, 2018. U.S. GDP is about \$19.7 Trillion. A reduction of 5% of GDP in U.S. health care spending—still leaving levels of expenditure above that of comparable countries—would reduce health care spending by about \$985 billion. This is comparable to the more inclusive accounts of U.S. military spending; see, e.g., William Hartung, “A Guide to Trump’s \$1 Trillion Defense Bill,” *The Nation*, July 25, 2017.

⁴ see Deloitte Development LLC, “The Aerospace and Defense Industry in the U.S. — A financial and economic impact study,” March 2012, p.15.